

Company registration number: 02435882
Charity registration number: 802353

Ethiopiaid

(A company limited by guarantee)

Annual Report and Financial Statements
for the Year Ended 31 December 2022

Milsted Langdon LLP
4 Queen Street
Bath
BA1 1HE

Ethiopiaid

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Reference and Administrative Details

Chief Executive Officer	L Cousins
Trustees	A Chapman A Fenn S Grimsdale M Norman E Prak N Reed (resigned 5 May 2022) H Horn T Reed A A Gebreyes
Charity Registration Number	802353
Company Registration Number	02435882
Registered Office	The charity is incorporated in England and Wales. PO BOX 5168 Bath BA1 0RR
Auditor	Milsted Langdon LLP 4 Queen Street Bath BA1 1HE
Bankers	Barclays Bank Hounslow Leicester LE87 2BB HSBC Bank Knightsbridge Premier Centre 102 Brompton Road London SW3 1JJ Bank of Scotland PO Box 17235 Edinburgh EH11 1YH

Ethiopiaid

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2022.

Purpose of the charity

Ethiopiaid works with Ethiopian NGO partners to improve the lives of some of the poorest and most vulnerable people in Ethiopia. The charity's global strategy states that their key objectives are:

- To reach and impact positively on the lives of the most poor and marginalised people in Ethiopia as identified by project need, partner access and expertise.
- To be the charity of choice for those with an interest in Ethiopia and the causes supported by the charity.
- To ensure robust systems and processes to safeguard the charity's future operations in an evolving development landscape.

Summary of main activities

Ethiopiaid works closely and in partnership with indigenous organisations who know the local context and are best placed to design and deliver effective and impactful projects and programmes.

In 2022 £2,626,121 was transferred to partners. This included:

- The small grants programme which awarded 15 NGOs in Ethiopia a total of £292,903.
- £539,648 Emergency response funding to address the impact of ongoing unrest in the country.
- £93,874 was provided to 11 UK registered charities delivering projects in Ethiopia, as champion matched funding via The Big Give Christmas Challenge, leveraging a further £292,138 in donations from their own supporters.

The charity's main partners were:

Afar Pastoralist Development Association (APDA)

APDA works in the remote Afar region to end harmful traditional practises such as female genital mutilation and early marriage. APDA's outreach health workers work with families, traditional FGM practitioners, communities and religious leaders to challenge attitudes, change mind-sets and protect young girls. APDA also provide emergency aid and recovery to remote communities during times of crisis.

Association for Women's Sanctuary and Development (AWSAD)

AWSAD provides safe shelter and support to women and girl survivors of gender based violence. There are now 10 safe houses across Ethiopia caring for survivors. The women and girls receive medical care, psychological support, skills training and assistance with bringing their perpetrators to justice. AWSAD's programme also includes prevention and awareness training with the police, government, community leaders and students.

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Trustees' Report

Cheshire Services Ethiopia

Cheshire Services is a leading disability charity working with adults and children. They provide corrective surgery, intensive rehabilitation, mobility aids and physiotherapy. Their wheelchair and prosthetics workshop produces specialist bespoke equipment, and a livelihoods programme supports disabled households to become financially self-supporting.

Studio Samuel

Studio Samuel's mission is to engage vulnerable girls in after school and weekend clubs where they learn a variety of skills for employment. One project is peer to peer training on the production of reusable menstruation packs. The girls design, produce and distribute these packs free of charge to secondary schools to ensure that other girls can stay in school with dignity and without shame during their periods. At the same time they learn about business, team working and building their own self confidence.

Hamlin Fistula Hospital and Midwifery College

The Hamlin hospital is world-renowned for the treatment and rehabilitation of women suffering from obstetric fistula. Ethiopiaid funds the training of midwives recruited from the rural areas, who benefit from high quality training for 4 years and are then deployed back to rural community health centres.

Healing Hands of Joy

Healing Hands of Joy rehabilitates fistula survivors by training them as Safe Motherhood Ambassadors. The Ambassadors return to their communities to support access to pre-natal education and encourage women to give birth safely in health centres, thus preventing further fistula cases.

Hope Enterprises

Hope Enterprises provides and supports education for impoverished students from primary to tertiary level. Ethiopiaid specifically funded the technical and vocational education programme in Addis, alongside re-starting the feeding programme for children and adults living in poverty on the streets of Addis Ababa and Dessie.

Hope Enterprises University College

Ethiopia's first not-for-profit university enables students from impoverished backgrounds to receive a high quality education. Their mission is to provide aspiring leaders the option of pursuing a world class degree without leaving their country and cultural setting. Funding supports student scholarships so that the poorest students can attend the College and complete their studies.

Hospice Ethiopia

Hospice Ethiopia provide palliative home care to terminally ill people living in poverty who have little or no access to medical assistance. They also train medical professionals in palliative care. Ethiopiaid funded their Addis programme and helped the organisation to extend its reach into Bahirdar.

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Trustees' Report

Support for Children, Women and Older Persons (SCWOP)

Ethiopiaid funding provides welfare support to 1,071 impoverished elders and 100 orphaned vulnerable grandchildren living in poverty in Addis. 90% of the elders are female. A monthly pension payment is made to each elder so that they can purchase basic food staples, with extra payments for those with dependant grandchildren. Funding is also provided to support medication and surgery to treat eye problems and restore sight.

Hope of Light

Hope of Light provides surgery for women living with an obstetric fistula or pelvic organ prolapse. Ethiopiaid provided funding for the running costs of its fistula centre in Jimma alongside community awareness programmes. Funding was also provided to re-equip looted health centres in areas of conflict with birthing kits.

National Podoconiosis Action Network (NAPAN)

NAPAN is an umbrella organisation working with local implementing partners in rural areas to prevent and treat podoconiosis - a non-infectious neglected disease arising in barefoot subsistence farmers causing lymphoedema of the feet and lower limbs. The project funded in 2022 ensured treatment service access to approx. 4000 podo affected individuals and the wider community, as well as oversized shoe provision in eight endemic districts of Keffa zone in South West Ethiopia.

Emergency and Recovery Funding

Ethiopiaid continued its commitment to supporting partners with emergency and recovery funding in the face of ongoing food and water shortages, and the impact of conflict which began in the Tigray region in November 2020.

Wings of Healing

Working primarily in Addis, Amhara, Southern Region and Tigray, Wings of Healing focuses on improving the health of vulnerable people by identifying areas of high need and using their expertise to fill gaps in provision. In 2022 Ethiopiaid funded the expansion of a cervical cancer screening programme in Addis, two emergency health clinics in internally displaced person (IDP) camps in conflict affected Tigray, and an emergency feeding programme for malnourished mothers and children in an IDP camp in Amhara.

Atsedes Maternity Clinic

A rural health clinic located in the remote mountainous area of the Gurage zone. Astedes Maternity Clinic was founded and run by experienced local midwives and provides respectful and individualised maternal health care for women. The clinic includes a birthing suite, delivery room, emergency clinic and a number of outreach projects. Ethiopiaid funded the Midwives on the Move project and the Inside/ Outside project, both of which improve maternal health outcomes and wellbeing by taking services and support to rural women in their homes and communities.

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Trustees' Report

PARTNER	PURPOSE OF GRANT / PROJECT	PLEDGE AMOUNT (£)
Wings of Healing	Equipment and medicines for emergency medical clinics in internally displaced persons camps	150,000
APDA	Emergency relief for internally displaced persons and host communities	286,000
Hope of Light	Re-equipping health centres with birthing equipment	103,648
TOTAL		539,648

The Trustees agreed to restrict £250,000 from the charity's reserves in order to provide for urgent emergency and recovery needs arising during 2022, to avoid delays to the provision of assistance whilst a fundraising appeal is launched.

Small Grants Programme

The small grants programme is a funding opportunity for locally registered Ethiopian NGOs to apply for a one off grant of up to £25,000 for work aligned with Ethiopiaid's global strategy. The programme enables Ethiopiaid to further its reach and also assess potential for longer-term partnerships. In 2022 small grants were awarded to 15 NGOs in Ethiopia totalling £292,903.

The Big Give Christmas Challenge

The Big Give Christmas Challenge is a match funding campaign where donations to participating charities are doubled. Ethiopiaid provides champion funding for UK registered charities that work in Ethiopia with the challenge of securing matched pledges from their donors. In 2022 Ethiopiaid's champion fund of £93,874 successfully leveraged an additional £292,138 in donations from the participating charity's own supporters.

Policy on Grant Making

To ensure that the utmost public benefit will be received and the maximum amount of money can be forwarded to its partners, the charity keeps its costs to a minimum, maintaining a business model of facilitating action in Ethiopia, but minimising action aside from fundraising in the UK.

The charity predominantly supports indigenous NGOs through the provision of funding to deliver their programmes. In addition support is given to partners to help them to work more effectively and strengthen their capacity.

The trustees are therefore confident that Ethiopiaid meets the public benefit requirements and they confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit where applicable.

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Trustees' Report

Fundraising Regulations

The charity adheres to the Chartered Institute of Fundraising Code of Practice, is a member of the Chartered Institute of Fundraising, registered with the Information Commissioners Officer, and the Fundraising Regulator.

Complaints are recorded by the charity on the complaints register and shared with the Fundraising Regulator annually. In 2022 there were a total of 5 complaints received by the charity. All complaints were dealt with immediately and any remedial actions required taken.

The charity did not receive any data subject access requests during the year. There were no data breaches to report.

Strategic Report

Achievements and performance

In 2022 Ethiopiaid supported the work of numerous non-governmental organisations (NGOs) working in Ethiopia through direct partnerships, the small grants programme and The Big Give Christmas Challenge.

Key achievements for the year included:

- £2,626,121 worth of grants were made to Ethiopian partners
- Voluntary income (excluding legacies) for the year totalled £1,914,140
- Emergency appeals during the year raised £252,964 to support communities impacted by the conflict

Achievements against objectives set

- Direct mail campaigns raised £345,885
- £981,167 raised through regular gifts
- Legacies received with a value of £706,426 enabling us to make significant grants to partners and respond to emergencies
- £396,906 raised through grants from charitable trusts, foundations and grant makers
- £205,425 raised through philanthropic gifts
- Timely and efficient gift aid claims resulted in £259,834 being claimed back from HMRC
- Overall running costs were kept to a minimum. For every £1 raised 19 pence was spent on administration and fundraising costs

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Trustees' Report

Priority areas for 2023

Improving donor stewardship

By focusing on our donors' experience we will strengthen our individual giving income streams to reduce attrition, and mitigate against shocks caused by the economic climate in the UK.

Investing in fundraising partnerships

Building upon the growth seen in 2021 and 2022, the partnerships team will focus on maintaining existing donors and grant makers, alongside expanding their reach to new philanthropists and networks. We will seek those who share our approach of locally led partnerships.

Developing the capacity strengthening of partners

We will build upon our pilot projects in this area to develop a robust programme open to all of our partners. Our aim is to provide the practical support requested by our partners to strengthen their organisational capacity to increase their effectiveness, social impact and be funder ready in order to attract support from other international donors.

Improving our monitoring and evaluation

We seek to continually improve our M&E process and this will again be a focus for 2023. Ensuring a blended approach to desk based M&E and face to face visits remains a priority. A new partner charter will be developed to set the standard for all of our partners to meet and we will introduce deeper financial reviews as a result of length of partnership or a significant increase in funding.

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Trustees' Report

Financial Review

In 2022 the charity's total income was £2,886,501, up from £2,710,145 in 2021. This was due to an increase in Legacies from £406,181 in 2021, to £706,426 in 2022. Gift aid reclaimed decreased from £280,081 in 2021 to £259,834 in 2022, whilst gifts in kind (linked to business support and office space) decreased to £5,000 (2021: £9,000) due to Ethiopiaid moving into its own office space.

Expenditure on raising funds in the year was £170,130 (2021: £225,460), whilst expenditure on charitable activities increased in the year to £3,049,371 from £2,262,329 in 2021.

The charity generated a planned deficit in the year of £333,000, a decrease on 2021 which saw a surplus of £222,356.

Investment Policy and Objectives

Ethiopiaid does not invest any donations in the money market, but merely uses deposit accounts to earn interest on any money until it is donated to our projects.

Ethiopiaid uses different banks to divide any deposits between them, in case of any bank defaulting on the deposit. As such Ethiopiaid is very cautious about its investments and cash.

In terms of ethical investments, Ethiopiaid does not invest in stock and shares therefore no investments are considered 'unethical'.

Reserves Policy

It is the policy of the Trustees that cash available for distribution at the year end is sent to Ethiopia when suitable projects are found. The charity's core reserves policy is to ensure that we have enough to cover one year of main partner donations and our overheads at any one time.

Principal Source of Funds

Ethiopiaid's principal source of funds is from individuals through regular gifts (standing orders and direct debits), donations in response to direct mail and online appeals, significant philanthropic gifts, grants from charitable foundations and legacies.

At 31 December 2022 the charity held £2,167,188 (2021: £2,564,600) in unrestricted reserves. Based on the expenditure levels during 2022 the unrestricted reserves held at 31 December 2022 equate to approximately 8 months of partner donations and overheads.

The charity has £107,244 in restricted reserves carried forward, which relates to Hamlin Fistula Hospital.

Total free reserves as at 31 December 2022 were £2,161,593 (2021: £2,558,848).

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Trustees' Report

Principal Risks Facing the Charity

Managing risks effectively is integral to the achievement of Ethiopiaid's vision. The Trustees ensure that a risk register is reviewed at each board meeting so that key risks are identified and mitigated. The Trustees are ultimately responsible for risk management and the effectiveness of Ethiopiaid's internal control systems. The following framework is in place:

The CEO maintains the risk register and reviews any significant organisational risks on a regular basis.

The Trustees review the strategic risks and the internal control measures.

Policies are in place for raising complaints and concerns (whistle-blowing). There is also an anti-fraud, corruption and bribery policy in place.

The main risks facing Ethiopiaid are:

Risk	Mitigations
Military action and violence putting at risk partner projects, beneficiaries safety and the ability to continue working in regions. There is also a risk to donor confidence.	Monitoring of media reports and information from partners. Pause all funding to partners in Tigray until there is stability and programmes can resume. Ensure transparency with donors. Address new needs arising from the situation for example support for refugees and internally displaced persons. Invest in longer term recovery projects
Safeguarding of staff, volunteers during times of political and social instability.	Monitor the Ethiopian political landscape. Regular communication with our partners, British Embassy and other networks in Ethiopia. Regular review of staff and volunteer travel policies.
Fraud and misappropriation of funds in Ethiopia.	Partnership agreements with every partner. M&E checks. Partners to have policies on anti-fraud, bribery and corruption. Audit trail of funds transferred.
Exploitation of beneficiaries.	Safeguarding lead Trustee. Ethiopian partners to have own safeguarding policies, processes and training in place. Ethiopian partners must commit to Ethiopiaid's safeguarding policy and code of conduct. Annual refresher safeguarding training for Ethiopiaid staff. Safeguarding training delivered to volunteers travelling overseas with Ethiopiaid.

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Trustees' Report

The Continuing Impact of Covid

The charity has continued to adapt working practices in response to government advice and restrictions in the UK and in Ethiopia.

The risks are recorded on the charity's risk register and reviewed at trustee meetings. It is anticipated that the main risks to the charity's activities are:

Risk

Reduction in income from individual donors due to economic downturn in the UK.

ETHIOPIAID'S RESPONSE

The charity will focus on delivering excellent stewardship of donors to encourage longevity of support. Donors wishing to cancel will be asked to consider reducing or pausing their donations as an alternative. Efforts will be directed to recruit new donors and increase other income streams for the charity.

Inability to travel to Ethiopia to undertake the monitoring and evaluation of grants made to partners.

Remote M&E processes will be reviewed and strengthened. Ethiopian based consultants will be sought to support where necessary. An M&E trip will be scheduled as soon as it is safe to do so.

Risk to our partners of being unable to deliver services and programmes as planned.

Restrictions in Ethiopia have meant that the delivery of some programmes have been affected, in particular those linked to education, livelihoods and outreach. The charity will maintain regular communications with partners to understand continuity plans and provide support to ensure that 'normal' services/ projects can resume quickly and effectively once all restrictions are lifted.

Demands for additional funding to support our partners response to covid may increase.

The charity will ensure that funding decisions are made quickly and grants released early as appropriate and necessary.

Ethiopiaid employees working remotely as a result of government guidelines, need for social distancing in the office, individuals shielding, or illness.

The team have regular weekly virtual meetings to support collaboration, focus and maintain productivity. Wellbeing is reviewed by the CEO on a regular basis. All staff are provided with the equipment needed to work both from home and in the office.

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Trustees' Report

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:

- A Chapman
- A Fenn
- S Grimsdale
- M Norman
- E Prak
- N Reed, (resigned 5 May 2022)
- H Horn
- T Reed
- A A Gebreyes (appointed 27 January 2022)

Chief Executive Officer: L Cousins

Secretary: L Cousins

Safeguarding

All Ethiopiaid trustees, employees and volunteers must read, understand and commit to Ethiopiaid's safeguarding policy and code of conduct.

We expect all staff and trustees of Ethiopiaid to adhere to the highest standards, ensuring that we do no harm; act at all times with integrity, accountability and transparency, and to work in the best interests of those we work with.

Ethiopiaid's safeguarding policies follows best practice and is drawn from ACFID Code of Conduct (recognised as a 'leader' in this), the Core Humanitarian Standard (CHS), ICRC and other bodies.

We have robust safeguarding and whistleblowing policies in place and ensure that our Ethiopian partners also have a safeguarding policy in place that meets a minimum recognized standard. In addition we expect them to adopt our safeguarding policy.

We have zero tolerance against discrimination in and out of the workplace. This includes any discrimination or unfair treatment towards our Ethiopian beneficiaries and partners, our volunteers, staff and donors.

Our duty of care is not limited to just beneficiaries, staff and volunteers, but also includes children and vulnerable adults in the communities served by our partners who are not direct beneficiaries but may be vulnerable to abuse.

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Trustees' Report

Structure, Government and Management

Type of governing document

The company is a charitable company, limited by guarantee and registered as a charity on 8 November 1989. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Trustee selection methods

The Trustees are responsible for the governance and oversight of the charity, and have control of the Charity and its property and funds.

Subsequent trustees are appointed by the Trustees. Selection is based upon the skills, knowledge or experience which they can bring to the charity as well as their personal commitment to the charity's aims and objectives. The trustees also aim to maintain a balance of Reed family members and external trustees to maintain the charity's strong links to the founding family and the Reed company.

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

Under the requirements of the Memorandum and Articles of Association, the minimum number of members of the Management Committee is six but (unless otherwise determined by ordinary resolution) the maximum number of Trustees that may be appointed shall be eight. Trustees shall serve a maximum term of three years after which Trustees can retire or be voted back on to the Trustee board.

The Trustees hold at least three meetings a year including an Annual General Meeting.

Policies and processes for induction of trustees

New trustees meet existing trustees, the CEO, employees and others involved with the charity as appropriate. An induction pack is shared which includes:

- the charity's governing document
- the charity's latest annual report and accounts
- minutes of recent trustee meetings
- charity commission guidance 'The essential trustee: what you need to know (CC3)', and 'The hallmarks of an effective charity (CC10)'
- the charity's policy on dealing with conflicts of interest
- the charity's strategic plan
- the charity's safeguarding policy and code of conduct

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Trustees' Report

The charity's organisational structure

In 2022 the team increased from eight members to nine (three of which are part time including the CEO, which equates to the equivalent of 7.7 full time staff) who manage the fundraising and associated activities for the charity. The team are line managed by the CEO who reports directly to the Board of Trustees through the Chairperson.

Ethiopiaid is a global fundraising and grant-making network with separately registered charities in Australia, Canada and Ireland. Together we raise funds from our respective countries to provide grants directly to local trusted partners.

Our approach to fundraising is strategic and allows us to respond to trends and opportunities in each country of operation in a way that is market appropriate, follows best practice and recognises differing charity legislation and professional fundraising codes. This allows us to expand our partner portfolio and the geographic reach of our projects in a sustained, predictable and lasting way.

Each office is responsible for developing and implementing its own country specific fundraising plans, and together we focus on delivering our overarching global strategy (2020-2024) through a unified organisation-wide approach.

Ethiopiaid UK works closely with its sister charities in Ireland, Australia and Canada to maximise global fundraising efforts and to coordinate grant making to Ethiopian partners.

Since May 2020 Ethiopiaid UK has overseen the operational and fundraising activities of Ethiopiaid Ireland, including the line management of its Charity Officer by the UK CEO. This arrangement will continue in 2023.

Relationship with any related parties

In 2022 the charity benefitted from in kind business support (IT, HR and payroll) from Reed Specialist Recruitment Limited. Ethiopiaid was founded by Sir Alec Reed CBE in 1989 and he served as an Ethiopiaid trustee until 2016.

Ethiopiaid Trustee Alexandra Chapman is a member of the Reed Family, a shareholder of the Reed Family Companies and a trustee of the Reed Foundation.

Ethiopiaid Trustee Tessa Reed is a member of the Reed family. Tessa Reed is the daughter of Nicola Reed (resigned as a Trustee in May 2022), the granddaughter of the charity's founder and the daughter of the current Chairman of Reed Specialist Recruitment. She is also the niece of fellow Trustee Alexandra Chapman.

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Trustees' Report

Names of the Trustees

Full list of Ethiopiaid's Trustees and their appointment dates:

- Alexandra Chapman, First appointed:18/09/03 Re-appointment:13/10/15
- Alexandra Fenn, First appointed: 11/12/07 Re-appointment: 22/09/17
- Edith Prak, First appointed: 14/10/14
- Helen Horn, First appointed: 18/03/15
- Michael Norman, First appointed: 05/05/11
- Nicola Reed, First appointed: 14/10/14, Resigned 05/05/2022
- Sally Grimsdale, First appointed: 20/01/11
- Tessa Reed, First appointed : 29/01/19
- Dr Alex Gebreyes, First appointed 27/01/2022

Remuneration

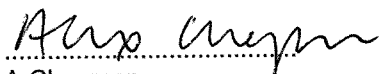
In 2022 Ethiopiaid completed the benchmarking of salaries using published salary benchmarking research for the voluntary sector. The benchmarking project is undertaken every three years to ensure that the charity offers a fair wage that attracts and keeps qualified and experienced staff to lead, manage and support the delivery of the charity's aims.

The trustees are ultimately responsible for setting the salary of the most senior member of staff, the CEO.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 18/5/23 and signed on its behalf by:



A Chapman
Trustee

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Statement of Trustees' Responsibilities

The trustees (who are also the directors of Ethiopiaid for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

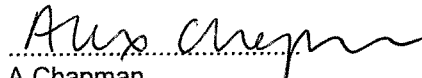
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on *18/5/23* and signed on its behalf by:


.....
A Chapman
Trustee

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Independent Auditor's Report to the Members of Ethiopiaid

Opinion

We have audited the financial statements of Ethiopiaid (the 'charity') for the year ended 31 December 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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Independent Auditor's Report to the Members of Ethiopiaid

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or 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 Statement of Trustees' Responsibilities (set out on page 15), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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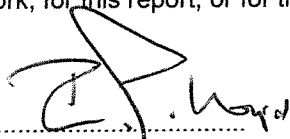
Independent Auditor's Report to the Members of Ethiopiaid

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Use of our report

This report is made solely to the charitable company's trustees, 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 trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Ian Lloyd
(Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditor
4 Queen Street
Bath
BA1 1HE

Date:..... 26th May 2023 .

Ethiopiaid

Statement of Financial Activities for the Year Ended 31 December 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	2,035,075	850,325	2,885,400	2,709,887
Investment income	4	<u>1,101</u>	<u>-</u>	<u>1,101</u>	<u>258</u>
Total income		<u>2,036,176</u>	<u>850,325</u>	<u>2,886,501</u>	<u>2,710,145</u>
Expenditure on:					
Raising funds	5	(170,130)	-	(170,130)	(225,460)
Charitable activities	6	<u>(1,511,275)</u>	<u>(1,538,096)</u>	<u>(3,049,371)</u>	<u>(2,262,329)</u>
Total expenditure		<u>(1,681,405)</u>	<u>(1,538,096)</u>	<u>(3,219,501)</u>	<u>(2,487,789)</u>
Net income/(expenditure)		354,771	(687,771)	(333,000)	222,356
Transfers between funds		<u>(752,183)</u>	<u>752,183</u>	<u>-</u>	<u>-</u>
Net movement in funds		(397,412)	64,412	(333,000)	222,356
Reconciliation of funds					
Total funds brought forward		<u>2,564,600</u>	<u>42,832</u>	<u>2,607,432</u>	<u>2,385,076</u>
Total funds carried forward	17	<u>2,167,188</u>	<u>107,244</u>	<u>2,274,432</u>	<u>2,607,432</u>

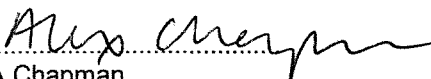
All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2021 is shown in note 17 on page 35.

Ethiopiaid

(Registration number: 02435882)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	5,595	5,752
Current assets			
Debtors	14	184,927	207,447
Cash at bank and in hand		<u>2,143,694</u>	<u>2,425,576</u>
		2,328,621	2,633,023
Creditors: Amounts falling due within one year	15	<u>(59,784)</u>	<u>(31,343)</u>
Net current assets		<u>2,268,837</u>	<u>2,601,680</u>
Net assets		<u>2,274,432</u>	<u>2,607,432</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		107,244	42,832
Unrestricted income funds			
Unrestricted funds		<u>2,167,188</u>	<u>2,564,600</u>
Total funds	17	<u>2,274,432</u>	<u>2,607,432</u>

The financial statements on pages 19 to 38 were approved by the trustees, and authorised for issue on 18/5/23, and signed on their behalf by:


A Chapman
Trustee

Ethiopiaid

Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (expenditure)/income		(333,000)	222,356
Adjustments to cash flows from non-cash items			
Depreciation	5	1,581	1,917
Investment income	4	<u>(1,101)</u>	<u>(258)</u>
		(332,520)	224,015
Working capital adjustments			
Decrease in debtors	14	22,520	9,005
Increase/(decrease) in creditors	15	<u>28,441</u>	<u>(300,124)</u>
Net cash flows from operating activities		<u>(281,559)</u>	<u>(67,104)</u>
Cash flows from investing activities			
Interest receivable and similar income	4	1,101	258
Purchase of tangible fixed assets	13	<u>(1,424)</u>	<u>(1,572)</u>
Net cash flows from investing activities		<u>(323)</u>	<u>(1,314)</u>
Net decrease in cash and cash equivalents		(281,882)	(68,418)
Cash and cash equivalents at 1 January		<u>2,425,576</u>	<u>2,493,994</u>
Cash and cash equivalents at 31 December		<u><u>2,143,694</u></u>	<u><u>2,425,576</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 22 to 38 form an integral part of these financial statements.

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital.

The address of its registered office is:

PO BOX 5168

Bath

BA1 0RR

These financial statements were authorised for issue by the trustees on 18/05/23

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Ethiopiaid meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Gifts in kind

In kind support has been recognised at the commercial value of gifts/services received, less the amount paid by the Charity. Donations in kind are recognised when the receipt of the benefit is probable and the economic benefit can be measured reliably, being the amount the clients would have been willing to pay for the services or facilities received. A corresponding amount is recognised in expenditure in the period of receipts.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Volunteer time

No amount is included in the financial statements for volunteer time in line with the Charity SORP (FRS 102).

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £40 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	25% reducing balance

Debtors

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

3 Income from donations and legacies

	Unrestricted		Total 2022 £	Total 2021 £
	General £	Restricted £		
Donations and legacies;				
Legacies	606,426	100,000	706,426	406,181
Donations	1,163,815	750,325	1,914,140	2,014,625
Gift aid reclaimed	259,834	-	259,834	280,081
Gifts in kind	5,000	-	5,000	9,000
	<u>2,035,075</u>	<u>850,325</u>	<u>2,885,400</u>	<u>2,709,887</u>

£2,035,075 (2021 - £2,222,532) of the income above was attributable to unrestricted funds and £850,325 (2021 - £487,355) attributable to restricted funds.

4 Investment income

	Unrestricted funds	Total 2022 £	Total 2021 £
	General £		
Interest receivable and similar income;			
Interest receivable on bank deposits	794	794	95
Other investment income	307	307	163
	<u>1,101</u>	<u>1,101</u>	<u>258</u>

£1,101 (2021 - £258) of the income above was attributable to unrestricted funds and £Nil (2021 - £Nil) attributable to restricted funds.

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

5 Expenditure on raising funds

a) Other costs of generating donations and legacies

	Direct costs £	Total 2022 £	Total 2021 £
Costs of generating donations and legacies	144,281	144,281	202,938
Other costs of generating funds	25,849	25,849	22,522
	<u>170,130</u>	<u>170,130</u>	<u>225,460</u>

£170,130 (2021 - £225,460) of the expenditure above was attributable to unrestricted funds and £Nil (2021 - £Nil) attributable to restricted funds.

6 Expenditure on charitable activities

	Note	Unrestricted		Total 2022 £	Total 2021 £
		General £	Restricted £		
Grant funding of activities	8	1,088,025	1,538,096	2,626,121	1,907,996
Staff costs	11	290,769	-	290,769	236,962
Allocated support costs	7	121,157	-	121,157	109,524
Governance costs	7	11,324	-	11,324	7,847
		<u>1,511,275</u>	<u>1,538,096</u>	<u>3,049,371</u>	<u>2,262,329</u>

£1,511,275 (2021 - £1,774,705) of the expenditure above was attributable to unrestricted funds and £1,538,096 (2021 - £487,624) attributable to restricted funds.

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Notes to the Financial Statements for the Year Ended 31 December 2022

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Finance costs £	Staff costs £	Admini- -stration costs £	Other support costs £	Total 2022 £	Total 2021 £
Staff development	-	6,734	-	-	6,734	3,329
Insurance	-	-	-	2,625	2,625	2,963
Office expenses	-	-	-	71,334	71,334	64,264
Online Donation Processing	-	-	1,251	-	1,251	1,493
Sundry expenses	-	-	-	803	803	1,295
Refund for unused funds	-	-	-	-	-	14,000
Consultancy fees	-	-	-	3,099	3,099	1,386
Bank charges	2,516	-	-	-	2,516	2,343
Legal and professional	-	-	-	2,392	2,392	1,960
Depreciation	-	-	-	1,581	1,581	1,917
Direct Debit processing fee	-	-	-	13,019	13,019	14,574
Safeguarding	-	-	-	21,330	21,330	-
Refunds	-	-	-	(5,527)	(5,527)	-
	<u>2,516</u>	<u>6,734</u>	<u>1,251</u>	<u>110,656</u>	<u>121,157</u>	<u>109,524</u>

Governance costs

	Unrestricted General £	Total 2022 £	Total 2021 £
Other non-audit services	4,503	4,503	3,147
Auditors remuneration	6,821	6,821	4,700
	<u>11,324</u>	<u>11,324</u>	<u>7,847</u>

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Notes to the Financial Statements for the Year Ended 31 December 2022

8 Grant-making

Analysis of grants

	Grants to institutions	
	2022	2021
	£	£
Analysis		
Ethiopia Partner Support	<u>2,626,121</u>	<u>1,907,996</u>

The support costs associated with grant-making are £423,250 (31 December 2021 - £354,333).

Below are details of material grants made to institutions

	2022	2021
	£	£
Name of Partner		
Afar Pastoralist Development Association	286,000	202,000
Association of Women's Sanctuary and Development	299,880	147,550
Cheshire Services Ethiopia	327,000	372,000
Association of Forced Migrants	-	20,000
Atsede and Indies Womens Clinic	52,000	12,000
Emmanuel Development Association For Ethiopia	-	19,500
Support for Children, Women and Older People	202,000	164,200
Hope Enterprises	264,734	183,834
FTPIDO	-	15,000
Healing Hands of Joy	70,000	50,000
Future Generation Hope for Vulnerable Children	-	20,000
Aisha Charity Association	-	15,000
Hope University College	76,500	75,000
Hospice Ethiopia	100,000	50,000
Konso Development Association	-	20,000
Medicine Sans Frontiers	-	100,000
Rajo Somali Women Living with HIV	18,384	20,000
Safehands for Mothers	-	20,000
Cheshire Foundation Action for Inclusion	-	7,000
Hope of Light	103,648	-
Dignity Period	-	(10,225)
Wings of Healing	150,000	123,230
Hamlin Fistula Hospital & Midwifery College	50,000	50,000

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

Talent Youth Association	-	20,000
Studio Samuel Foundation	45,000	19,287
Project Harar Ethiopia	-	20,000
National Podoconiosis Action Network	40,000	40,793
The Big Give Christmas Challenge	93,874	100,827
Association Development Horn	20,000	-
Community Association for Destitute Abandoned People	15,035	-
Community Development Service Association	20,864	-
Community Sustainable Development Aid	20,000	-
Empathy for Life Integrated Dev Association	24,806	-
Ethiopian Women with Disabilities National Association	18,680	-
Federation of Ethiopian Persons with Disabilities	19,932	-
Friends for Integrated Dev Assoc	15,330	-
Help for Persons with Disabilities Organisation	20,000	-
Nutrition 4 Education and Development	19,963	-
Save Generation Development Association	20,000	-
Shalom Integrated Community Development Org	19,614	-
Sunrise Ethiopia Development Program	20,410	-
Vineyard Children's Home	19,867	-
Light Ethiopia	20,000	-
Rainbows 4 children	15,600	20,000
LeDEG Midwifery College	20,000	-
For Development Association Ethiopia	50,000	-
Action on Podoconiosis	80,000	-
SENEthiopia	(13,000)	-
	<u>2,626,121</u>	<u>1,907,996</u>

£13,000 of restricted income in 2019 for SENEthiopia was not sent due to conflict in the Tigray region this affected SENEthiopia's ability to deliver their normal support.

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2022	2021
	£	£
Audit fees	6,821	4,700
Other non-audit services	4,503	3,147
Depreciation of fixed assets	<u>1,581</u>	<u>1,917</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2022	2021
	£	£
Staff costs during the year were:		
Wages and salaries	259,820	211,917
Social security costs	24,175	20,131
Pension costs	<u>6,774</u>	<u>4,914</u>
	<u>290,769</u>	<u>236,962</u>

The increase in payroll costs during the year were a result of two members of staff being on paid maternity leave and another member of staff joining during the year.

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2022	2021
	No	No
Support staff	<u>9</u>	<u>8</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £58,476 (2021 - £53,461).

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

13 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 January 2022	9,702	9,702
Additions	1,424	1,424
At 31 December 2022	11,126	11,126
Depreciation		
At 1 January 2022	3,950	3,950
Charge for the year	1,581	1,581
At 31 December 2022	5,531	5,531
Net book value		
At 31 December 2022	5,595	5,595
At 31 December 2021	5,752	5,752

14 Debtors

	2022 £	2021 £
Gift aid	66,830	47,333
Prepayments	3,920	3,920
Legacies	44,177	156,194
Other debtors	70,000	-
	184,927	207,447

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	27,148	18,005
Other taxation and social security	4,523	5,330
Other creditors	18,133	263
Accruals	9,980	7,745
	59,784	31,343

16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £6,774 (2021 - £4,914).

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

17 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds					
<i>General</i>					
General Fund	2,514,600	2,036,176	(1,674,905)	(752,183)	2,123,688
Capacity Building Funds	50,000	-	(6,500)	-	43,500
	<u>2,564,600</u>	<u>2,036,176</u>	<u>(1,681,405)</u>	<u>(752,183)</u>	<u>2,167,188</u>
Restricted funds					
Dignity Period Project	1,793	1,284	-	(3,077)	-
Hamlin Fistula Hospital	41,039	116,205	(50,000)	-	107,244
Cheshire Services	-	21,369	(327,000)	305,631	-
Association for Women's Sanctuary and Development	-	222,034	(299,832)	77,798	-
Support for Women, Children and Older People	-	84	(202,000)	201,916	-
Hope Enterprises	-	226,417	(328,264)	101,847	-
AFAR Pastoralist Development Association	-	248,817	(286,000)	37,183	-
Studio Samuel	-	14,115	(45,000)	30,885	-
Total restricted funds	<u>42,832</u>	<u>850,325</u>	<u>(1,538,096)</u>	<u>752,183</u>	<u>107,244</u>
Total funds	<u>2,607,432</u>	<u>2,886,501</u>	<u>(3,219,501)</u>	<u>-</u>	<u>2,274,432</u>

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2022

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
Unrestricted funds					
General					
General Fund	2,251,975	2,222,790	(2,000,165)	40,000	2,514,600
Capacity Building Funds	50,000	-	-	-	50,000
	<u>2,301,975</u>	<u>2,222,790</u>	<u>(2,000,165)</u>	<u>40,000</u>	<u>2,564,600</u>
Restricted					
Neglected Tropical Disease	40,000	-	-	(40,000)	-
Dignity Period Project	2,062	1,793	(2,062)	-	1,793
Hamlin Fistula Hospital	41,039	58,022	(58,022)	-	41,039
Cheshire Services	-	430	(430)	-	-
Association for Women's Sanctuary and Development	-	174,601	(174,601)	-	-
Support for Women, Children and Older People	-	220	(220)	-	-
Disability	-	5,907	(5,907)	-	-
Hope Enterprises	-	19,770	(19,770)	-	-
Education	-	25,533	(25,533)	-	-
Emergency relief	-	110,338	(110,338)	-	-
Maternal Health	-	41,362	(41,362)	-	-
Women and Girls	-	18,587	(18,587)	-	-
General Fistula Programme	-	2,292	(2,292)	-	-
Hope Enterprises University College	-	28,500	(28,500)	-	-
Total restricted funds	<u>83,101</u>	<u>487,355</u>	<u>(487,624)</u>	<u>(40,000)</u>	<u>42,832</u>
Total funds	<u>2,385,076</u>	<u>2,710,145</u>	<u>(2,487,789)</u>	<u>-</u>	<u>2,607,432</u>

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The specific purposes for which the funds are to be applied are as follows:

Capacity Building Funds

This fund has been created to strengthen the infrastructure and reputation of Ethiopiaid's local partners to help them improve the planning, delivery and evaluation of activities. We see this as an important tool to support the development and sustainability of our partners, helping them to be 'funder ready' and able to secure funding from other international and local donors. Funding of the Capacity Strengthening Fund is provided by a grant maker who has a keen interest in this focus area and understands the importance of working with local partners to build their organisational resilience and capacity.

Neglected Tropical Disease

To cover the accommodation costs incurred by Cheshire Services Rehabilitation Centre for patients and carers recovering from complex surgeries undertaken by the charity Facing Africa.

Hamlin Fistula Hospital and Midwifery College

To fund obstetric fistula surgeries, rehabilitation and midwifery training.

Cheshire Services

To fund the costs of programmes for children and young people living with disabilities and the scaling up of wheelchair production at Cheshire's Menagesha Rehabilitation Centre.

Association for Women's Sanctuary and Development

To fund the running costs of the organisation's safe house and gender based violence prevention programmes in Addis Ababa.

Support for Women, Children and Older People

To fund monthly welfare pensions for over 1,071 destitute elders and 100 orphaned vulnerable children.

Special Educational Needs Ethiopia (previously SENTigray)

To fund two new staff posts to support visually impaired children at the Mekele Blind School, Tigray, and visually impaired teenagers living independently in the community.

Afar Pastoralist Development Association

To fund female genital mutilation prevention programmes in communities in the Afar region of Ethiopia. Restricted funds were also raised for emergency relief support delivered by APDA.

Dignity Period Project

To fund the expansion of a schools menstrual hygiene programme in the Afar and Tigray regions.

Hope Enterprises

To fund the technical vocational training programmes delivered by Hope Enterprises and associated core costs.

Hospice Ethiopia

To fund the delivery and expansion of a community based palliative care programme in Addis Ababa, Bahirdar and Hawassa.

Hope Enterprises University College

To fund students to enable them to continue their studies.

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Healing Hands of Joy

To fund the training of fistula patients to become safe motherhood ambassadors.

The transfers between funds are to cover resources expended in excess of incoming resources within the restricted funds. These allocations have been made from the General Fund.

18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds £	Total funds at 31 December 2022 £
	General £	Designated £		£
Tangible fixed assets	5,595	-	-	5,595
Current assets	2,064,783	50,000	213,838	2,328,621
Current liabilities	(59,784)	-	-	(59,784)
Total net assets	2,010,594	50,000	213,838	2,274,432

	Unrestricted funds		Restricted funds £	Total funds at 31 December 2021 £
	General £	Designated £		£
Tangible fixed assets	5,752	-	-	5,752
Current assets	2,540,191	50,000	42,832	2,633,023
Current liabilities	(31,343)	-	-	(31,343)
Total net assets	2,514,600	50,000	42,832	2,607,432

19 Analysis of net funds

	At 1 January 2022 £	Financing cash flows £	At 31 December 2022 £
Cash at bank and in hand	2,425,576	(282,213)	2,143,363
Net debt	2,425,576	(282,213)	2,143,363

	At 1 January 2021 £	Financing cash flows £	At 31 December 2021 £
Cash at bank and in hand	2,493,994	(68,418)	2,425,576
Net debt	2,493,994	(68,418)	2,425,576

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Notes to the Financial Statements for the Year Ended 31 December 2022

20 Related party transactions

During the year the charity made the following related party transactions:

Reed Specialist Recruitment Limited

Gifts in kind were received for the use of Reed Specialist Recruitment Limited office space and other fund raising costs, totalling £5,000 (2021: £9,000). This transaction has occurred on an arm's length basis.

Reed Specialist Recruitment Limited provides payroll services for Ethiopiaid for free. No value can be determined for the provision of this service as Reed Specialist Recruitment Limited does not charge third party companies as a payroll bureau. At the balance sheet date the amount due to/from Reed Specialist Recruitment Limited was £Nil (2021 - £Nil).

A Chapman (a trustee)

A Chapman made donations of £290 (2021: £1,120) to Ethiopiaid during the year

At the balance sheet date the amount due to/from A Chapman (a trustee) was £Nil (2021 - £Nil).

E Prak (a trustee)

E Prak made donations of £240 (2021: £240) to Ethiopiaid during the year

At the balance sheet date the amount due to/from E Prak (a trustee) was £Nil (2021 - £Nil).

A Fenn (a trustee)

A Fenn made donations of £45 (2021: £Nil) to Ethiopiaid during the year

At the balance sheet date the amount due to/from A Fenn (a trustee) was £Nil (2021 - £Nil).