

AFRICA NOW
(A Company limited by guarantee)
ANNUAL REPORT & FINANCIAL STATEMENTS
31 MARCH 2010

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Registered in England No: 01558579

A Registered Charity No 283024



AFRICA NOW
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2010

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number 283024

Company number: 1558759

Trustees C Barbato (resigned 1 February 2010)
 C Lutyens
 C Purdy
 P Angell (resigned 17 June 2009)
 M Davis (resigned 3 April 2009)
 M Nightingale (appointed 1 February 2010)
 B Stevens (appointed 8 March 2010)

Auditors Critchleys
 Greyfriars Court
 Paradise Square
 Oxford
 OX1 1BE

Solicitors: Dechert LLP
 160 Queen Victoria Street
 London EC4V 4QQ

Office contact details

United Kingdom: The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE
 Tel +44 1865 403265, Fax +44 1865 403260, Email info@africanow.org

Zambia and Zimbabwe PO Box 60907, 02 Nehru Way, Livingstone, Zambia Tel +260 21 332 2289

Kenya, Nairobi. PO Box 64515, Mobil Plaza, 00620 Nairobi Tel/Fax +254 20 418 3120

Kenya, Kisumu PO Box 2514, Kisumu Tel/Fax +254 57 2021 181

AFRICA NOW
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

The Trustees present their Report and the financial statements for the year ended 31st March 2010

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. The company is a registered charity No. 283024. The company and the charity are governed by the 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 meets for regular sessions and at least on a quarterly basis. The Board administers the charity and the Executive Director, or as is currently the case the Chief Operating Officer, 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 have no managerial responsibilities and their roles are unpaid and voluntary.

Chair

The Chairman of the Council is 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 is 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 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 is elected annually.

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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 is 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

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

Achievements and Performance

In addition to the achievements and performance of the projects detailed below, key points to note during the 2009-2010 period include

- A new 3 year initiative began in Kenya working with smallholder tea farmers in Kericho
- A new project between Africa Now's Ethical Business Services team and the Rainforest Alliance began in Kenya
- Africa Now's Ethical Business Services team have now extended their operations to 23 countries
- Africa Now's Ethical Business Services team secured a major contract to conduct ethical audits of Coca Cola suppliers across Africa

More detailed analysis is grouped under Development Programmes and Ethical Business Services

DEVELOPMENT PROGRAMMES

Kenya

Kenya remains Africa Now's largest country programme with activities spanning Western, Nyanza, Central and Rift Valley Provinces. Africa Now's country office in Kisumu coordinates all programme activities. The team strive to find new, innovative ways to provide long term, lasting solutions to poverty. The country programme focuses on utilising natural resources, linking farmers and producers to reliable markets and providing training to empower individuals to continue to improve their livelihood, and the livelihood of their community, for generations to come

Rich Fisheries, Poor Fisherfolk

This four-year EU-funded project supports the fishing communities around the shores of Lake Victoria to earn a fair income from their catch. Suba District is one of the poorest in Kenya, and has the highest rate of HIV/AIDS incidence, leading to many women or child headed households

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FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

In the early stages of this project 17 fishing associations were identified on 15 beaches. As we approach the final months of this initiative the project team has been working to strengthen the groups further towards self-reliance. Five representatives from each of the fishing associations have received additional training in financial management and the project team has noted a marked improvement in financial record keeping, and also an increase in membership of the associations. There has been an increase in awareness and understanding on fishing policies and the associations have begun lobbying local authorities for better services. To date, 5,267 fishermen and women have started saving a portion of their income in a local bank, almost double the initial project target of 3000, and four financial institutions in the area have now started providing financial services to fisherfolk where they were previously excluded from operations. This has led to 215 fisherfolk receiving legal fishing gear through an asset leasing scheme, increasing their catch using sustainable fishing practices.

10 beaches participating in the project are now accessing ice from Mbita Ice Distribution Centre for cold storage of fish, keeping the fish fresh for longer and improving its sale value, and 15 have acquired cool boxes through asset financing.

A no-cost extension of this project is now being implemented to allow activities to continue until August 2010. This extension will ensure the future sustainability of initiatives put in place through the project. Applications have been made for funding to enable replication and extension of this project.

Women's Empowerment Fishing Project

Due to the high HIV/AIDs prevalence rate in the area, fisherfolk women are often the sole earners in the family and as they are left with only the fishing rejects, they struggle to earn enough to put food on the table and pay school fees. Many women resort to 'jaboya', or sex for money.

This pilot project, which began in May 2009 and is funded by the Finnish Embassy, supports women in Suba District to earn an increased income so they can support their family without risking their health and safety. Women are trained in fish pond husbandry so they can propagate and raise fish for sale in the local community. This initiative also addresses natural resource/biodiversity degradation in Lake Victoria by promoting the identification and protection of fish breeding sites, and reduces the pressure on fishing for other bait fish, such as catfish. The women involved in the project were organised into five fishing associations, each with 30 women, and were given training in leadership skills, marketing and financial management. They also took part in linkage workshops with suppliers and buyers. Although only a pilot project, the women are already seeing benefits and have reported an increase in income which has enabled them to provide their children with a better chance of a brighter future. Africa Now hopes to extend this initiative into a full project in the future, to continue its successes by reaching a wider range of enterprising women in Suba District.

Encouraging Smallholder Participation in Export Floriculture

This Dutch Government funded initiative was granted a 6 month no-cost extension taking activities up to December 2009. The project aimed to enhance the livelihoods of 300 small-scale flower farmers around Naivasha in the Rift Valley in Kenya by supporting their access to export markets.

The main focus of the project team in the final stages of the project was strengthening of the farmer groups to achieve full self-reliance by the end of the funding period. 15 farmer groups were registered through the project, from whom 322 farmers in 10 groups have now entered the export floriculture market with links to selected flower export companies. In total, these 322 farmers have sold 808,518 stems with a gross income of 2,832,452 ksh.

By the end of the project funding period in December 2009, 415 farmers were registered as having taken part, surpassing the target by approximately 25% and illustrating the strength of demand for support. These 415 farmers are growing high quality flowers using environmentally friendly techniques, and are equipped to compete in the best of the export market.

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Fresh/Dried Fruit Processing

This three year project supports fruit farmers in Western Province to utilise the abundant solar energy to add value to their crops and achieve a higher household income. As the project nears the end of its funding period, 820 people have directly benefited, of whom 180 are youths, 340 are male and 480 are female, far more than the original target of 600. This project has therefore, on the basis of 6 people per household, improved the lives of 4,920 direct and indirect beneficiaries.

Three solar-powered drying centres have been established in the area, and a total of 90 farmers have been trained in quality assurance, management and operation of the drying centres, once again exceeding the project target of 15. Farmers have also been trained in good agronomic practices to increase yields and quality, which has additionally supported them to increase the sale price of fruit from 10 ksh to 17 ksh per kg for pineapples and 20 ksh to 40 ksh for bananas. Farmers have been linked to microfinance institutions, agro-vet stores and reliable markets for both fresh and dried fruit.

Export Trade Project

This project, run by Africa Now's Ethical Business Services (EBS) team and funded by the EU, aims to alleviate poverty in Kenya by empowering people to benefit from opportunities in national and global trade.

During the second year of this three year project training was delivered in ethical management, including issues of sexual harassment and discrimination, to support 59 site supervisors and 8 line managers in improving working conditions. EBS collaborated with FLO (Fairtrade Labeling Organisation) to bring international buyers and local stakeholders together to address compliance issues. In addition, a remediation work book was developed, local, industrial relations clinics were facilitated and EBS trained 33 auditors to help employers to improve working conditions.

Also during this financial year, farms and factories in the coffee, tea and horticulture industries were supported to acquire Fairtrade certification and their Premium Committees were assisted in achieving high value premiums for the benefit of their community.

Rainforest Alliance Project

This financial year saw a new and exciting project emerge between Africa Now's Ethical Business Services (EBS) team and the Rainforest Alliance. The Rainforest Alliance plans to deliver sustainable agriculture training to farms and factories across Kenya and is working with our EBS team to utilise the latter's expertise.

During the first year of this project 20 smallholder tea factories were identified and training on sustainable agriculture practices and the implementation of the Sustainable Agriculture Network standard commenced in 12. So far, 437 lead farmers have been trained and in turn these have trained 131,100 smallholder tea farmers in Kenya. It is hoped that these 12 factories and their producers will be Rainforest Alliance certified by the end of 2010, with more to follow.

Achievements are already being recognised and farms and factories are beginning to see increases in tea leaf production following training on good agricultural practice. In addition, new value-added and steady markets have been identified and awareness has been raised on the importance of using personal protective equipment (PPE). There has also been notable improvement in the environment with previously dried-up streams beginning to run again due to the restoration of natural ecosystems and the managed planting of indigenous shade trees.

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Community Water and Sanitation

This BIG Lottery funded project is now in its fourth year of operation, increasing access to clean water and sanitation facilities in rural and semi urban areas, whilst also providing communities with the means to manage these essential resources for the benefit of the wider community and generations to come

During this financial year, 25 Ferro Cement tanks were built serving 13,200 students and 64 VIP latrines were completed providing hygienic sanitation facilities to 9,350 students. In addition, 22 natural springs were identified and protected, providing clean water to 5,500 villagers, a bore hole was drilled which is expected to serve approximately 700 people and 199 household latrines were constructed which will serve 1,194 community members

A number of training initiatives have been undertaken

- Using Africa Now's enterprising approach, the project teams trained communities to protect these vital resources and provided training on construction to enable community groups to continue to improve resources in the surrounding areas,
- in total, 87 local artisans have been trained in construction leading to more employment opportunities for young people. Artisan groups won contracts from World Vision, Constituency Development Funds (CDF) and individuals seeking their services,
- 65 community health workers have been trained in the project area to support rural households,
- 30 health clubs have been established in schools and 56 teachers trained on Africa Now's 'Child to Child' approach aimed at reducing sickness and improving education standards amongst students,
- 75 youth and community members have been trained in enterprise development through the establishment of tree nurseries,
- 68 youth and community members have been trained in natural resource maintenance and environmental sustainability,
- During the year, an exchange took place between a school with EcoSan sanitation facilities to enable pupils and teachers from surrounding schools to share best practices

Commercial Beekeeping for Young Entrepreneurs

Following a successful beekeeping project with adults in western Kenya, Africa Now embarked on a new initiative introducing beekeeping to schools. This project uses beekeeping as a platform to teach students business and finance skills that will be invaluable once they have left school. As beekeeping requires little land and has low maintenance costs students are encouraged to take beekeeping home to their families to increase their household income

This project started with two schools but after being awarded 426,560 ksh in December 2008 for Enterprise in Education, a further two schools joined the initiative. So far the original schools have raised 91,800 ksh between them from the sale of honey

The profit made through beekeeping is used to pay for school resources, such as desks and textbooks, and to pay the school fees of students from poorer households who otherwise would not be able to continue their education. Students from one of the schools have formed a youth group to practice beekeeping in the community, and other students have been able to earn an additional income by lending their new skills to beekeeping farmers in the area, spreading the benefits of beekeeping beyond the classroom

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FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

Zambia

Africa Now's programme in Zambia, coordinated out of the Livingstone office, continues to support small-scale farmers to achieve a decent standard of living from their land. It does this through accessing markets while managing their valuable natural resources wisely and sustainably in the face of increasing global food prices, recurrent natural disasters and environmental pressures.

High Value and Organic Vegetable Project

This EU funded project supports farmers in Southern Zambia to increase the value of their crops and gain access to reliable markets so they can sell more of what they produce and increase their household income. The project has now completed its second of three years of implementation and has seen marked successes. So far 280 households have been supported through the project, representing at least 1,680 indirect beneficiaries. Of the direct beneficiaries 35% are women and 20% are youths.

Farmers have been trained on organic farming techniques, marketing and business development skills, and advocacy and lobbying techniques. The project is also actively promoting community awareness of HIV/AIDS and gender issues, as well as environmental management. The land for the Farmer's Market has been identified and the Farmer's Shop is due for completion in September 2010 to facilitate further market links. The project team have also identified market opportunities across the border in Zimbabwe to further sales opportunities.

Farmers have also been linked to a number of local resources, such as Village Banks where they can access savings and credit facilities, plus technical support providers for advice on irrigation and specific agriculture techniques. In addition, a radio programme has been set up to inform the wider community on the benefits of crop value addition and other elements of the project, leading to the involvement of more households. Farmers are already seeing an increase in their household income, with one farmer reporting his income to have risen from 350,000 kwachas (US\$ 72) to 600,000 kwachas (US\$123) a month.

Elephants and Chillies Project

This three-year project assists farming households to grow chillies for sale to external markets. Chillies are being grown both as an elephant deterrent and to generate a cash income for participating farmers. By the end of the third year of this initiative, 240 households representing 1,440 direct and indirect beneficiaries have benefited from improved farming techniques and crop diversification to include chillies as a cash crop, plus reduced vulnerability to external forces due to sustainable methods of managing natural resources. 210 farmers have been trained on environmentally friendly methods to keep wild animals out of their fields, and many others are benefiting as farmers are passing on these successful techniques to other farmers. In addition, 488 individuals have begun using savings and credit facilities available at a local Village Bank, including community members beyond the original target group of the project. Africa Now hopes to develop further the microfinance element of this project to encourage more farmers and their families to save for the future and access loans to build upon their small businesses.

16 community facilitators from 8 communities have been trained in marketing, business and leadership skills, supporting farmers to work together to increase production levels. By the end of the third year, 35,860kg of chillies had been harvested, bringing in a total revenue of \$27,891. A cooperative has been formed with representatives from the 8 communities giving farmers strength when negotiating with buyers. In addition, drip irrigation has been installed supporting an increase in productivity.

Following a market survey conducted by the project team, a new buyer has been identified who will pay a higher price for chillies. Since this buyer is also looking to buy a greater variety of chillies, farmers and project staff are working together to develop a strategy to meet this increased demand. The farmers are also receiving training on Fairtrade standards and Organic certification to enhance still further their market opportunities, and in turn their household income.

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Community-led Disaster Risk Reduction

Africa Now has partnered with Oxfam GB to strengthen communities in Southern Zambia so they are better prepared for and can better recover from natural disasters, as part of Oxfam GB's project in Southern and Western Provinces

Initial activities focused on community sensitisation and data collection involving community members, government ministry staff, local NGO's and partners and disaster committees, leading to a network of multi-level alliances between local and national bodies. Chief Sekute chiefdom was selected by members of the project team as it had been badly affected by both droughts and floods. A meeting held with the senior and junior chiefs identified 17 areas to work with and initial meetings involved 820 people from the chiefdom. These meetings showed the general reliance the communities placed on food relief and aid, and either the absence of a disaster committee or its inactivity.

The project team will provide training in lobbying and advocacy to build the capacity of disaster committees so they can actively support their communities and engage with the relevant government departments appropriately. This will enable the communities to be better supported all year round and not only when a natural disaster occurs. Training will also be given to make communities aware of the short and long term actions that can be taken to reduce their environmental and social vulnerabilities, highlighting the need for long term development to achieve disaster risk reduction. Other vulnerabilities have also been identified, such as cattle disease.

ETHICAL BUSINESS SERVICES

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. 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.

Awareness of our services continues to grow in the UK, Europe the USA, and across Africa. We have built strong working relationships with key retailers and brands such as M&S, Tesco, Coca-Cola, Diageo, Cadbury, Jones Apparel Group, Sears and the Co-operative Group. We are now recognised by Tesco in 10 African countries and we are the preferred ethical audit provider of Marks and Spencer's in Kenya, South Africa and Morocco.

Our Services

Our approach is Local People, Local Solutions. Africa Now seeks to employ 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, 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. 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 is approved to carry out audits against a range of ethical standards, including the Ethical Trading Initiative (ETI) Base Code, and other individual company codes such as Coca-Cola, Cadbury's and Sears.

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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.

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.

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 his/her 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 payments received will be used. Africa Now also works with smallholders to meet Fairtrade certification standards, therefore extending the benefits of this growing market.

Training on Ethical Trade and Sedex

EBS now offers a range of training courses for suppliers and retailers. We have developed a one day Ethical Awareness Training course for producers on the background to ethical trade, Codes of Conduct, Local law,

Training on key labour issues has been offered commercially in South Africa and piloted in Kenya and Egypt – and adapted to the differing contexts. We are also an accredited Sedex trainer - training suppliers on how to use the Sedex database.

Key Partnerships

Kenya

EBS sits on the certification committee of the Kenya Flower Council. It also has close ties with the African Fair Trade Network and has developed a close relationship with the Rainforest Alliance in Kenya working in partnership with them and smallholder tea producers to increase the sustainability of tea supply chains. Through our EU funded project in Kenya we are working closely with producers to improve awareness of ethical trade and access to fairtrade certification.

South Africa

EBS works in partnership with CMi in South Africa to deliver ethical audits and ethical training modules. CMi is a food safety certification body who are the certification body for Tesco's Nature's Choice. With this partnership CMi/EBS can now offer South African producers a full range of food safety and ethical audits in one package.

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Future Development Plans and Strategy

In addition to a holistic, community asset-based approach, Africa Now's projects will continue to work on developing business solutions with the focus on enhancing the ability of low-income smallholders to access and benefit from viable, ethical markets. This objective can be built in part on harnessing the opportunities afforded by Africa Now's Ethical Business Services in ethical trade.

In the face of increasing food insecurity, increases in population, climate change and rising prices Africa Now's current strategy is to focus on the needs of people with precarious livelihoods. The programmes developed will address smallholder agricultural development, the empowerment of farmers and other producer groups in the relevant markets, gender equality and HIV/AIDS awareness within a framework that encourages the overall economic sustainability of the groups brought together. Opportunities to replicate existing successful projects will be taken wherever possible and it is hoped that this will be realised through the potential merger referred to below.

Public Benefit Policy

The foregoing description of the charity's achievements and performance during the year gives a full account of the substantial benefits arising from the organisation's activities and aims. In line with the charity objectives, the benefits are the reduction of poverty by improving the livelihoods of those living in socially and economically disadvantaged communities. This is achieved through programmes to improve their skills, by establishing community trading groups and facilitating access to local, regional and international markets. No harm or detriment is considered to arise from these activities.

The benefits of the charity's activities are enjoyed potentially by anyone living in socially and economically deprived communities in Africa, hence the charity's name, Africa Now.

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Financial Review and Outlook

At the year ended 31 March 2010 Africa Now had unrestricted funds of £79,288 after taking into account, in addition to its regular donations, contributions from one donor totalling £288,000 received during the year, £88,000 of this contribution was in cover of exceptional expenses. Total charity funds amounted to £475,828. At the previous year-end, the organization had unrestricted funds of £32,738. Total charity funds amounted to £345,773.

The Board of Trustees acknowledge that the fundraising capacity of the organization is limited, particularly in today's economic environment. The erosion of its unrestricted reserves can only be readily prevented through specific generous donations, which cannot be relied on for future activities without significant change.

Furthermore, the charity is small in relation to the substantial opportunities for extending its operations that are within its grasp. In view of these considerations Africa Now engaged in discussions in early 2009 with another charity about possible collaboration, as reported in last year's review. Although that initial collaboration did not come to fruition, Africa Now has now taken the major step of signing a Memorandum of Understanding (MOU) with another charity, under which both parties are currently working together to realise the full merger of their operations in the near future. The MOU was signed on 13th September 2010. The Trustees believe that the merger will be of substantial benefit to both organisations and consequently to the scope of their charitable activities in Africa. In particular, it is intended to continue and scale up within the merged organisation Africa Now's existing strategy of creating locally owned enterprises to secure future business sustainability.

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Reserves Policy

Africa Now seeks to accumulate to and maintain its unrestricted funds at a sufficient level to support the basic costs of running the organisation for a period of at least three months. The reserve will be available to cover loss of fund-raising income, an unexpected rise in costs or any other unforeseen liability.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity 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 10 December 2010.



B STEVENS
(Trustee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFRICA NOW

We have audited the accounts of Africa Now for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

The Trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the charity's accounts give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the accounts 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 accounts give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with those accounts.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's accounts are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

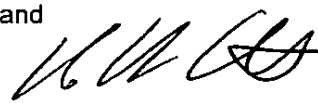
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity'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 accounts 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 accounts.

Opinion

In our opinion:

- the accounts give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,
- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the accounts have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Report is consistent with the accounts.



Oxford

17/12/10.

Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys LLP, Statutory Auditor

AFRICA NOW
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income	2	476,032	-	476,032	225,034
Investment income	3	36	-	36	2,725
Incoming resources from charitable activities	4	<u>330,456</u>	<u>803,948</u>	<u>1,134,404</u>	<u>787,441</u>
Total incoming resources		<u>806,524</u>	<u>803,948</u>	<u>1,610,472</u>	<u>1,015,200</u>
Resources Expended					
Cost of generating funds					
Costs of generating voluntary income	5	104,666	-	104,666	80,855
Charitable activities	6	613,830	754,943	1,368,773	1,200,663
Governance costs	8	<u>6,978</u>	<u>-</u>	<u>6,978</u>	<u>7,382</u>
Total resources expended		<u>725,474</u>	<u>754,943</u>	<u>1,480,417</u>	<u>1,288,900</u>
Net Incoming/(outgoing) resources for the year		81,050	49,005	130,055	(273,700)
Transfers between funds		<u>(34,500)</u>	<u>34,500</u>	<u>-</u>	<u>-</u>
Net movement of funds		46,550	83,505	130,055	(273,700)
Balance brought forward at 1 April 2009		<u>32,738</u>	<u>313,035</u>	<u>345,773</u>	<u>619,473</u>
Balance carried forward at 31 March 2010		<u>79,288</u>	<u>396,540</u>	<u>475,828</u>	<u>345,773</u>

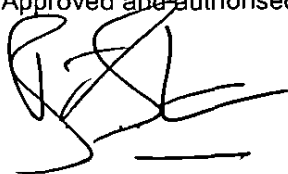
All activities are continuing

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 2010

	Note	£	2010 £	2009 £
Fixed assets				
Tangible assets	11		-	-
Current assets				
Debtors	12	274,460		388,134
Cash at bank and in hand		<u>379,166</u>		<u>89,391</u>
		653,626		477,525
Creditors				
Amounts falling due within one year	13	<u>(145,744)</u>		<u>(131,752)</u>
Net current assets			507,882	345,773
Creditors				
Amounts falling due after more than one year	14		<u>(32,054)</u>	<u>-</u>
Net assets			<u>475,828</u>	<u>345,773</u>
Funds				
Restricted	15		396,540	313,035
Unrestricted			<u>79,288</u>	<u>32,738</u>
Total charity funds			<u>475,828</u>	<u>345,773</u>

Approved and authorised for issue by the Board of Trustees on 10 December 2010.



B STEVENS
(Trustee)

AFRICA NOW

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting Policies

The financial statements have been prepared in accordance with applicable UK Accounting Standards, the Companies Act 2006 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 the 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.

(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.

AFRICA NOW

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)**

(f) Pension costs

The contributions payable by the Charity during the year have been reflected in the Statement of Financial Activities. See note 10 for more detail on pension costs.

2	Voluntary Income	2010 £	2009 £
	Donations	399,114	213,434
	Legacies	<u>76,918</u>	<u>11,600</u>
		<u>476,032</u>	<u>225,034</u>

3	Investment income	Unrestricted Funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
	Bank Interest	<u>36</u>	<u>-</u>	<u>36</u>	<u>2,725</u>

4	Incoming Resources from Charitable Activities	Unrestricted Funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
	Supporting small scale businesses				
	European Union	-	437,044	437,044	207,118
	Dutch Ministry of Foreign Affairs	-	60,602	60,602	35,335
	FARM-Africa	-	-	-	39,723
	Big Lottery Fund	-	35,134	35,134	79,494
	Japanese Embassy	-	49,009	49,009	-
	Comic Relief	-	-	-	1,000
	Commonwealth Secretariat	-	-	-	15,900
	Finnish Embassy	-	30,587	30,587	-
	FRICH	-	18,766	18,766	-
	States of Guernsey Overseas Aid Commission	-	-	-	35,897
	The Beatrice Laing Trust	-	-	-	10,000
	The Gibbs Trust	-	3,000	3,000	-
	Good Gifts (Charities Advisory Trust)	-	8,585	8,585	5,525
	The Rufford Maurice Laing Foundation	-	-	-	30,000
	The Christadelphain Meal a Day Fund	-	-	-	15,000
	The Rowan Charitable Trust	-	5,000	5,000	5,000
	The Rozelle Trust Foundation	-	5,000	5,000	-
	Schroder Trust	-	2,500	2,500	-
	TRAID	-	50,000	50,000	-
	Next Plc	-	-	-	12,598
	Oxfam GB	-	27,707	27,707	35,145
	The Balcombe Charitable Trust	-	15,000	15,000	-
	The Body Shop Foundation	-	-	-	20,000
	Charles Hayward Foundation	-	10,000	10,000	-
	The Waterloo Foundation	-	25,000	25,000	-
	Trusts and other grants and income	<u>5,252</u>	<u>21,014</u>	<u>26,266</u>	<u>30,092</u>
	Sub-total carried forward	<u>5,252</u>	<u>803,948</u>	<u>809,200</u>	<u>577,827</u>

AFRICA NOW
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

4 Incoming Resources from Charitable Activities (continued)

Sub-total brought forward	<u>5,252</u>	<u>803,948</u>	<u>809,200</u>	<u>577,827</u>
Promoting ethical international trade				
Ethical audit fees	325,204	-	325,204	185,721
Tesco Charity Trust	-	-	-	18,893
The Zochonis Charitable Trust	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
	<u>330,456</u>	<u>803,948</u>	<u>1,134,404</u>	<u>787,441</u>

5 Costs of generating voluntary income	Unrestricted funds	Restricted funds	Total funds 2010	2009
	£	£	£	£
Donor development and communication costs	<u>104,666</u>	<u>-</u>	<u>104,666</u>	<u>80,855</u>

6 Charitable activities	Activities undertaken directly	Support costs	Total 2010	Total 2009
	£	£	£	£
Activity				
Helping small-scale business	1,011,942	97,675	1,109,617	1,121,627
Promoting ethical international trade	<u>236,344</u>	<u>22,812</u>	<u>259,156</u>	<u>78,736</u>
	<u>1,248,286</u>	<u>120,487</u>	<u>1,368,773</u>	<u>1,200,363</u>

7 Support costs	Helping small-scale businesses	Ethical international trade	Total 2010	Total 2009
	£	£	£	£
Salaries	48,304	10,368	58,672	68,856
Head office costs	<u>50,110</u>	<u>11,705</u>	<u>61,815</u>	<u>71,821</u>
	<u>98,414</u>	<u>22,073</u>	<u>120,487</u>	<u>140,677</u>

Support costs are allocated to charitable activities in proportion to the costs of activities undertaken directly

8 Governance costs		2010	2009
		£	£
Audit fee		6,575	4,140
Auditors' remuneration – other services		403	2,940
Trustee meetings		<u>-</u>	<u>302</u>
		<u>6,978</u>	<u>7,382</u>

AFRICA NOW
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

9	Employee costs	2010 £	2009 £
	Staff costs include the following		
	Wages and salaries	486,969	448,208
	Social security costs	14,543	17,831
	Pension costs - routine contributions	15,343	11,918
	Pension costs - deficit funding (note 10)	<u>34,968</u>	<u>-</u>
		<u>551,823</u>	<u>477,957</u>

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

	2010 No	2009 No
Administration, fundraising and publicity	4	4
Charitable activities	<u>33</u>	<u>36</u>
	<u>37</u>	<u>40</u>

During the year NIL (2009 £80) was paid to no trustees (2009 one) as reimbursement of expenses for services as a board member. No other remuneration or reimbursement of expenses was paid to the Trustees 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 (SVSPS). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

The Scheme is a defined benefit scheme but has been closed by the Trustees of the Scheme to future accrual on 31 March 2010. As a consequence of this all employers have to pay towards the deficit in the Scheme. Africa Now is required to pay £2,914 per annum from 1 April 2010 to 31 March 2011 and this amount will increase by 4.2% per annum until 31 March 2013 and it will then increase by 4.7% per annum from 1 April 2013 until 31 March 2022.

In these accounts a creditor has been included for £2,914 per annum for 12 years. The annual uplift will be charged to expenses in future years as finance costs/unwinding of discount.

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. This buy-out debt could still be triggered at some future point if the Trustees of the Pension Scheme were to decide to wind up the Scheme. However the Trustees of the Pension Scheme have stated that this is most unlikely in the medium term due to the high costs of buying out the benefits.

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 2008. As of this date the estimated employer debt for Africa Now was £158,941.

AFRICA NOW
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

11 Tangible assets

	Office Equipment £	Fixtures & Fittings £	Computer Hardware & Software £	Total £
Cost				
At 1 April 2009	5,388	650	14,225	20,263
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2010	<u>5,388</u>	<u>650</u>	<u>14,225</u>	<u>20,263</u>
Depreciation				
At 1 April 2009	5,388	650	14,225	20,263
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2010	<u>5,388</u>	<u>650</u>	<u>14,225</u>	<u>20,263</u>
Net Book Value				
At 31 March 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12 Debtors

	2010 £	2009 £
Prepayments and Accrued Income	99,432	74,291
Grants receivable	170,000	305,921
Project Loans	<u>5,028</u>	<u>7,922</u>
	<u>274,460</u>	<u>388,134</u>

13 Creditors: amounts falling due within one year

	2010 £	2009 £
Other creditors	84,214	101,276
Pension contributions - regular	9,211	20,419
Pension contributions – deficit funding (note 10)	2,914	-
Accruals	<u>49,405</u>	<u>10,057</u>
	<u>145,744</u>	<u>131,752</u>

14 Creditors amounts falling due after one year

	2010 £	2009 £
Pension contributions – deficit funding (note 10)	<u>32,054</u>	<u>-</u>

AFRICA NOW
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

15 Restricted funds

Project Name	Balance at 1/4/09 £	Received in the year £	Expended in the year £	Transfer from unrestricted funds £	Balance at 31/3/10 £
Ethical business	10,034	-	9,359	-	675
Kenya					
COWASA	71,098	84,143	100,007	-	55,234
SWOES	(1,237)	-	(1,237)	-	-
Bee-keeping	5,057	1,144	4,789	-	1,412
Export Fruits	99	154,076	93,560	-	60,615
Suba Fisheries	46,974	24,250	68,703	-	2,521
Smallholder flowers	2,531	60,602	23,298	-	39,835
Dairy	(216)	-	-	216	-
Kericho Tea	-	18,766	10,666	-	8,100
Dried fruit	25,330	35,500	50,482	-	10,348
COMSEC	-	15,900	20,114	4,214	-
Womens empowerment	-	30,586	24,477	-	6,109
Zambia/Namibia/Zimbabwe					
Chillis	87,249	154,952	236,824	30,000	35,377
Devil's Claw (new project)	-	-	70	70	-
Dairy (new project – Zim)	10,056	-	7,677	-	2,379
Organic Vegetables	56,060	196,322	78,750	-	173,632
Oxfam GB re DRR	-	27,707	27,404	-	303
Total	313,035	803,948	754,943	34,500	396,540

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 Trustees' Report provides an overview of the major projects.

16 Analysis of fund balances between net assets

	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
Net Assets	<u>79,288</u>	<u>396,540</u>	<u>475,828</u>	<u>345,773</u>

17 Financial commitments

As at 31 March 2010, the charity had an annual rental commitment of £13,704 plus VAT under a lease due to expire in 2013. However this lease can be broken by the charity giving 4 months notice.

AFRICA NOW

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

18 Going Concern

For the year ended 31 March 2010 Africa Now had a net incoming surplus on its unrestricted funds of £46,550 after taking into account the generous support of a £200,000 unrestricted donation received during the year. In the previous year, the organisation had a net outgoing deficit on its unrestricted funds of £22,962 after taking into account a donation of £100,000 received during the year.

In order to ensure the organisation's continued viability as a going concern, the Board of Trustees has signed a Memorandum of Understanding with another charity, in which both parties express their intention of merging their organisations in the near future. This development is further described on page 10 of the Trustees' Report.

19 Funders

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

In memory of the late Dr Edward Purdy	£2,834
Mr & Mrs Chadwick	£1,000
Mr & Mrs N E Chaff	£1,000
Mr & Mrs Taylor	£5,190
Mr E Wood	£1,000
Mr M Gray	£1,000
Open Gate	£2,000
Smith & Williamson	£1,000
The Bryan Guinness Charitable Trust	£1,000
The Cotton Trust	£2,000
The Eleanor Rathbone Charitable Trust	£1,000
The estate of the late Miss J W Buckley	£4,000
The estate of the late Miss M W Swanson	£6,685
The estate of the late Miss Vera Wood	£21,000
The estate of the late Mrs V K Phair	£45,000
The Fulmer Charitable Trust	£1,500
The Marr-Munning Trust	£1,000
The Scotshill Trust	£2,000
The SMB Charitable Trust	£1,000
The Tinsley Foundation	£1,000

The generosity of these donations was much appreciated