

AFRICA NOW
(A Company limited by guarantee)
ANNUAL REPORT & FINANCIAL STATEMENTS
31 MARCH 2008

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Registered in England No: 01558579

A Registered Charity No: 283024



AFRICA NOW
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 283024

Company number: 1558759

Trustees: P Angell
M Davis
J Granville
W Gray
N Hall
C Purdy
R Slade

Director: U Kar

Auditors: Critchleys
Greyfriars Court
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AFRICA NOW
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

The trustees present their Report and the financial statements for the year ended 31st March 2008.

Overview

Africa Now is an international non-governmental, non-political, non-religious organisation created as a charitable legal entity in the UK. It is a company limited by guarantee, and not having a share capital. It was registered as a charity with the Charity Commission on 28th April 1981. Members of the Board of Trustees are the Directors of the company.

The company is registered in England No. 1558579. It is governed by its Memorandum and Articles of Association. The company is a registered charity No. 283024.

Africa Now is governed by its Memorandum & Articles of Association.

Structure, Governance and Management

Africa Now holds an annual AGM at which new Trustees may be voted in and those whose term has come to an end resign and can stand for re-election. Any person of 18 years of age and over is eligible to apply to be a Trustee of Africa Now, however it is generally accepted that candidates shall be co-opted by either an Africa Now Trustee or a member of Africa Now's senior staff. New Trustees with the necessary skills to contribute to the charity's management and development are nominated by members of the Board of Trustees, interviewed by a panel, invited to observe one or more Board meetings and appointed by a resolution taken by the Trustees.

Africa Now's Board of Trustees meet for regular sessions on a quarterly basis. The Board administers the charity and the Executive Director is appointed by the Trustees to manage the day to day operations of the charity, reporting on the performance against the strategic plans approved by the Trustees.

When new Trustees are appointed they are given an introduction to the work of the Charity and provided with the information they need to fulfill their roles, which includes information about the role of trustees and charity law. All Trustees are expected to familiarise themselves with the work of Africa Now and be willing to visit Africa Now's international offices to see at first hand the activities of the organisation and meet the personnel involved.

All the Trustees are non executive in the sense that they are unpaid, voluntary roles. They are also without executive or management responsibilities, with the following exceptions:

Chair

The Chairman of the Council shall be elected every two years, and each member of the Council may serve in the position of Chairman of the Council for a maximum of three consecutive terms of two years. Any member of the Council who is a former Chairman of the Council may offer themselves for election as the Chairman of the Council provided that such member of the Council has been out of the office for a period of one year or more.

Vice Chair

The Chair may choose to appoint one or more Trustees to represent him / her and this can be on an ad hoc or ongoing basis. If the latter, the appointee should be approved by the rest of the Board.

Treasurer

Appointed by the Chair, in line with the wishes of the Board, the Treasurer is a member of the Board with specific financial and accounting skills who can independently advise the board on all financial matters and who can work in conjunction with the Executive Director when appraising finance based issues such as the budget, fundraising and development projects. The position would be elected annually.

AFRICA NOW
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

Termination

In the event that it is no longer considered appropriate for a Trustee to remain on the Board of Africa Now the decision to terminate will be tabled, and if necessary voted on, at a Trustees meeting.

Risk review

The Trustees regularly undertake an overall assessment of the risks affecting the Charity and its activities, estimate the magnitude of those risks and make decisions on their optimal and most cost-effective management. A Risk Register has been maintained allowing the organization to carry out actions to minimize disruptions to the implementation of plans and strategies which could be caused by various risks, as well as examine impact of those actions.

Objectives and Activities

The Memorandum of Association defines the charity's objectives as follows:

The objects for which the Association is established are to improve the livelihoods and develop the capacity and skills of socially and economically disadvantaged communities in Africa in such a way that they are better able to identify, and help meet, their needs and participate more fully in society. *[Amendment approved by AGM held on 20th November, 2007]*

The work of the Charity is focused upon the reduction of poverty in Africa by promoting entrepreneurship and linking people to sustainable markets and ethical supply chains. This is achieved through: (a) enterprise development; (b) facilitating access to sustainable markets and / or credit; (c) supporting African producers to understand and gain access to local, regional and international markets through training and advice; and (d) working with companies in their efforts to bring ethics and integrity to supply chains through the provision of ethical business services.

Overview of activities in Financial Year 2007- 2008

2007/08 was a challenging year for Africa Now. Following a rapid growth in activities over the previous two years, taking advantage of the increase in demand for products produced by smallholders and small businesses and the mounting interest in ethical trade, the emphasis in this financial year was on consolidation. In the event, there was an unintended slowdown in activities - and a fall in turnover of over 10% - as a result of external factors. Post-election violence had a serious impact on Africa Now's current main area of operation, Kenya. The continuing struggle in Zimbabwe inhibited operations throughout the year. Flooding in Zambia and the impact of rising fuel and food prices on people's daily live added to the challenges faced.

These political, economic and social challenges put pressure on Africa Now's finances as did the expanding demand for its services and worldwide increases in costs. In these circumstances, it is unsurprising that there was a reduction in reserves.

Despite all these challenges, it is clear that Africa Now's innovative programmes have provided a vital lifeline for thousands of farmers to cope with mounting costs of feeding their families, or dealing with loss of earnings from harvests disrupted by violence. As the detailed programme descriptions following demonstrate, Africa Now's success lies in listening to the practical needs of communities and finding ways of meeting those needs through enterprise development and through working alongside local partners who complement its approach with specific expertise. At the same time, Africa Now's positive approach to working with the corporate sector enables it to look at programmes more broadly, matching the needs of big businesses with those of the small producer.

It is a reflection on all those associated with Africa Now that its work was honoured with the 2007 Charity Award for International Aid and Development. The award is a memorable achievement for all the team, and recognition of the commitment and dedication of each and every person participating in Africa Now's programmes. Moreover, it is an expression, in some sense, of the enormous gratitude felt by Africa Now and its beneficiaries to all the charity's donors and supporters. Without their generous support, Africa Now would not be able to mount such worthwhile, innovative and effective programmes.

AFRICA NOW
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

Achievements and Performance

In addition to the achievements and performance of the projects detailed below, key points to note during the 2007-2008 period include:

- Working alongside an ethical coffee company, Africa Now developed its first project in Rwanda
- Ethical Business Services expanded operations across 17 countries in Africa. In November 2007, 50 distinguished representatives from Kenya's export sector attended a seminar, hosted by Africa Now in Nairobi, to discuss some of the continent's most pressing challenges for ethical trade.
- Africa Now continued to implement the Zimbabwe country programme in spite of mounting operational challenges
- Programmes in Zambia doubled in size
- Throughout the post election unrest in Kenya, the security of our staff remained paramount and we are pleased to report that all of our Kenyan colleagues were unharmed.

Kenya

Through our largest country programme, Africa Now is supporting over 70,000 people with opportunities in enterprise and ethical trade. It has been a challenging year, and following the disputed election result of December 2007, unrest in Kenya severely affected many of our programmes in Kisumu, Suba, Busia and Naivasha. By the end of this reporting period, Africa Now had resumed all activities, whilst working alongside other agencies to ensure that the most immediate needs of the communities with whom we work were being met.

Commercial Beekeeping for Young Entrepreneurs

Supported by the UK based organisation, Teach-A-Man-To-Fish, Africa Now began this pilot beekeeping programme in March 2007 to give school children valuable skills in business and environmental management that they can use in later life. Beekeeping also provides schools with a valuable supplementary income, and the approach has proved popular as hives require very little land and only minimal upkeep. The money earned from the sale of honey buys textbooks and desks for the classroom. In addition, the skills learnt at school are taken and home and used to enable vulnerable rural households to earn additional income to help make ends meet and plan for the future. Through classroom committees, that have been set up to manage the beekeeping activities, students also develop important leadership and team working skills. To date, the two schools involved in the pilot have been able to purchase basic reading materials and equipment, and one group of school leavers has even started a youth group in the village to share their beekeeping skills with the local community.

Improvement of Smallholder Dairy Farming, Kenya

Replicating the successful approach to dairy farming through its programme in Zimbabwe, Africa Now started this project in March 2007 with funding from the Commonwealth Secretariat. Working with 1,500 small-scale livestock farmers, Africa Now provides technical support, enterprise skills and access to the national dairy market. During this reporting period, Africa Now produced a training guide on livestock farming to increase awareness of animal husbandry techniques, disease control, and environmental management. Africa Now also assists farmers to diversify their livestock through dairy goat rearing and poultry production. Household milk production has increased on average from 1.5 to 4 litres. To improve milk yields further still, seeds have been disbursed to establish fodder plots for the next season which will provide nutritious grazing material for their herds. There is now high demand to replicate this project in other areas.

Rich Fisheries, Poor Fisher-folk

This four year project partly funded by the European Union, began in 2006 and improves the self-sufficiency of fisherfolk on Lake Victoria, who despite opportunities to earn a decent living from the lake, remain among the poorest communities in Kenya. Vulnerable fisherfolk do not have direct access to the market, and without cold storage to keep their fish fresh are forced to accept low prices.

AFRICA NOW

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

In the second year of this initiative, the project is already benefiting over 5,000 marginalised fisherfolk, through building their capacity to negotiate a better deal for their catch. Africa Now also works with local partners to improve the financial and organisational skills of fishing co-operatives, helping these groups to lobby the government for more favourable policies and to negotiate improved prices with large fishing companies. Linking fisherfolk directly with the market, as well as giving them the means to purchase affordable fishing gear and ice to keep fish fresh for longer, will improve incomes by over 100%. Over-fishing also threatens the livelihoods of these communities. Africa Now is working on a scheme of leasing legal sized nets to promote the sustainability of the lake's natural resources.

Encouraging smallholder involvement in export floriculture

Floriculture is one of the main export crops for Kenya. However, the sector is dominated by large investors, both foreign and national. Kenyan smallholders find it difficult to take advantage of the possible market opportunities because of high start-up costs, inadequate access to finance, and limited or no technical knowledge. Africa Now working to change this. During the second year of this three year project funded by the Dutch Government, Africa Now worked with 340 farmers, linking a total of 8 farmer groups directly with exporters. This has led to as much as a tenfold improvement in household income from the sale of summer flowers. Africa Now is training the farmer groups in leadership and management skills to enable them to negotiate a better deal for their members. Africa Now is also working with smallholders to increase farmer capacity in producing quality cut flowers. As a direct result of this work, 233,755 stems of different flower types were sold to the export market, earning Ksh 560,966 (£4,300) for the farmers and their families.

Fresh Fruit Processing

Small-scale fruit farming is an important economic activity in western Kenya. However, approximately 60% of all fruit produced in the region goes to waste as farmers cannot readily access the fresh fruit market. One kilo of dried fruit, however, is worth three times as much as fresh fruit in local markets. With funding from the Mandeleo Agricultural Technology Fund, this exciting new project to assist 600 farmers produce and sell dried fruit began in March 2008. Africa Now's partner, Honey Care Africa, has agreed to buy the dried fruit at a fixed, fair price to sell in Kenyan supermarkets. The project will also link households to village based banks to enable farmers to save some of their income which can then be used to pay for school fees and medical expenses, and to provide a safety net for the future.

Community Water and Sanitation

This five year project funded by the Big Lottery Fund, began in 2006 to establish local enterprises to improve the availability of safe drinking water and sanitation for communities in Nyanza and Western Provinces. The project trains school leavers who do not have the funds to continue their education, providing them with skills to earn a decent living. In the second year of activities, 324 youths have also been involved in establishing commercial tree nurseries and in the process have acquired new skills in enterprise development. These young people are able to earn a regular income to provide basic support to their immediate and extended families. In addition, two women-only artisan groups were formed last year, the Akimawa Women Group and the River Pool Women Group. They have become an inspiration to other young women, and through their improved confidence and specialised skills, these women are gaining a lot of respect amongst their male counterparts.

Unfortunately, project implementation was disrupted at the beginning of 2008 by the post election violence. Activities were being resumed at the end of this reporting period, however, pressure on water availability and sanitation facilities had grown significantly owing to large numbers of people forced back to their ancestral homes, increasing the average household size from five to eight.

Zimbabwe

With inflation the highest in the world and severe shortages of basic commodities, millions of people throughout Zimbabwe are struggling to survive. Recent reports indicate that 80% of the population now live in poverty. In spite of these extremely challenging conditions, Africa Now's programme in Zimbabwe is making a significant positive impact on the lives of over 1,600 rural households, enabling them to earn additional income to provide for their families with essentials such as food and fuel.

AFRICA NOW
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

Increasing Income Opportunities for Small-Scale Dairy Farmers, Zimbabwe

Dairy farming offers an opportunity for vulnerable small-scale farmers to increase their household incomes, improve their access to a nutritious diet, and future security of their livelihoods. Through the generosity of our donors, Africa Now has been able to maintain its commitment to these rural communities by working through our local partners. In the final year of this EU funded project, increased milk yields have provided families with a valuable source of nutrition and has improved earnings by over 50%. We have worked with over 1,400 farmers to provide training on livestock health issues and improved fodder production. This support has helped to increase milk yields and improve the general health of each herd, making lasting improvements for these hard working communities.

Sustainably Harvesting Devil's Claw

Devil's Claw is a medicinal plant found in the Kalahari sands of Southern Africa. It has many different uses and is popular across Europe and North America as an analgesic and anti inflammatory treatment. Working with our local partner, the Africa Centre for Holistic Management based in Victoria Falls, Zimbabwe, 260 rural Zimbabwean households have begun harvesting Devil's Claw for sale to generate additional income. Such an opportunity offers a valuable lifeline to households during the crucial 'hunger gap' period after one crop has been harvested but before the next one has grown. This project, implemented over a two year period, provides vulnerable rural communities with new way to earn a living. With the extra money earned, families have been able to invest in livestock, purchase food and cooking fuel, buy seeds and pay for school fees.

Zambia

Africa Now's most recently established programme in one of Africa's poorest countries supports small-scale farmers so that they can earn a decent living from their land in the face of increasing global food prices and pressure on their natural environment.

Elephants and Chillies, Zambia

In partnership with the Elephant Pepper Development Trust, a local development organisation, this three year project is working with 400 farming households to grow chillies for sale to a buyer at a guaranteed fair price. Chilli growing works especially well for farmers in this region as it keeps elephants from destroying their other crops. Elephants hate chilli, it makes them sneeze. In the first year of the project, farmers have harvested an average of 240 kg, earning households an additional £100 alongside the income gained from more traditional crops such as millet and maize. This extra income has enabled families to get through a very difficult year, in which flooding at the beginning of 2008 destroyed harvests across southern Zambia, leaving only the hardest of crops – including chillies – to sell in order to cover their basic needs.

New Beginnings

Africa Now is at the forefront of developing opportunities which bridge the gap between big business and small-scale producers to alleviate poverty across the continent, and brings together partners from the public and private sectors to establish these new initiatives below.

Improving Income for Smallholder Coffee Farmers, Rwanda

In recent years, farming communities in the Maraba and Gashonga districts have seen some improvements to their lives as a result of producing high-quality ethical coffee. However, these improvements are now being threatened by declining soil fertility, difficulty in maintaining quality standards, and an over-dependency on coffee production. Africa Now began working with the UK specialty coffee company Union Hand Roasted in early 2008 to support over 2,400 Rwandan farmers with initiatives to address these threats, and develop new income-generating activities for a more secure livelihood.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

High Value and Organic Vegetable Production, Zambia

With funding from the EU, this exciting new three year project started in February 2008. Africa Now and local partners are working alongside 400 disadvantaged rural households in Southern Zambia to produce a wide range of high-value and organic vegetables for a growing local market. Currently, many farmers produce the same vegetables at the same time, pushing prices down and earning them an insufficient income to provide for their families' basic needs. This project will help turn the situation around and ensure that hardworking Zambians receive a decent return for their hard work.

Export Trade from Kenya – Enabling the poor to share the fruits

This three year project which started in March 2008 is helping 5,000 small-scale farmers in Kenya benefit from the growing international market for ethically produced fruit and vegetables. It will enable farmers to understand and meet the different codes and standards that govern Fairtrade products, whilst linking them directly with buyers so they are better able to benefit from higher prices.

Ethical Business Services - *making trade fair with Africa*

Africa Now's Ethical Business Services (EBS) unit offers pan African services in training, capacity building, and ethical auditing for major, international retailers and helps small-holders gain access to international markets. Owing to a lack of well trained in-country social auditors, the high cost of African airfares and the need for more auditors speaking local languages, companies wishing to become more ethical in sourcing goods from Africa often find it very difficult to understand how workers are treated in their farms and factories. Africa Now's practical approach to social auditing bridges the gap between big business and local producers, providing help and guidance to improve labour standards. The fees generated from Africa Now's Ethical Business Services are used to support our development activities in Kenya, Zimbabwe, Zambia and Rwanda.

Awareness of our services continues to grow in the UK, Europe the USA, and across Africa. In November 2007, the official launch in Nairobi of EBS was attended by representatives from a wide variety of sectors. Speakers included the British High Commissioner and Permanent Secretary in the Kenyan Ministry of Labour. Marks and Spencer have recently approved Africa Now as their preferred auditor in Kenya, Morocco and South Africa. Africa Now has also been recognised as an audit body for Tesco in 12 African countries. Owing to the increased demand for our work, teams in Ethiopia, Nigeria, Ghana, Zambia, Madagascar, Mauritius, Mali, Malawi, South Africa, Kenya and Egypt have received training on a range of international and industry specific codes and standards. In this reporting period, our first Country Coordinator was recruited in Egypt, significantly increasing our capacity to improve labour standards throughout Africa.

Our Services

Local People, Local Solutions

Africa Now employs local expertise in all of the countries in which it operates. This ensures that all recommendations that are made to suppliers take into account the local context, including labour laws and working practices. Our extensive pan-African network means that we are able to carry out ethical audits, and other services, in 17 countries reaching from Egypt, Morocco and Tunisia in North Africa, down to Lesotho, Swaziland and South Africa. We also now have EBS teams in Mauritius and Madagascar.

Ethical Audits

An ethical audit makes an assessment of factors such; as how a company treats its workers, and how it ensures high standards of health and safety, including a remediation plan to correct any unfair labour practices. This approach goes beyond the common 'tick-box' methodology and involves talking directly to the workforce to get a full picture of standards in a factory or farm. Using a variety of techniques, from small focus groups to role plays, people without high levels of literacy can freely explain their working conditions, and feel confident to expose bad practices without fear of reprisal.

AFRICA NOW
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

Africa Now is approved to carry out audits against a range of ethical standards, including the Ethical Trading Initiative (ETI) Base Code, Starbuck's C.A.F.E. practices and other individual company codes. Over the past two years we have undertaken over 200 ethical audits across 17 African countries in a variety of sectors including textiles, horticulture, floriculture, tea, coffee and cocoa production. In the past two years Africa Now has worked with companies such as Tesco, Waitrose, Marks & Spencer, Sears, Diageo, Cadbury's, Starbucks and Hallmark.

Small-scale Producer Assessments

In many African countries, small, independent producers form a key part of export supply chains. However, applying the same codes of practice which govern large factories and plantations to smallholders is not a straightforward or simple process. Africa Now is able to use its extensive experience linking small-scale farmers to markets to help bridge that gap and enable individual farmers to benefit from international trade. These assessments aim to establish the characteristics, needs and priorities of the small-scale producers and their workers, whilst making recommendations for further support. As an example of this work, an EBS assessment of coffee farmers carried out in Rwanda in 2006 has now developed into a more comprehensive programme improving the benefits of high value coffee production for small producers and the wider community.

Capacity Building and Remediation

The ethical audits conducted by Africa Now do not provide a "pass or fail" result, but instead aim to actively engage with suppliers in understanding the root causes of any issues identified by the audit. Together with worker representatives and management, the EBS team develop a practical action plan and spend time giving advice and discussing concerns and ideas rather than policing them. We also undertake tailor made capacity building programmes to enable companies to understand and comply with the codes of practice governing ethical trade. We offer training in ethical trade awareness, basic systems for ethical trade, health and safety, supervisory skills, audit procedures and policy and procedures.

Training on Fairtrade Certification and Premium Committees

When a Fairtrade labelled product is sold in Europe, part of the price paid by the consumer ensures that the farmer has received a fair price for their crop, with the remainder funding projects that benefit the wider community, such as the construction of health clinics, boreholes for drawing water, and testing centres to reduce the impact of HIV/AIDS. Africa Now has developed a training course for the Producer Committees who are responsible for deciding how the premium payment received will be used. Africa Now also works with smallholders to meet Fairtrade certification standards, therefore extending the benefits of this growing market.

Financial Review

Africa Now managed to maintain the size of the organisation and its activities during the 2007-08 financial year. Turnover remained above the £1 million level. The growth strategy which has been implemented during the last few years required additional investments from reserves in the current financial year and as a result, a decrease of over £120,000 in the year has been reported. The main reasons for this are:

- a significant drop in voluntary income (donations and legacies, despite a rise in the costs of generating voluntary income)
- the costs of setting up and running new offices and programmes
- an increase in the costs of management and administration of our Kenya office
- unexpected payments that had to be made during the post-election disturbances in Kenya and Zimbabwe.

AFRICA NOW

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

Reserves policy

Africa Now seeks to maintain its unrestricted funds at a level sufficient to support the basic costs of running the organisation for a period of three months. As at 31 March 2008, the level of unrestricted funds not represented by fixed assets was approximately £55,700. Although, the current level of unrestricted funds falls short of three months expenditure, Africa Now is seeking opportunities to build up reserves towards the prudent amount recommended by the Charity Commission.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and 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 year which give a true and fair view of the state of affairs of the company and of the results of the company for that year. 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 presume that the charitable company will continue in business.

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 1985. 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 and other irregularities.

So far as the trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and

Each trustee has taken all steps that he ought to have taken as a director in order to make himself aware of relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board of Trustees on

15 January 2009

enmyan.....Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFRICA NOW

We have audited the financial statements of Africa Now for the year end 31 March 2008 which comprise of the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Trustees, who are also the directors of Africa Now for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Report is consistent with the financial statements.

In addition, we report to you if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Trustees' Report is consistent with the financial statements.

Oxford

30/11/2009.

Critchleys
Chartered Accountants
Registered Auditors

AFRICA NOW
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income	2	118,699	-	118,699	186,065
Investment income	3	5,393	1,835	7,228	5,421
Incoming resources from charitable activities	4	147,957	802,444	950,401	1,031,233
Other incoming resources		<u>265</u>	<u>-</u>	<u>265</u>	<u>21,102</u>
Total incoming resources		<u>272,314</u>	<u>804,279</u>	<u>1,076,593</u>	<u>1,243,821</u>
Resources Expended					
Cost of generating funds:					
Costs of generating voluntary income	5	76,726	-	76,726	34,678
Charitable activities	6	310,755	699,435	1,010,190	1,125,695
Governance costs	8	<u>5,760</u>	<u>-</u>	<u>5,760</u>	<u>4,172</u>
Total resources expended		<u>393,241</u>	<u>699,435</u>	<u>1,092,676</u>	<u>1,164,545</u>
Net Incoming/(Outgoing) resources for the year		(120,927)	104,844	(16,083)	79,276
Balance brought forward at 1 April 2007		<u>176,627</u>	<u>458,929</u>	<u>635,556</u>	<u>556,280</u>
Balance carried forward at 31 March 2008		<u>55,700</u>	<u>563,773</u>	<u>619,473</u>	<u>635,556</u>


All activities are continuing.

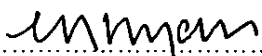
There are no recognised gains or losses other than the net movement in funds for the year.

AFRICA NOW
BALANCE SHEET
AS AT 31 MARCH 2008

	Note	£	2008 £	2007 £
Fixed assets				
Tangible assets	11		574	2,767
Current assets				
Debtors	12	279,997		600,667
Cash at bank and in hand		<u>495,005</u>		<u>234,002</u>
		775,002		834,669
Liabilities				
Amounts falling due within one year	13	(156,103)		(201,880)
Net current assets			<u>618,899</u>	<u>632,789</u>
Net assets			<u>619,473</u>	<u>635,556</u>
Funds				
Restricted	14		563,773	458,929
Unrestricted			<u>55,700</u>	<u>176,627</u>
Total charity funds			<u>619,473</u>	<u>635,556</u>

Approved and authorised for issue by the Committee of Management on

15
 January 2009


 Director

AFRICA NOW

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2008

1 **Accounting Policies**

The financial statements have been prepared in accordance with applicable UK Accounting Standards, the Companies Act 1985 and the Statement of Recommended Practice – Accounting and Reporting by Charities – issued in March 2005. The principal accounting policies adopted, which have been applied on a consistent basis, are described below.

(a) **Incoming Resources**

All income is treated as unrestricted income and is available for expenditure approved by the Trustees, unless the donor has specified the manner in which the donation is to be spent, in which case it is treated as restricted income.

Grants receivable are included in the financial statements in the year in which they are due.

Donations are credited to the Statement of Financial Activities in the year in which they are received.

Legacy income is credited to the Statement of Financial Activities when it is received or if, before receipt, it has become reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

(b) **Fixed assets and depreciation**

Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:-

Equipment	- 33% per annum on straight line basis
Fixtures and fittings	- 15% per annum on straight line basis
Computer equipment	- 33% per annum on straight line basis

The Charity holds a small number of fixed assets in Africa, principally motor vehicles. These assets are not capitalised as they are purchased for use on specific projects and, in the Charity's experience, they undergo a high level of wear and tear and often have a negligible resale value at the end of a project.

(c) **Foreign currencies**

- i) Transactions in foreign currencies are recorded at then rate of exchange ruling at the date of the transactions.
- ii) Foreign currency balances outstanding at the period-end are converted at the rate ruling at the balance sheet date.
- iii) All exchange differences are reflected in the Statement of Financial Activities.

(d) **Expenditure**

Expenditure, including staff costs, is included in the accounts on an accruals basis and includes any irrecoverable VAT. Where expenditure cannot be directly attributed to specific activities, it is apportioned on the basis of the estimated time spent by staff on those activities. Support costs are allocated to charitable activities in proportion to the costs of the activities undertaken directly.

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(e) **Fund accounting**

Restricted funds comprise unexpended balances of donations and grants held on trust to be applied for specific purposes.

Unrestricted funds comprise the accumulated funds which are available for use at the discretion of the directors in furtherance of the objectives of the Charity.

(f) **Pension costs**

The contributions paid by the Charity during the year have been reflected in the Statement of Financial Activities.

2	Voluntary income	2008 £	2007 £
	Donations	110,587	129,484
	Legacies	<u>8,112</u>	<u>56,581</u>
		<u>118,699</u>	<u>186,065</u>

3	Investment income	Unrestricted Funds £	Restricted funds £	Total funds 2008 £	Total funds 2007 £
	Bank Interest	<u>5,393</u>	<u>1,835</u>	<u>7,228</u>	<u>5,421</u>

4 Incoming Resources from Charitable Activities

	Unrestricted Funds £	Restricted funds £	Total funds 2008 £	Total funds 2007 £
Helping small scale businesses				
European Union	-	372,105	372,105	471,000
Dutch Government	-	68,251	68,251	70,111
Farm Africa	-	15,369	15,369	-
Lottery funding	-	130,629	130,629	121,385
Comic Relief	-	23,999	23,999	-
Commonwealth Secretariate	-	8,000	8,000	11,000
The Isle of Man Overseas Aid Committee	-	30,000	30,000	-
States of Guernsey Overseas Aid Commission	-	-	-	30,930
The Beatrice Laing Trust	-	10,000	10,000	-
Good Gifts (Charities Advisory Trust)	-	16,220	16,220	35,539
Clothworkers Foundation	-	-	-	20,000
The Rufford Maurice Laing Foundation	-	30,000	30,000	30,000
Charles Hayward Foundation	-	-	-	10,000
Oxfam	-	11,717	11,717	48,527
The Balcome Charitable Trust	-	15,000	15,000	-
Body Shop Foundation	-	20,000	20,000	-
Trusts and other grants & income	13,990	16,154	30,144	33,938
Promoting ethical international trade				
Ethical audit fees	133,967	-	133,967	98,803
Joffe Charitable Trust	-	30,000	30,000	30,000
Body Shop Foundation	-	-	-	15,000
The Zochonis Charitable Trust	-	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
	<u>147,957</u>	<u>802,444</u>	<u>950,401</u>	<u>1,031,233</u>

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**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008(CONTINUED)**

5	Costs of generating voluntary income	Unrestricted fund £	Restricted funds £	Total funds 2008 £	2007 £
	Direct mail and apportioned costs	<u>76,726</u>	<u>-</u>	<u>76,726</u>	<u>34,678</u>
6	Charitable activities	Activities undertaken directly £	Support costs £	Total 2008 £	Total 2007 £
	Activity				
	Helping small-scale business	836,449	96,609	933,058	1,048,201
	Promoting ethical international trade	<u>69,146</u>	<u>7,986</u>	<u>77,132</u>	<u>77,494</u>
		<u>905,595</u>	<u>104,595</u>	<u>1,010,190</u>	<u>1,125,695</u>
7	Support costs	Helping small-scale businesses £	Ethical international trade £	Total 2008 £	Total 2007 £
	Salaries	39,917	3,300	43,217	30,929
	Head office costs	<u>56,692</u>	<u>4,686</u>	<u>61,378</u>	<u>33,208</u>
		<u>96,609</u>	<u>7,986</u>	<u>104,595</u>	<u>64,137</u>
Support costs are allocated to charitable activities in proportion to the costs of activities undertaken directly.					
8	Governance costs			2008 £	2007 £
	Audit			5,500	4,119
	Trustee meetings			<u>260</u>	<u>53</u>
				<u>5,760</u>	<u>4,172</u>
9	Employee costs			2008 £	2007 £
	Staff costs include the following:				
	Wages and salaries			393,258	213,423
	Social security costs			16,921	12,064
	Pension costs			<u>10,572</u>	<u>18,444</u>
				<u>420,751</u>	<u>243,931</u>

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FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

9 Employee costs (continued)

The average number of persons employed during the year was as follows:

	2008 No.	2007 No.
Administration, fundraising and publicity	3	3
Charitable activities	<u>30</u>	<u>30</u>
	<u>33</u>	<u>33</u>

During the year £260 (2007: £53) was paid to R Slade as reimbursement of expenses for his services as a board member. No other remuneration or reimbursement of expenses was paid to the directors for their services as board members.

No employees' emoluments exceeded £60,000 in the year.

10 Pension costs

Africa Now participates in the Scottish Voluntary Sector Pension Scheme. The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 30 September 2007. From October 2007 there are two benefit structures available. These are final salary with a 1/60th accrual rate and final salary with an 1/80th accrual rate.

Africa Now has elected to operate the Final salary with a 1/60th accrual rate benefit structure for one active member.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Africa Now paid contributions at the rate of 12.0% for the period to 30 September 2007 and 16.7% thereafter. Member contributions were 6.0% for the period to 30 September 2007 and 6% thereafter.

At the balance sheet date there was one active member of the Scheme employed by Africa Now.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

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**NOTES TO THE ACCOUNTS
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10 Pension costs (continued)

The last formal valuation of the Scheme was performed as at 30 September 2005 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £33.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £6.7 million (equivalent to a past service funding level of 83%).

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2007. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £45.2 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £8 million, equivalent to a past service funding level of 85%. Annual funding updates of the SVSPS Scheme are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the scheme since the last full valuation.

The financial assumptions underlying the valuation as at 30 September 2005 were as follows:

	% pa
- Investment return pre retirement	6.10
- Investment return post retirement	4.80
- Rate of salary increases	4.00
- Rate of pension increases:	
for pensionable service pre 6 April 2005	2.50
for pensionable service post 5 April 2005	2.25
- Rate of price inflation	2.50

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary 1/60 th accrual rate	20.0% comprising employer contributions of 14.0% and member contributions of 6.0%

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

In view of the past service shortfall it was agreed that the joint contribution rates shown in the table below would be payable with effect from 1 October 2007.

Benefit structure	Joint contribution rate (% of pensionable salaries)
Final salary 1/60 th accrual rate	22.7% comprising employer contributions of 16.7% and member contributions of 6.0%

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an on-going funding basis, by 31 March 2022.

The next actuarial valuation will be carried out as at 30 September 2008.

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NOTES TO THE ACCOUNTS
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10 Pension costs (continued)

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Africa Now has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Scheme as at 30 September 2005. As of this date the estimated employer debt for Africa Now was £76,000.

11 Tangible assets

	Office Equipment £	Fixtures & Fittings £	Computer Hardware & Software £	Total £
Cost				
At 1 April 2007	5,388	650	14,225	20,263
Additions	-	-	-	-
At 31 March 2008	<u>5,388</u>	<u>650</u>	<u>14,225</u>	<u>20,263</u>
Depreciation				
At 1 April 2007	4,894	650	11,952	17,496
Charge for the year	<u>165</u>	<u>-</u>	<u>2,028</u>	<u>2,193</u>
At 31 March 2008	<u>5,059</u>	<u>650</u>	<u>13,980</u>	<u>19,689</u>
Net Book Value				
At 31 March 2008	<u>329</u>	<u>-</u>	<u>245</u>	<u>574</u>
At 31 March 2007	<u>494</u>	<u>-</u>	<u>2,273</u>	<u>2,767</u>

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**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)**

12 Debtors					2008 £	2007 £
Prepayments and Accrued Income					101,579	71,135
Grants receivable					175,194	527,396
Project Loans					<u>3,224</u>	<u>2,136</u>
					<u>279,997</u>	<u>600,667</u>
13 Creditors					2008 £	2007 £
Other creditors					130,563	187,100
Pension contributions					11,577	10,090
Accruals					<u>13,963</u>	<u>4,690</u>
					<u>156,103</u>	<u>201,880</u>
14 Restricted funds						
Project Name	Balance at 1/4/07 £	Transfers between funds £	Received in the year £	Expended in the year £	Transfers from unrestricted funds £	Balance at 31/3/08 £
Ethical Business	27,000	-	35,000	30,733	-	31,267
Kenya:						
COWASA	51,231	-	130,629	137,494	-	44,366
SWOES	-	-	3,239	4,475	-	(1,236)
Bee-Keeping	19,863	782	3,535	24,180	-	-
Baraka re Bee-keeping	782	(782)	-	-	-	-
UNDP Rusinga	5,558	-	-	4,667	-	891
Goats Project	3,879	-	2,550	6,429	-	-
Suba Fisheries	29,642	-	90,739	92,820	-	27,561
Small-holder flowers	16,043	-	69,841	49,191	-	36,693
Rwanda:						
Rwanda Coffee	-	-	23,999	-	-	23,999
Zimbabwe/Namibia/Zambia:						
Chillies	252,987	-	72,096	190,806	-	134,277
Devil's Claw (new project)	23,339	-	63,405	85,070	-	1,674
Dairy (new project)	28,605	-	51,093	62,895	-	16,803
Export Fruits	-	-	102,761	10,624	-	92,137
Organic Vegetables	-	-	155,392	51	-	155,341
Total	<u>458,929</u>	<u>-</u>	<u>804,279</u>	<u>699,435</u>	<u>-</u>	<u>563,773</u>

The restricted fund consists of the unspent balances of donations and grants whose use is restricted either generally to cover expenditure on projects in Africa, or specifically to individual projects.

The Report of the Council of Management provides an overview of the major projects.

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15 Analysis of fund balances between net assets

	Unrestricted Funds	Restricted Funds	2008 Total	2007 Total
	£	£	£	£
Fixed Assets	574	-	574	2,767
Net Current Assets	<u>55,126</u>	<u>563,773</u>	<u>618,899</u>	<u>632,789</u>
	<u>55,700</u>	<u>563,773</u>	<u>619,473</u>	<u>635,556</u>

16 Financial commitments

At 31 March 2008 the Charity had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2008	2007
	£	£
Expiry date:		
Under one year	-	-
Between one and two years	<u>-</u>	<u>7,500</u>
	<u>-</u>	<u>7,500</u>

17 Funders

Organisations and individuals (not already listed in note 4) donating £1,000 or more in the year were:

	£
Christadelphian Meal a Day Fund	6,000
The Dulverton Trust	5,000
The Fulmer Charitable Trust	3,000
The AB Charitable Trust	2,500
Teach a Man to Fish UK Limited	2,500
Schroder Charity Trust	2,400
Dr R E GB Solomon's Charitable Trust	2,000
Mr S Hodge	2,000
Association of Spouses of African High Commissioners & Ambassadors	1,500
Smith and Williamson	1,500
Boden & Co. Limited	1,000
Miss J M Errington	1,000
Mr A H Evans	1,000
The estate of the late Mr J B Cheverton	3,501
The estate of the late Violet Edith Robinson	2,359
The estate of the late Lillian Hurst	2,000

The generosity of these donations was much appreciated.