

PENHA
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31st DECEMBER 2014

PENHA
CONTENTES OF THE FINANCIAL STATEMENTS
31 DECEMBER 2014

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PENHA
REPORT OF TRUSTEES
31 DECEMBER 2014

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st of December 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Trustees

The trustees in office in the year were as follows:-

Mr John Plastow - Chairperson
Dr. L.A Abebe -Treasurer
Dr. T. Mesfin
Dr. H Terefe
Prof. G Oba Resigned on 1st July 2015
Prof. J.F. Morton
Dr. Essam Mohammed

Secretary

Mr. C.R. Maxey

Registered Company number

2658932(England and Wales)

Registered Charity number

1038957

Registered Office

1 Laney Building
Bourn Estate
Portpool Lane
London EC1N 7UL
WWW.penhanetworking.org
02072420202
info@penhanetworking.org

Auditors

EKB Accountancy Services
Chartered Certified Accountants and registered Auditor
39-41 North Road
N7 9DP
0207 6071471

Bankers

National Westminster Bank PLC
Chancery Lane and Holborn Branch
PO BOX 159
322 High Holborn
London
WC1V 7P

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Objectives

The principal activity of the charity in the period under review was to reduce poverty among the pastoralists in the horn of Africa through the empowerment of communities and to foster sustainable and dignified livestock-based and non-livestock-based livelihoods. It fosters sustainable livelihoods with a co-ordinated approach at the grassroots and policy levels. It empowers pastoralist communities to play a full role in their own development.

ACHIEVEMENT AND PERFORMANCE 2014

PENHA Head Quarters

PENHA 25th Anniversary (Silver Jubilee) celebrations were launched in Addis Ababa, Ethiopia on November 29th 2014 and will continue throughout 2015.

Overall management support, advice and information were provided to PENHA offices and community based organizations (CBOs) and individuals in Somaliland, Sudan, Uganda Eritrea and Ethiopia.

PENHA UK has been working as a partner in an eight country, European Union (EU) supported program under the heading of "Food We Want" (FWW) for promoting sustainable agriculture in Europe and in the developing world. This was concluded at the end of April 2014. The FWW campaign launched a handbook from the research conducted in three countries (Kenya, Mozambique and Tanzania) with the title: 'Family Farming in Africa: Overview of Good Agricultural Practices in Sub-Saharan Africa' by researchers from the University of Milan. In addition, an educational book produced in Portugal but translated and printed in the UK was launched in the Frien Barnet Community Library. 15 London based food concern charities, food clubs, local organic food producers and distributors, food waste campaigners and others took part in the event. An international website, with one section specifically run in English by PENHA, has published 20 short articles and news items as well as short videos.

PENHA has continued to be a member of the Coalition of European Lobbies on Eastern African Pastoralism (CELEP) and strengthened its partnership with International Fund for Agricultural Development (IFAD), the Intergovernmental Authority on Development (IGAD), the IIED, Horn of Africa Business Association (HABA), Africans in London TV (AIL TV), Dragon Fly Communications, Insight Connections and others in expanding its networks capacity building programmes.

A PENHA Volunteer attended training on Climate Change and Sustainable Resource Management in September 2014 at Humboldt University in Germany and some discussions were had with its Center for Rural Development about a possible partnership to deliver training on climate change to East African young people.

PENHA has subscribed to ISSUU, a digital publication platform (issuu.com), to publicise some academic type articles - so far 5 are published.

Two newsletters and 2015 calendar were produced. PENHA website has been continuously updated and its visibility on the social media has increased with Blogs, LinkedIn, Twitter, YouTube and Facebook pages. Three videos were published.

PENHA HQ staff, board members and supporters continued the process of finalizing the five-year strategic plan. The strategic plan was drafted and shared with all concerned parties in enriching its content and shaping PENHA's future. Final reviewing strategy workshop, with the PENHA Board chairperson, was held in Addis Ababa, Ethiopia on November 29th 2014. It engaged all the PENHA partners in Ethiopia. The final document that reflects the latest inputs will be published in 2015.

With funding from the International Fund for Agricultural Development, PENHA supported a project in the management and use of Prosopis Juliflora in the Horn of Africa, with work in Eastern Sudan

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and Somaliland. Prosopis was introduced to Africa at the beginning of the twentieth century because it thrived well in arid conditions. However it was found to suppress other shrubs and plants which were the traditional feed of livestock feed. It has come to be seen as a serious infestation. The project sought to manage the shrub and stop it from increasing its coverage as well as use it positively.

At the AGM of Trustees, various critical issues were raised including the strategic stance of PENHA and how it can optimize its capacity to fulfill its mission. PENHA has been benefited from the active involvement of the Trustees. Moreover, PENHA has engaged more than seven volunteers through both office based and virtual forms of work.

Somaliland

PENHA-Somaliland has continued to combine work at the grassroots level - implementing projects that help people to improve their lives - with efforts at the policy level - participating in civil society networks and international forums, engaging with relevant ministries and contributing to public policy debates. Sustainable agriculture and economic diversification in semi-arid (agro-) pastoral areas have been central themes.

The Prosopis project was based in Somaliland. Desk reviews were written about Prosopis and a regional training officer from Eastern Sudan visited Hargeisa to share experiences in a training workshop. A total of 75 participants came from three villages to training workshops and 102 took part in a work shop for policymakers and extension officers (encompassing preparation of training materials, workshop design and delivery). The project ended in 2014 at a conference held in Ethiopia (see Sudan section below).

Fodder & Honey Production in Somaliland. The Arsenault Family Foundation (AFF) (USA) supports enterprise and job creation through loans to local entrepreneurs. PENHA-Somaliland is overseeing loans to women's groups that have received training and beekeeping equipment from PENHA-Somaliland. Groups are engaged in a range of enterprises. It is hoped that groups will establish profitable enterprises and pay back the loans. Activities have involved: meetings with groups to review loan management arrangements; funds disbursed to local women's groups in 3 villages - a total amount of \$20,000; funds disbursed to four cooperatives in four villages (Qalacato, Galooley, Xaxi and Gatiteley) – a total amount of \$27,600 for honey production.

Fodder Production and Beekeeping in Odweyne Region supported by Polish Aid. The project aimed to contribute to peace, stability and socio-economic development by enhancing agricultural productivity and promoting entrepreneurship. The project worked with farmer cooperatives in the Haydaanle, Abdidheere and Ismail Derie villages of Odweine Region. Activities included; Training in Fodder Production – three workshops for 75 participants from 3 villages; training in Cooperative Management and Formation – three workshops for 60 participants from three villages; distribution of equipment to cooperatives; training in Natural Resource Management – three workshops for 75 participants from 3 villages; environmental rehabilitation - labour-intensive, cash-for-work construction of soil bunds serving 300 hectares in three villages (150 employed.); and production of a Policy Brief for Polish Aid – reviewing agricultural policy issues.

PENHA-Somaliland is collaborating with FAO-Somalia on its land tenure initiative. PENHA conducted a series of training workshops for pastoral civil society organizations organized under the umbrella organization SOLPAF (the Somaliland Pastoralist Forum).

FAO “Sustainable Employment & Economic Development” (SEED) Program, Phase II Activities included: three sets of workshops for 200 beneficiaries, equipment distributed to 100 beneficiaries and establishing fodder on 200 hectares of land through bush clearing and reseeded of pastures, and hand-ploughing of flood-receded plains.

“Trade Aid” Boxes from the Grantham Kesteven Rotary Club, UK, supporting local economic diversification. PENHA distributed these boxes for teachers, carpentry and tailoring/dressmaking to local schools, cooperatives and women's groups in six villages - Abdi Dheere, Haydanle, Isamel Dirie, Awbarkhadle, Dinqal and Dheenta - in Odweyne District, and in the Maroodi Jeex District around the capital, Hargeisa.

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Other PENHA-Somaliland activities included: participation in a regional IGAD event for pastoral civil society held in Kampala; participation in a regional IGAD workshop for civil society on resilience/sustainable development; discussions with civil society organizations on women's participation in politics and governance; participation in Somaliland's International Book Fair; developing draft policy briefs on fisheries, on charcoal production; on oil and extractive industries, on pastoralism and socio-economic change (shared with relevant agencies).

Sudan

The Pastoral Environment Association in Kassala State (PEAKS), Animal Production and Resource Centre (APRC) and Sudan University of Science and Technology (SUST) have been the key partners of PENHA in its strategic positioning in Sudan as well as delivering its activities. PENHA with funding from the International Fund for Agricultural Development (IFAD) Sudan and in collaboration with these partners has delivered projects related to natural resource management, women's economic empowerment, nomadic education programme and local organisation's capacity building package. PEAKS has been instrumental in all the project stages starting from design to the impact assessment. It has more than 100 fee paying members and an outreach of over 2,000 pastoralists in the rural areas. PEAKS has an office with the Islamic Relief Association (ISRA) in Kassala where it uses the office in deploying its resources to benefit the communities.

The Prosopis project was also based in Kassala State, Eastern Sudan. A desk review was written about Prosopis in Sudan. 185 community members and 20 extension workers took part in a training workshop in Kassala. PEAKS has been the main implementing agent in Eastern Sudan for the project. The programme was completed at the end of 2014 with a conference held in Addis Ababa to reflect on the work completed by PENHA but also on the experience in Ethiopia, Kenya and Eritrea. It involved experts from a range of research institutions and Universities in the Horn of Africa region with a view from the pastoralist grass roots in Sudan. A summary of the conference is on the PENHA website where it can be downloaded.

PENHA has continued to support the women empowerment activities through building women centres in Eastern Sudan villages and providing handicraft trainings to women groups which are working in improving their income through producing quality product. Zurich Community Trust and other individual donors have generously supported this activity in Kassala area. PENHA has also supported the education of nomadic children through the purchase and distribution of school educational materials.

Uganda

PENHA Uganda was active in both grass roots development activities as well as contributing to lobbying and taking part in discussions on the future of pastoralism and the development of indigenous livestock in Uganda.

With support from Trade Aid, Rotary Club of Grantham Kesteven, UK two boxes of teaching material were distributed to Kaku Primary School in Kiruhura district and four boxes of tailoring machines and materials to Kanyaryeru Women Tailors' Association in Kiruhura and Ntutsi Tweekembe Women's Group in Sembabule. Miss Harbinson's Trust donated 300 British Pounds for the PENHA Uganda Ntutsi Tweekembe Women's group which was used to purchase an over lock sewing machine.

With support from Open Gate and Eva Reckitt Trust, 20 cross bred goats were distributed to 5 women's groups from Kiruhura, Lwengo and Sembabule districts. PENHA Uganda is an active member of COPACSO, Coalition of Pastoralist Civil Society Organisations. PENHA was invited to six international meetings in Belgium, the Netherlands, India, Germany and the HQ of the Food and Agricultural Organisation in Rome, Italy. These meetings covered a wide range of topics, from the economics of biodiversity to sustainability of indigenous livestock breeds. It also took part in two meetings of the African Union in Kampala on operationalising the AU's policy framework on pastoralism along with a PENHA member from Somaliland. It also wrote articles and gave radio interviews on the importance of biodiversity in livestock development.

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How the money was spent

The great majority of funds raised by the London offices as well as by the country offices are earmarked for project activities in the Horn of Africa. Funds awarded to PENHA from donors are released on the basis of specific and detailed agreements with donors as to the use of such funds.

PENHA thanks all its donors and remains committed to continue its drive towards alleviating poverty among pastoral people in Africa and empowering them to make their own contribution to a better future for themselves and their countries.

Donations in time and kind

We have increased PENHA's pool of volunteers at country and Head quarters level and they do the bulk of the work free of charge. Much of our work is carried out by technical advisors, members of line ministries in the Horn of Africa, research associates and post graduate volunteers under the leadership of our core staff.

The PENHA trustees, the majority of whom are UK based and are high calibre professionals, have provided their advice, support and guidance throughout the year.

Possible risks and risk management

PENHA works in a Region which is still vulnerable to poverty, largely the result of drought and famine, and civil strife. Under such circumstances PENHA trustees regularly review risks and mitigate against such risks by having contingency plans in place. PENHA also has a reserves policy and aims to set aside 20% of its funds for contingencies to cover unforeseen expenditure.

Review of Financial Transactions


The Statement of Financial Activities on page 7 for the year ended 31 December 2014 sets out how the charity's funds have been applied, and the Balance Sheet on page 8 sets out the charity's financial position at 31 December 2014.

Review of Activities

At 31 December 2014 the charity's funds amounted to £19,286, a decrease of £4,766 from the previous year end. The charity's net assets are adequate to fulfil the obligations of the charity.

Dependency on Volunteers' Services

The charity is dependent upon the services of unpaid 8 management committee and 6 volunteers, and would like to thank them for the valuable services given by them during the year.


.....
Mr. C. R. Maxey
Secretary
PENHA

3rd August 2015

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PENHA

I report on the accounts for the year ended 31 December 2014 set out on pages Seven to twelve.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. I am qualified to undertake the examination by being a qualified member of Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principle the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the account be reached.



Efre Kidane FCCA
EKB Accountancy Services
Chartered Certified Accountants and registered Auditor
39-41 North Road
London, N7 9DP

3rd August 2015

PENHA
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2014

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|--|----------|----------------------------|--------------------------|----------------------|----------------------|
| Income and Expenditure | | | | | |
| Incoming Resources | | | | | |
| Grants | 6 | 16,949 | 85,389 | 102,338 | 33,913 |
| | | ----- | ----- | ----- | ----- |
| | | 16,949 | 85,389 | 102,338 | 33,913 |
| Add: Income in advance brought forward | | 0 | 0 | 0 | 0 |
| Less: Income in advance carried forward | | 0 | 0 | 0 | 0 |
| | | ----- | ----- | ----- | ----- |
| | | 16,949 | 85,389 | 102,338 | 33,913 |
| Resources Expended | | | | | |
| Direct charitable expenditure | 4 | 0 | 92,577 | 92,577 | 100,780 |
| Project support and administration | 5 | 6,722 | 7,389 | 14,111 | 17,936 |
| Fundraising and publicity | 6 | 416 | | 416 | 385 |
| | | ----- | ----- | ----- | ----- |
| | | 7,138 | 99,966 | 107,104 | 119,101 |
| Net Incoming/(Outgoing) Resources | | | | | |
| For the Year | | | | | |
| | | 9,811 | (14,577) | (4,766) | (85,188) |
| Funds brought forward at 1 January 2014 | | 6,029 | 18,023 | 24,052 | 109,240 |
| Transfer of Funds | | 0 | 0 | 0 | 0 |
| | | ----- | ----- | ----- | ----- |
| Funds carried forward at 31 December 2014 | | <u>15,840</u> | <u>3,446</u> | <u>19,286</u> | <u>24,052</u> |

PENHA
BALANCE SHEET
As At 31 December 2014

| | Notes | 2014 £ | 2013 £ |
|---|-------|---------------|---------------|
| Fixed Assets | | | |
| Tangible Asset | 8 | 202 | 382 |
| | | <u>202</u> | <u>382</u> |
| Current Assets | | | |
| Debtor | 9 | 16,026 | 0 |
| Cash at bank and in hand | | 7,595 | 25,170 |
| | | <u>23,621</u> | <u>25,170</u> |
| Liabilities: amounts falling due within one year | 11 | (4,537) | (1,500) |
| Net Current Assets | | <u>19,084</u> | <u>23,670</u> |
| Net Assets | | <u>19,286</u> | <u>24,052</u> |
| Funds | | | |
| Unrestricted | 11 | 15,840 | 6,029 |
| Restricted | 11 | 3,446 | 18,023 |
| | | <u>19,286</u> | <u>24,052</u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2014. The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2014 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

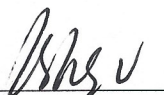
The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 3rd August 2015 and were signed on its behalf by:

Mr. John Plastow, Chair



Dr. L.A. Abebe, Treasurer



The notes on pages 7 to 8 form part of these accounts.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Charity Status

The charity is a company limited by guarantee, the liability of the members being limited to £1 each. The company is registered as a charity with the Charities Commission and is exempt from direct taxation.

2. Accounting Policies

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants

All grants are from donors for specific environmental research projects or for the purpose of defraying staff costs, and for the provision of office facilities and functions.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Overseas projects

Expenditure in respect of overseas projects is charged to the relevant project at the time of payment.

Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of transaction. Monetary assets and liabilities denominated in foreign currencies are translated in to sterling at the balance sheet date.

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| 5. Project support and administration | 2014 | 2013 |
|--|----------------------|----------------------|
| | £ | £ |
| Salaries | 4,400 | 1,700 |
| Volunteer costs | 6,083 | 6,158 |
| Rent, rates and insurance | 459 | 440 |
| Printing, postage and stationery | 506 | 1,078 |
| Telephone, fax and internet | 504 | 438 |
| Audit/ Accountancy fee | 750 | 2,700 |
| Travel | 36 | 952 |
| Depreciation | 180 | 180 |
| General Expenses | 1,193 | 4,290 |
| | <u>14,111</u> | <u>17,936</u> |
| | | |
| 6. Fundraising and publicity | | |
| Newsletter | 0 | 105 |
| Professional fee and consultancy | 415 | 280 |
| | <u>415</u> | <u>385</u> |
| | | |
| 7. Staff Costs | | |
| Wages and volunteer payments | 10,483 | 7,858 |
| | <u>10,483</u> | <u>7,858</u> |
| | | |
| The average (full-time equivalent) number * of persons employed during the year was:- | 1 | 1 |
| | <u>1</u> | <u>1</u> |
| | | |
| 8. Tangible Fixed Asset | | |
| Cost | | |
| At 1 January 2014 | 1,719 | 1,719 |
| Additions | | |
| | <u>1,719</u> | <u>1,719</u> |
| As at 31 December 2014 | 1,719 | 1,719 |
| Depreciation | | |
| At 1 January 2014 | 1,337 | 1,337 |
| Charge for the year | 180 | 180 |
| | <u>1,517</u> | <u>1,517</u> |
| As at 31 December 2014 | 1,517 | 1,517 |
| | | |
| Net Book Value | | |
| As at 31 December 2014 | <u>202</u> | <u>202</u> |
| As at 31 December 2013 | <u>382</u> | <u>382</u> |

PENHA
NOTES TO THE FINANCIAL STATEMENTS
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| | | |
|---|---------------|--------------|
| 9. Debtors: | 2014 | 2013 |
| | £ | £ |
| Grants Receivable -IFAD | 15,690 | 0 |
| Other debtors | 336 | |
| | 16,026 | 0 |
| 10. Liabilities: Amounts falling due within one year | | |
| Somaliland Accrued expenses -IFAD | 3,787 | 0 |
| Sundry Creditors | 750 | 1,500 |
| | 4,537 | 1,500 |

| | Balance 1 January 2014 £ | Incoming Resources £ | Resources Used £ | Transfers Between Funds £ | Balance 31 December 2014 £ |
|---|--|----------------------------|------------------------|------------------------------------|--|
| 11. Funds | | | | | |
| Restricted Funds | | | | | |
| Danida | 4,250 | (4,250) | 0 | 0 | 0 |
| IFAD | 12,217 | 63,922 | (76,139) | 0 | 0 |
| Uganda Women Support –Individual donors | 226 | 9,699 | (8,479) | 0 | 1,446 |
| EVA Reckitt Trust | 0 | 1,000 | (1,000) | 0 | 0 |
| Evan Cornish | 0 | 2,000 | 0 | 0 | 2,000 |
| Rotary Club –Grants in Kind | 0 | 6,400 | (6,400) | 0 | 0 |
| Food WE Want (FWW) | 1,330 | 6,618 | (7,948) | 0 | 0 |
| | 18,023 | 85,389 | (99,966) | 0 | 3,446 |
| Unrestricted Funds | | | | | |
| HQ | 6,029 | 16,949 | (7,138) | 0 | 15,840 |
| | 6,029 | 16,949 | (7,138) | 0 | 15,840 |
| Total Funds | 24,052 | 102,338 | (107,104) | 0 | 19,286 |

12. Trustees Expenses

A total of £0 (2013: £0) was reimbursed to trustees in the period.
No trustee or any person connected with them has received or is due to receive any remuneration for the year directly or indirectly from the charity's funds.