

Company Number: 09360833

Charity Number: 1168223

# **GATSBY AFRICA**

ANNUAL REPORT

5 APRIL 2024

The Peak  
5 Wilton Road  
London SW1V 1AP

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**LEGAL AND ADMINISTRATIVE INFORMATION**

The company is a private limited company by guarantee incorporated on 18 December 2014 in the United Kingdom (registered no. 09360833) and operates from its registered office (The Peak, 5 Wilton Road, London, SW1V 1AP). The company is registered with the Charity Commission (registered no. 1168223).

<b>Trustees/ Directors</b>	Mr JC Burns Mrs K Everett Mr P Hesketh Miss JS Portrait	
<b>Registered Office</b>	The Peak 5 Wilton Road London SW1V 1AP	
<b>Principal Officers</b>	Mr P Hesketh Mrs K Everett Mr J Highstead Mrs A Otieno	Chief Executive Chief Executive Officer – Sainsbury Family Charitable Trusts Executive Director Head of Finance
<b>Company Secretary</b>	Mr J Searancke	
<b>Bankers</b>	Royal Bank of Scotland 119-121 Victoria Street London SW1E 6RA	
<b>Solicitors</b>	BDB Pitmans LLP 1 Bartholomew Close London EC1A 7BL	
<b>Auditors</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	

## **STRATEGIC REPORT AND ANNUAL REVIEW OF ACTIVITIES**

### **Objects**

The objects of Gatsby Africa ('GA') as given in the Articles of Association are:

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

### **Principal activities**

In the fiscal year 2023-24, Gatsby Africa (GA) continued its mission to foster sustainable, inclusive, and resilient economic growth in East Africa. This included efforts to improve the livelihoods of the poor through job creation, income enhancement, and the creation of opportunities to alleviate poverty. GA's diverse range of activities was primarily funded through grants from the Gatsby Charitable Foundation, leading to transformative impacts across several key sectors.

### **Review of Activities**

**Transforming Key Economic Sectors:** GA's approach to transforming key sectors in East Africa involved ambitious strategies and partnerships to implement these changes. The organisation focused on strategic sector transformation across forestry, livestock, textiles and apparel, tea, aquaculture, and water sectors, achieving significant advancements in each:

**Forestry:** *Creating a world-class forestry sector that underpins downstream wood and energy industries, thereby creating jobs and reducing poverty levels, delivering widespread economic, social and environmental benefits to East Africa citizens. Introducing innovative wood processing technologies and ownership models to transform the forestry sectors, protecting the environment, and benefiting millions of citizens by creating jobs and thereby reducing poverty levels*

In East Africa, Gatsby Africa's (GA) forestry programme focused on improving access to high-quality germplasm, resulting in significant progress for smallholders and private sector investors. One notable intervention involved the establishment of new commercial plantations in Uganda, with improved pine seed contributing to higher yields for smallholders. In Kenya and Tanzania, GA facilitated Public-Private Partnerships (PPP) for forest concessions, providing opportunities for local communities to engage in sustainable forestry practices. These initiatives not only create employment but also enhance incomes for rural households. The sector's environmental benefits include carbon capture, making it a key player in mitigating climate change while fostering prosperity through sustainable forestry practices.

**Livestock:** *Establishing profitable and sustainable operating models across Kenya, the team is working to transform the quality and quantity of livestock outputs, bringing increased returns and management of climate risks to millions of pastoralists across the country.*

GA's Livestock programme supported the development of climate-resilient value chains, working with partners to improve fattening practices for cattle, resulting in higher market prices for pastoralists. Additionally, partnerships with key counties in Kenya resulted in the development of trade corridors that improved livestock mobility, enabling pastoralists to reach markets more efficiently. These interventions significantly boost incomes for smallholders in arid and semi-arid regions, transforming their economic prospects and contributing to food security.

**STRATEGIC REPORT AND ANNUAL REVIEW OF ACTIVITIES (continued)**

**Textiles and Apparel:** *Assisting the sector to develop East Africa's industrial infrastructure in order to attract global brands with the capacity to bring hundreds of thousands of jobs to the region in the next 5 years.*

During the challenging period of the Covid-19 pandemic, the global textile industry experienced a downturn. However, things are starting to look up. A key GA intervention involved supporting Kenyan manufacturers to achieve international certifications, enabling them to enter global value chains. As a result, a major factory project commenced in Kenya, which is projected to create over 2,000 jobs. This expansion has the potential to contribute significantly to sectoral growth, with early projections indicating the possibility of doubling employment in the industry over the next two years. By fostering sustainable manufacturing practices, GA is also helping position East Africa as a competitive player in global markets, driving industrialization and job creation.

**Tea:** *Pioneering farmer owned factories and a farmer service company model to support the sector to fulfil its world-class potential, whilst ensuring smallholder farmers are key beneficiaries from its growth. Facilitating domestic and foreign investment that allows the implementation of a 'high-quality' operating model for smallholder tea that boosts profits which are then shared more equitably between farmers and factory.*

In Rwanda, our partners have planted over 2,900 hectares of tea, resulting in strong factory performances that benefit small-holder farmers. In Tanzania, production increased by 50% despite sector challenges. GA continues to monitor and support the projects, which enhance the incomes of over 20,000 tea farmers in both countries.

**Aquaculture:** *Demonstrating the profitability of aquaculture and transforming its uptake across the region, addressing endemic food insecurity, while providing widespread social, economic and environmental benefits*

GA's aquaculture programme has significantly supported industry growth, particularly in Kenya, leading to increased fish production and improved profitability for smallholder farmers. A highlight was the establishment of the region's first selective breeding programme, aimed at improving fish genetics for higher yields. The construction of a new feed mill in Kenya has reduced production costs for smallholder fish farmers. These efforts have quadrupled the sector's growth over six years, directly benefitting smallholders by enhancing productivity and helping them secure more reliable income through improved productivity. GA's focus on sustainable practices ensures that environmental concerns are addressed while promoting prosperity through increased food security.

**Water:** *Supporting the development of sustainable, resilient water service provision across Kenya, working closely with different levels of government to professionalise services, bringing reliable, quality provision to thousands of people across the country.*

GA's water programme focused on improving the commercial viability of water utilities, which led to more efficient service delivery in Kenya. A key success involved partnering with national regulatory bodies to streamline the approval of water tariffs, allowing utilities to invest in infrastructure and expand access to clean water. This has improved water provision for hundreds of thousands of households, enhancing health outcomes and supporting economic development in urban and rural areas alike. By improving water governance, GA is helping to create a more sustainable and equitable water sector, which is essential for long-term economic growth.

**Synthesizing and Sharing Lessons:** Throughout the year, GA remained committed to knowledge sharing and influencing sector-wide changes by synthesizing and sharing the lessons learned from its programmes and other sources. Over the past year, our collaborative efforts with the governments of Tanzania and Kenya have significantly progressed. We have developed strong partnerships at the centre of both governments.

## **REPORT OF THE TRUSTEES**

### **Risk assessment**

GA undertakes regular risk reviews to ensure it manages its risks appropriately. Responsibility for these reviews is delegated by the Trustees to GA senior management and is guided by a comprehensive Risk Management Framework comprising a Risk Policy, Risk Appetite Statements, and a Risk Register, together with related risk management processes. Appropriate follow up is taken by Trustees when concerns over issues of risk are being expressed.

The risk register captures risks with significant potential to affect the achievement of GA's strategic objectives and reflects management's assessment of the likelihood of specific risks materialising and their impact on GA. It also reflects the extent of controls and mitigation measures in place or planned to address such risks. The Trustees review the risk register annually and are informed through quarterly reports by senior management of any significant changes to GA's risk profile.

In their review for 2024/25, the Trustees have confirmed that the principal risks affecting GA's performance comprise residual organisational development challenges pursuant to GA's restructuring in 2022, as GA strives to meet its ambitious targets. Strategies are in place to address these risks. Cognisant of the extent to which global risks shape GA's external operating environment, the Trustees believe it is appropriate to incorporate into the register explicit consideration of the opportunities and threats presented by climate change, the advance of technology and political instability. Measures to respond to these have been developed.

Regular review of organisational performance with regard to their risk appetite statements provides the Trustees with critical, complementary oversight of GA's risk management. This is particularly important in ensuring appropriate control over compliance, fiduciary and safeguarding risks for which GA has very low tolerance. In this, the safety and security of staff employed by GA remains a priority, and assurance of GA's organisational capacity to respond to its duty of care is paramount.

To ensure effective identification and management of risks to GA, senior managers have engaged staff in a range of initiatives to raise awareness of risks, GA's approach to addressing them and respective staff roles. Reinforcement of collective staff responsibility for risk management is a recurrent theme, to respond to the evolution of GA's operating environment. Trustees believe that it is only through such widespread engagement that they can execute their oversight of GA's risks with confidence.

### **Organisation**

GA is one of the Sainsbury Family Charitable Trusts ('SFCT'), which share a common administration. GA has incurred staff costs and a share of the SFCT overheads.

Trustees are appointed by existing Trustees and are provided with relevant information relating to their responsibilities as Trustees.

The Charity and its Trustees are fully aware of the requirements and duties set out in the Charities (Protection and Social Investment) Act 2016. The Trust does not raise funds from the public and as such has no fundraising activities requiring disclosure under SI 62A of the Charities Act 2011.

### **Public benefit**

Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. The Trustees consider that the information provided in this Report about the Charity's aims, its activities, and its achievements in the many areas of interest that the Charity supports demonstrates the benefit arising from its activities to its beneficiaries, and to the public in general.

### **Charity governance**

Trustees are aware of the Charity Governance Code published in 2017 and updated in December 2020 which sets out the principles and recommended practice for good governance within the sector. The Charity has reviewed its governance arrangements against the principles within the code and believes that it is compliant with the code whilst maintaining its need to operate its governance efficiently. Trustees make sure that decision-making processes are informed, rigorous and timely, and that effective delegation, control, risk-assessment, and management systems are set up and monitored.

Except for those matters specifically reserved for Trustees, decisions concerning the day to day operation of the Charity are delegated to the Principal Officers, who have implemented suitable financial and related controls and reporting arrangements to make sure Trustees oversee delegated matters. Two of the Charity's Trustees are also

trustees of Gatsby Charitable Foundation. Details about other charities for which the Trustees also act as trustee may be found on the Charities Commission website.

## **REPORT OF THE TRUSTEES (continued)**

### **Programme investments**

In common with other charities, GA undertakes programme investments in order to catalyse structural change in the sectors in which it operates, thereby creating jobs, raising incomes and improving relief from poverty. Such investments are loans, or guarantees for loans, that are provided to beneficiaries on concessionary, non-commercial terms and rates, typically where such finance is unavailable for the sector.

GA, via its subsidiary, Msingi East Africa Limited, provides concessionary loans and deposit security for third party loans to stimulate growth in the aquaculture sector in East Africa where debt finance is otherwise not available. Such loans attract interest of 0.0% – 10.0% per annum. GA seeks to achieve a moderate rate of return on its programme investment portfolio in any financial year.

At the end of the financial year GA had a portfolio of 3 programme investment loans with a net carrying value of £2.9 million. The loan portfolio is subject to a small impairment charge of £24,000. In the previous financial year GA had a portfolio of 9 loans with a net carrying value of £2.3 million, after the deduction of an impairment provision of £2.4 million. Interest income of £369,000 was received on such loans during the year, a return of 6.5% per annum.

The strong operational performance of Victory Farms during the year has seen repayment arrears brought up to date, and scheduled loan and interest repayments made in accordance the agreement with the beneficiary. As a consequence, the impairment charge of £2.4 million recorded against the loan in the last financial year has been reversed.

Trustees have approved the write-off of six non-performing loans to mid-size fish farms in Kenya and Tanzania, totalling £360,000.

GA supports East African Tea Investments (EATI), a charitable company that develops tea farms in Tanzania and Rwanda. GA has replaced its collaboration agreement to provide future grant funding with an agreement to provide a concessionary loan on a restricted basis of up to £8.9 million to EATI. Payments of £925,000 were made to EATI during the financial year. Repayment of the loan to EATI is not expected to commence before 2034.

Trustees are uncertain as to the amount which will ultimately be repaid in view of the extended time horizon before repayments commence. Accordingly a prudent position has been taken to fully impair the loan balance until such time as Trustees can confidently assess the amount to be recovered.

### **Foreign, Commonwealth & Development Office ('FCDO')**

GA entered into an agreement with the FCDO in 2022 to undertake the project: 'Kenya-UK partnering for accelerated climate transitions'. The purpose of the project is to improve overall levels of poverty by unlocking private investment in commercial forestry to deliver on Kenya's climate strategy. GA, together with a number of partners, will deliver the project over 30 months from September 2022 to March 2025. The amount awarded under the grant for delivery of the project is £1.7 million.

### **Financial performance and reserves**

The Group recorded a net surplus of grant income over charitable expenditure of £4.1 million for the year. GA's reserves at year end were £8.9 million; of which restricted Group reserves were £Nil and unrestricted Group reserves were £8.9 million. Company reserves of the Charity at year end were £4.1 million.

Reserves are held by the Group to match amounts invested in programme investments of £2.9 million and working capital balances of £1.0 million. Surplus reserves of £5.0 million will be utilised as GA evaluates future programme investment and/or activity opportunities to further support the Charity's sector transformation objectives. GA has received a letter of ongoing financial support from Gatsby Charitable Foundation.

### **Staff remuneration**

The remuneration of senior staff (including key management personnel) is reviewed by the Trustees on an annual basis taking into account the requirements of their role and performance during the year. From time to time the GA benchmarks pay levels against comparable positions in similar organisations.

**Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Gatsby Africa for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue to operate.

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

**Statement as to disclosure to auditors**

In so far as each of the Trustees of the charity at the date of approval of the Trustees' Annual Report is aware:

- there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware, and
- each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by the Board on 21 November 2024 and signed on their behalf by



Mr JC Burns  
Trustee



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

### **Opinion**

We have audited the financial statements of Gatsby Africa ('the charitable company') for the year ended 5 April 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 5 April 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' included within the Trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 8 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable group and company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were employment legislation, health & safety legislation and anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and recognition of external grant income, the impairment of programme related investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on grant income and the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

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



Tina Allison  
Senior Statutory Auditor  
For and on behalf of Crowe U.K. LLP  
Statutory Auditor  
London  
17 December 2024

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

**FOR THE YEAR ENDED 5 APRIL 2024**

	<i>Notes</i>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total Funds 2024</b>	<b>Total Funds 2023</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>					
Grants receivable	2.	574	19,671	20,245	18,500
Other income		-	461	461	345
<b>Total income</b>		<b>574</b>	<b>20,132</b>	<b>20,706</b>	<b>18,845</b>
<b>Expenditure</b>					
<b>Charitable activities</b>					
Grant expenditure	3.	-	(903)	(903)	330
Direct programme expenses	4.	818	14,381	15,199	14,898
Support costs	5.	-	1,992	1,992	2,005
<b>Total expenditure</b>		<b>818</b>	<b>15,470</b>	<b>16,288</b>	<b>17,233</b>
<b>Net surplus/(expenditure) for the year</b>		<b>(244)</b>	<b>4,662</b>	<b>4,418</b>	<b>1,612</b>
<b>Transfers between funds</b>		<b>244</b>	<b>(244)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains and losses</b>					
Movement in foreign exchange		-	(340)	(340)	(824)
<b>Net movement in funds</b>		<b>-</b>	<b>4,078</b>	<b>4,078</b>	<b>788</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		-	4,786	4,786	3,998
Total funds carried forward		-	<b>8,864</b>	<b>8,864</b>	<b>4,786</b>

The notes on pages 14 to 24 form part of this Statement of Financial Activities.

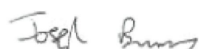
**CONSOLIDATED AND CHARITY BALANCE SHEET**  
(Company Registration No. 09360833)

**AS AT 5 APRIL 2024**

		2024		2023	
	Notes	Group £'000	Charity £'000	Group £'000	Charity £'000
FIXED ASSETS					
Tangible fixed assets	7.	566	566	794	794
Investments in subsidiaries	8.	-	-	-	-
Programme investments	9.	2,916	-	2,287	49
		3,482	566	3,081	843
CURRENT ASSETS					
Debtors	10.	4,648	4,531	19,267	19,250
Cash at bank and in hand		2,775	1,010	2,775	2,382
Total Current Assets		7,423	5,541	22,042	21,632
LIABILITIES					
Creditors - amounts falling due within 1 year	11.	(1,742)	(1,742)	(20,273)	(20,255)
NET CURRENT ASSETS		5,681	3,799	1,769	1,377
Total Assets Less Current Liabilities		9,163	4,365	4,850	2,220
Creditors - amounts falling due after 1 year	12.	(299)	(299)	(64)	(64)
NET ASSETS		8,864	4,066	4,786	2,156
The funds of the charity:					
Unrestricted funds		8,864	4,066	4,786	2,156
Restricted funds		-	-	-	-
		8,864	4,066	4,786	2,156

The net income of the parent charity for the financial year was £4,066,000 (2023: £2,156,000).

The financial statements were approved and authorised for issue by the Trustees / Directors on 21 November 2024 and were signed on their behalf by:



Mr JC Burns  
Trustee

The notes on pages 14 to 24 form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

### FOR THE YEAR ENDED 5 APRIL 2024

	2024	2023
	£000	£000
<b>Net cash (outflows)/ inflows from operating activities</b>	(257)	1,252
<b>Cash inflows/(outflows) from financing activities</b>	257	(776)
<b>Net cash (used) from operating and financing activities</b>	-	476
<b>Cash at bank and in hand</b>	<b>2024</b>	<b>2023</b>
	£000	£000
Change in cash at bank and in hand during the year	-	476
Cash at bank and in hand at beginning of year	2,775	2,229
Cash at bank and in hand at end of year	2,775	2,775
<b>Reconciliation of net income/(expenditure) to net cash inflows/(outflows) from operating activities</b>	<b>2024</b>	<b>2023</b>
	£000	£000
Net surplus for the year	4,418	1,612
Depreciation	279	783
Fixed asset acquisitions	(107)	(1,260)
Fixed asset disposals	15	30
(Impairment charge) on programme investments	(1,369)	182
Programme loan write offs and other movements	483	-
Decrease in debtors	14,619	(15,848)
(Decrease) in creditors	(18,296)	16,517
Movement in foreign exchange	(299)	(764)
<b>Net cash (outflows)/inflows from operating activities</b>	<b>(257)</b>	<b>1,252</b>
<b>Net cash flows from financing activities</b>	<b>2024</b>	<b>2023</b>
	£000	£000
Programme investment loan repayments/(advances)	251	(494)
Movement in foreign exchange	6	(282)
<b>Net cash movement from financing activities</b>	<b>257</b>	<b>(776)</b>

The notes on pages 14 to 24 form part of these financial statements.

## **NOTES TO THE ACCOUNTS**

### **1. PRINCIPAL ACCOUNTING POLICIES**

#### **a) Organisation information**

The Charity is a private limited company by guarantee (registered number 09360833), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is The Peak, 5 Wilton Road, London, SW1V 1AP. The company is registered with the Charity Commission (registered no. 1168223).

#### **b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), with FRS 102 and with the requirements of the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS102.

The Charity is exempt from presenting its Statement of Financial Activities under s.408 of the Companies Act 2006.

The Charity operates from its registered office in the United Kingdom. It operates in East Africa via two branches established in Kenya and Tanzania, and through Forestry Development Trust, a trust registered in Tanzania with charitable intent. These entities are not treated as separate from Gatsby Africa, and therefore the financial results of these branches are fully integrated for the purposes of these financial statements.

The Consolidated Statement of Financial Activities, Balance Sheet and Cash Flows of the Group incorporate the results of the Charity for the year ended 5 April 2024 and of its subsidiaries, Msingi East Africa Ltd and Kenya Markets Trust (see Note 8).

#### **c) Going concern**

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

Gatsby Africa continues to receive grant funding from Gatsby Charitable Foundation. As this funding is provided over several years, and is drawn down as needed, Gatsby Africa does not require significant reserves. Gatsby Africa has received a letter of ongoing financial support from Gatsby Charitable Foundation.

#### **d) Income**

Income predominantly represents grants receivable which relate to the current year and are subject to contractual conditions from the donor specifying the time period to which related expenditure can occur. Where approved grant expenditure exceeds grant income received to date and entitlement to the income can be demonstrated, an accrued income figure is recognised, or a deferred income balance is recognised if entitlement to income is in a future period.

#### **e) Grants payable**

Grants for which there is a legal obligation, or a valid expectation of receipt by the beneficiary at the year end, and for which conditions attaching to their payment have been fulfilled, are accounted for within the Statement of Financial Activities. Grants approved subject to conditions that have not been met at the year end are not accrued (see Note 3).

#### **f) Direct programme expenditure**

Direct programme expenditure comprises project costs incurred by the Charity in the year, in accordance with the Charity's objects.



## **NOTES TO THE ACCOUNTS**

### **1. PRINCIPAL ACCOUNTING POLICIES (continued)**

#### **g) Support costs**

Support costs comprise a share of the staff and office costs of the joint administration of the Sainsbury Family Charitable Trusts. Shared costs are allocated in proportion to time spent on Charity matters, grants paid, as well as costs directly incurred by Gatsby Africa.

#### **h) Governance costs**

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

#### **i) Financial instruments**

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

#### **j) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairments in value. Fixed assets are depreciated at rates which reflect their useful lives to the Charity. The following rates have been used:

Motor vehicles – 25% straight line

Furniture and fittings - 20% straight line

Computer equipment - 33% straight line

Leasehold improvements – life of lease

#### **k) Programme investments**

Concessionary loans made to beneficiaries are recognised and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments, accrued interest and, if necessary, for any impairment. Where there is objective evidence of impairment of such loans then an impairment charge is recognised as a cost within expenditure on charitable activities.

Deposits placed with financial institutions to act as security for loans made to third party beneficiaries are recorded as programme investments. Where there is objective evidence of impairment of the underlying loan to a third party beneficiary such that the security provided will be forfeited then an impairment charge is recognised as a cost within expenditure on charitable activities.

#### **l) Cash and cash equivalents**

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

#### **m) Critical accounting judgements and key sources of estimation uncertainty**

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

In the view of the Trustees, the assessment of the recoverability of programme investments is an area of estimation uncertainty as by its nature the ability of a beneficiary to repay amounts lent to it is contingent upon future performance. In arriving at the estimate of the impairment charge the Trustees have taken into account operational and financial performance information supplied by beneficiaries, sector debt servicing trends, security provided in respect of loans and other relevant data.

There are no other areas where assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.



## NOTES TO THE ACCOUNTS

### 2. INCOME

	2024	2023
	£'000	£'000
<b>Grants Receivable</b>		
Gatsby Charitable Foundation	19,635	18,009
Foreign, Commonwealth & Development Office ('FCDO')	574	415
Other	36	76
	<b>20,245</b>	<b>18,500</b>

Income received from the FCDO to undertake the project: 'Kenya-UK partnering for accelerated climate transitions' is treated as restricted income.

### 3. GRANTS PAYABLE

Group	2024	2023
	£'000	£'000
Grants expenditure	(903)	330

A reversal of grant expenditure of £903,000 (2023: grant expenditure of £330,000) was recorded during the financial year towards the Wood Foundation.

Charity	2024	2023
	£'000	£'000
<b>Reconciliation of grants payable:</b>		
Commitments at 6 April 2023	5,328	6,982
Grants cancelled in the year	(5,328)	(1,028)
Increase in grants payable for the year	-	(1,028)
Grants paid during the year	-	(626)
Commitments at 5 April 2024	-	5,328

#### Commitments at 5 April 2024 are payable as follows:

	2024	2023
	£'000	£'000
Within one year (note 11)	-	903

Commitments at year end are payable to the following beneficiaries:

	2024	2023
	£'000	£'000
The Wood Foundation	-	903

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions relating to the delivery of the grant-funded activities. The total amount authorised but not accrued as expenditure at 5 April 2024 was £Nil (2023: £5,328,000).

On 28 March 2024 GA ceased its membership of East African Tea Investments (EATI), a charitable company in which GA previously held joint membership with The Wood Foundation. The collaboration agreement to provide future grant funding was terminated on the same date, and has been replaced by an agreement to provide a concessionary loan to EATI.

## NOTES TO THE ACCOUNTS

### 4. DIRECT PROGRAMME EXPENSES

	2024			2023
	Direct Costs	Staff Costs	Total	Total
	£'000	£'000	£'000	£'000
Forestry	2,365	1,651	4,016	4,722
Textiles	1,108	931	2,039	1,599
Aquaculture	875	1,056	1,931	2,916
Learning and Knowledge	963	943	1,906	920
Livestock	875	450	1,325	915
Portfolio monitoring	498	699	1,197	960
Tea	925	-	925	-
Water	601	295	896	1,167
UKPACT	275	543	818	564
Agricultural inputs and scoping	47	99	146	857
Other programmes	-	-	-	278
	<b>8,532</b>	<b>6,667</b>	<b>15,199</b>	<b>14,898</b>

Aquaculture programme expenses include impairment reversal of £1,816,000 (2023: impairment charge £170,000).  
Tea programme expenses include impairment charges of £925,000 (2023: £Nil).

### 5. SUPPORT COSTS

	2024			2023
	Charitable Activities	Governance	Total	Total
	£'000	£'000	£'000	£'000
Staff costs	1,078	-	1,078	1,124
Direct costs	657	-	657	603
Share of joint office costs	176	-	176	202
	<b>1,911</b>	<b>-</b>	<b>1,911</b>	<b>1,929</b>
Auditors' remuneration	-	81	81	76
	<b>1,911</b>	<b>81</b>	<b>1,992</b>	<b>2,005</b>

The Charity is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 15.8% of the total joint administration costs have been allocated to GA (2023: 18.0%), and includes a proportionate shares of support costs and staff costs. Joint administration and office costs of £176,400 (2023: £202,000) charged to GA.

Auditors' remuneration comprises £42,000 (2023: £36,000) paid to the Charity's group auditors, and £39,000 (2023: £40,000) paid to affiliates of the group auditors based overseas. Irrecoverable VAT of £7,000 (2023: £6,000) is included with the amount paid to the Charity's group auditors.

### 6. ANALYSIS OF STAFF COSTS

	2024	2023
	£'000	£'000
Wages and salaries	6,527	8,131
Social security costs	166	250
Other pension costs	887	607
	<b>7,580</b>	<b>8,988</b>

## NOTES TO THE ACCOUNTS

### 6. ANALYSIS OF STAFF COSTS (continued)

The average number of staff employed during the year was 124 (2023: 144). Staff costs include contributions to money purchase pension schemes. Within staff costs are redundancy payments of £158,000 (2023: £327,000) of which £Nil (2023: £Nil) were unpaid at year end.

The number of employees whose earnings in relation to time spent on the Charity's affairs exceeded £60,000 p.a. excluding pension contributions was:

	2024	2023
	No.	No.
£60,001 - £70,000	8	4
£70,001 - £80,000	5	8
£80,001 - £90,000	5	7
£90,001 - £100,000	8	4
£100,001 - £110,000	1	1
£110,001 - £120,000	-	3
£120,001 - £130,000	3	3
£130,001 - £140,000	4	2
£150,001 - £160,000	3	1
£160,001 - £170,000	1	1
£170,001 - £180,000	1	2
£180,001 - £190,000	-	1
£190,001 - £200,000	-	2
£200,001 - £210,000	1	-
£240,001 - £250,000	1	1

Staff costs equivalent to 16.5 full time employees (2023: 16.0) were charged to GA under joint administration arrangements of the Sainsbury Family Charitable Trusts.

No Trustees received remuneration from GA during the year (2023: £Nil). Mr P Hesketh and Mrs K Everett were appointed as Trustees in January 2023 to enable the better administration of GA and, in particular, to facilitate compliance with the requirements of the Ugandan National Bureau for Non-Governmental Organisations in connection with the registration of GA's Ugandan branch. Gatsby Charitable Foundation has met staff costs of £245,000 (2023: £209,000) apportioned under joint administration arrangements for executive services provided by these Trustees to GA and will continue to do so for the duration of their appointment.

Amounts paid by Gatsby Charitable Foundation in connection with executive services on behalf of Gatsby Africa were:

	P Hesketh	K Everett	2024	2023
	£'000	£'000	£'000	£'000
Wages and salaries	143	69	212	182
Social security costs	22	9	31	26
Other pension costs	-	2	2	1
	165	80	245	209

Travel expenses of £1,350 were paid on behalf of one Trustee during the year (2023: £4,000). Having regard to the roles of its staff, the Charity considers its key management personnel to be its Executive Board which comprises 3 staff members (2023: 3 staff), to which total compensation paid, including employer contributions to group personal pensions during the year was £260,000 (2023: £248,000) excluding the costs of Mr P Hesketh and Mrs K Everett as explained above.

**NOTES TO THE ACCOUNTS**

**7. TANGIBLE FIXED ASSETS**

**Group**

	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Computer equipment</b>	<b>Total</b>
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At beginning of year	669	549	281	332	1,831
Transfers/restatements	-	(11)	(4)	(30)	(45)
Acquisitions	31	-	-	75	106
Disposals	-	(40)	(25)	(49)	(114)
Movement in foreign exchange	(19)	(31)	(17)	(20)	(87)
At end of year	681	467	235	308	1,691

**Accumulated depreciation**

At beginning of year	(147)	(478)	(155)	(257)	(1,037)
Transfers/restatements	-	11	4	30	45
Depreciation charge for the year	(131)	(26)	(42)	(80)	(279)
Disposals	-	37	21	41	99
Movement in foreign exchange	(3)	24	10	16	46
At end of year	(281)	(432)	(162)	(250)	(1,125)

<b>Net book value at 5 April 2024</b>	<b>400</b>	<b>35</b>	<b>73</b>	<b>58</b>	<b>566</b>
Net book value at 5 April 2023	522	71	125	76	794

**Charity**

	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Computer equipment</b>	<b>Total</b>
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At beginning of year	669	549	281	332	1,831
Acquisitions	-	(11)	(4)	(30)	(45)
Transfers/restatements	31	-	-	75	106
Disposals	-	(40)	(25)	(49)	(114)
Movement in foreign exchange	(19)	(31)	(17)	(20)	(87)
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Net book value at 5 April 2023	522	71	125	76	794

## NOTES TO THE ACCOUNTS

### 8. INVESTMENTS IN SUBSIDIARIES

	2024		2023	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Msingi East Africa	-	-	-	-
Kenya Markets Trust	-	-	-	-
	-	-	-	-

The activities of subsidiaries consolidated in these financial statements are:

*Msingi East Africa Ltd:* registered in Kenya, Certificate of Compliance No. CLG/2016/12064. Its offices are at 14 Riverside Drive, Nairobi.

*Kenya Markets Trust (Soko Transformation Limited, a company limited by guarantee):* registered in Kenya, Certificate of Compliance No. CLG-JLFYQ9. Its offices are at the Rivaan Centre, Muguga Green, Nairobi.

Kenya Markets Trust ceased operations during the year upon completion of its remaining project, after which the remaining residual net assets were transferred entirely to Gatsby Africa – Kenya branch.

The financial results of the subsidiaries for the year were:

	2024		2023	
	Msingi	KMT	Msingi	KMT
	£'000	£'000	£'000	£'000
Income	372	218	783	76
(Expenditure)/expenditure reversal	1,816	(59)	(178)	(142)
Net income/(expenditure) for the year	2,188	159	605	(66)
Total assets	4,799	-	2,648	-
Total liabilities	-	-	-	(16)
Net assets/(liabilities)	4,799	-	2,648	(16)

The Charity operates in East Africa via branches that have been set up and locally registered, and which are controlled and managed by Gatsby Africa. These branches are not treated as separate from Gatsby Africa, and therefore the financial results of these branches are fully integrated for the purposes of these financial statements.

The activities of branches integrated in the financial statements of the Charity are:

*Gatsby Africa – Kenya branch:* registered in Kenya as a foreign branch of Gatsby Africa (UK), Certificate of Compliance No. CF/2015/185025. Its offices are at 14 Riverside Drive, Nairobi.

*Gatsby Africa – Tanzania branch:* registered in Tanzania as a foreign branch of Gatsby Africa (UK), Certificate of Compliance No. 130926. Its offices are at FNB House, Ohio Street, Dar es Salaam.

*Forestry Development Trust:* registered as a Trust in Tanzania with charitable intent under the Trustees' Incorporation Ordinance, Cap 318 is no longer operating. An agreement was signed at the end of March 2024 to transfer the operations and assets of the Forestry Development Trust and Gatsby Africa – Tanzania branch.

#### *East Africa Tea Investments*

On 28 March 2024 Gatsby Africa resigned its membership of East Africa Tea Investments (EATI), a charitable company registered in Scotland which supports the development of tea factories and ancillary services in Rwanda and Tanzania.

**NOTES TO THE ACCOUNTS**

**9. PROGRAMME INVESTMENTS**

<b>Group</b>	<b>Concessionary loans</b>	<b>Guaranteed loans</b>	<b>Total</b>
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At beginning of year	4,235	402	4,637
Payments made during the year	925)	-	925
Repayments made during the year	(1,002)	(223)	(1,225)
Loans write-off	(359)	(115)	(475)
Changes in accrued interest	68	3	71
Movement in foreign exchange	(64)	(5)	(69)
At end of year	<b>3,803</b>	<b>62</b>	<b>3,865</b>
<b>Impairment provision</b>			
At beginning of year	(2,329)	(21)	(2,350)
Impairment charge	(925)	-	(925)
Impairment charge reversal	2,278	15	2,293
Movement in foreign exchange	32	1	32
At end of year	<b>(944)</b>	<b>(5)</b>	<b>(949)</b>
<b>Net book value at 5 April 2024</b>	<b>2,859</b>	<b>57</b>	<b>2,916</b>
Net book value at 5 April 2023	1,906	381	2,287

Concessionary loans to the following beneficiaries totalled more than 5% of the balance due from programmes investments (before impairment provision):

	<b>Total loan</b>	<b>2024</b>	<b>Total loan</b>	<b>2023</b>
<b>Cost</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
Victory Farms	1,521	39	2,585	56
Samakgro Limited	1,357	35	1,315	29
The Wood Foundation	925	24	-	-

Interest rates charged on the concessionary loans range between 0.0% - 10.0% per annum. Debenture security is obtained from Victory Farms and Samakgro Limited.

Loan repayment terms are between 3 – 4 years. Programme investments are expected to be repaid by beneficiaries as follows:

	<b>Concessionary loans</b>	<b>Guaranteed loans</b>	<b>Total</b>
<b>Net book value</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Due 2 – 5 years	2,859	57	2,916
Due in more than 5 years	-	-	-
<b>At 5 April 2024</b>	<b>2,859</b>	<b>57</b>	<b>2,916</b>
At 5 April 2023	1,906	381	2,287

There were no concessionary loans which were committed but not taken up at year end.

## NOTES TO THE ACCOUNTS

### 9. PROGRAMME INVESTMENTS (continued)

#### *Victory Farms*

Over the last financial year Victory Farms delivered a robust operational performance, demonstrated by growing harvest and sales volumes. The company hit record monthly production in January 2024. As a consequence, Victory Farms met all its scheduled interest payments in 2023 and paid all outstanding principal amounts in January 2024, totalling £1,000,000. Quarterly principal and interest repayments have continued as scheduled from April 2024.

Accordingly, the impairment charge of £2,000,000 million recorded last year has been reversed. At year end the net amount estimated as recoverable from Victory Farms is £1,520,000 (2023: £608,000).

#### *Samakgro Limited (Samakgro)*

Samakgro started its operations in 2023 and is projecting a net profit in its first full year of activity. The company's current financial health indicates that it is in a good position to service GA's loan.

Recent developments in the feed landscape in East Africa point to increased competition in the medium- to-long term, hence a small impairment provision of £19,000 has been recorded at the end of the financial year. At year end the net amount estimated as recoverable from Samakgro Limited, including interest receivable, is £1,338,000 (2023: £1,308,000).

#### *East African Tea Investments (EATI)*

On March 2024 GA entered into an agreement with The Wood Foundation Africa (TWFA) to fund jointly EATI via a concessionary loan. The funding is provided on a restricted basis to enable EATI to implement Tea Projects in Tanzania and Rwanda.

GA shall provide up to £8,850,000 (US\$ 11,500,000) over a 10 year period from 2024 to 2033. Payments of £925,000 (2023: £Nil) were made by GA during the financial year. Future payments under the agreement fall due as follows:

	2024		2023	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Within one year	1,981	1,981	-	-
Within 2 – 5 years	5,246	5,246	-	-
More than 5 years	698	698	-	-

As the Tea Projects mature it is anticipated that the loan will be repaid by EATI to the joint funders. Projections provided in the agreement anticipate that the loan repayments will commence from 2034 onwards. The extended time horizon until the first loan repayment is received means that it is difficult to be certain about the recoverability of the loan in future. Accordingly, an impairment provision of £925,000 (2023: £Nil) has been made against the loan.

#### *Uganda Development Bank/Rock Springs*

Deposits of £60,000 (2023: £332,000) have been placed with Uganda Development Bank to secure guaranteed loans of £56,000 (2023: £213,000) that have been made by the Uganda Development Bank to one beneficiary, Rock Springs.

The guarantee enables debt financing which is otherwise not available to beneficiaries in the aquaculture sector.

## NOTES TO THE ACCOUNTS

### 9. PROGRAMME INVESTMENTS (continued)

Charity	Concessionary loan	Guaranteed loans
<u>Cost and net book value</u>	£'000	£'000
At beginning of year	-	49
Payments made during the year	925	-
Repayments made during the year	-	(49)
At end of year	925	-
<u>Impairment provision</u>		
At beginning of year	-	-
Impairment charge	(925)	-
At end of year	(925)	-
<b>Net book value at 5 April 2024</b>	-	-
Net book value at 5 April 2023	-	49

A deposit of £49,000 placed with the Tanzania Commercial Bank to guarantee loans to beneficiaries in the Tanzanian forestry sector has been repaid during the year.

### 10. DEBTORS

	2024		2023	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Grants receivable	3,971	3,971	18,342	18,342
Other debtors	549	432	565	548
Prepayments and accrued income	128	128	360	360
	4,648	4,531	19,267	19,250

### 11. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024		2023	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Grants payable within one year	-	-	903	903
Trade creditors	853	853	656	656
Other creditors	567	567	1,131	1,113
Accruals and deferred income	322	322	17,583	17,583
	1,742	1,742	20,273	20,255

Other creditors of the company include £539,000 (2023: £794,000) advanced to acquire fixed assets, repayable over the useful lives of those assets, of which £239,000 (2023: £276,000) is repayable within one year and £299,000 (2023: £518,000) is repayable after one year.



## NOTES TO THE ACCOUNTS

### 12. CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

	2024		2023	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Other creditors	299	299	64	64

### 13. TAXATION

Since its activities are wholly charitable, the Charity will not be chargeable to UK corporation tax on its income or any profits. Accordingly, no tax liability arises. Taxation paid by branches and subsidiaries of the Charity are considered operational expenses of the programmes and included as direct costs of these charitable activities.

### 14. LIABILITY OF MEMBERS

The Charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £10.

### 15. COMMITMENTS AND CONTINGENCIES

#### Operating leases

The Charity has entered into operating lease agreements for the use of office space from which it conducts its activities in East Africa. At year end the charity had the following annual commitments under non-cancellable operating leases, which fall due as follows:

	2024		2023	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Within one year	-	-	10	10
Within 2 – 5 years	494	494	486	486

Annual operating lease costs incurred by the Group during the financial year were £472,000 (£556,000).

### 16. ANALYSIS OF FUNDS

#### Group

	2024			2023		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets	-	10,905	10,905	-	8,123	8,123
Liabilities	-	(2,041)	(2,041)	-	(3,337)	(3,337)
Net assets	-	8,864	8,864	-	4,786	4,786

#### Charity

	2024			2023		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets	-	6,107	6,107	-	5,475	5,475
Liabilities	-	(2,041)	(2,041)	-	(3,319)	(3,319)
Net assets	-	4,066	4,066	-	2,156	2,156