

Company registration number: 02435882
Charity registration number: 802353

Ethiopiaid

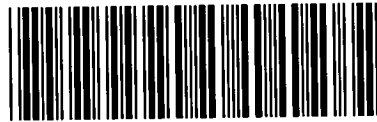
(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Milsted Langdon LLP
4 Queen Street
Bath
BA1 1HE

WEDNESDAY



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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 H Horn T Reed
Secretary	S Grimsdale
Registered Office	3rd Floor Upper Borough Court Upper Borough Walls Bath BA1 1RG The charity is incorporated in England and Wales.
Company Registration Number	02435882
Charity Registration Number	802353
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
Auditor	Milsted Langdon LLP 4 Queen Street Bath BA1 1HE

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 2020.

Purpose of the charity

Ethiopiaid works with Ethiopian 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 local indigenous organisations who know the local context and are best placed to design and deliver effective and impactful projects and programmes. In 2020 the charity funded the following work:

Afar Pastoralist Development Association (APDA)

APDA works in the remote Afar region to end harmful traditional practises such as female genital mutilation (FGM) 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.

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 5 safe houses across Ethiopia caring for a number of 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, school teachers and students.

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.

Dignity Period

Dignity's mission is to change attitudes towards menstruation, provide reusable washable sanitary pads and keep girls in school, across the Tigray and Afar regions. Their outreach workers visit rural schools to educate both girls and boys, to distribute sanitary packs and to end the shame around periods.

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Hamlin Fistula Hospital

The Hamlin hospital is world-renowned for the treatment and rehabilitation of women suffering from obstetric fistula. This year Ethiopiaid's funding supported the Hamlin's midwifery college and fistula prevention work. Midwifery students are recruited from the rural areas, receive 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. Ethiopiaid supports their programmes in Amhara and SNNPR regions.

Hope Enterprises

Hope Enterprises provides and supports education for impoverished students from primary to tertiary. Ethiopiaid funds the technical and vocational education programme in Addis, alongside the feeding programme for the poorest of the poor living on the streets of Addis Ababa.

Hope 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. Most of their patients have cancer or AIDS. Hospice Ethiopia's nurses provide pain relief and personal care to enable their patients to die with dignity.

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 the slums of Addis Ababa. 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.

SEN Ethiopia (previously known as SENTigray)

SEN Ethiopia supports children in the Tigray region who are partially sighted and blind. They improve access to education through the provision of resources, support staff and specialist SEN equipment. In 2020 Ethiopiaid provided a small grant for emergency support for residential students at the Mekele Blind School during the Covid-19 pandemic.

Hope of Light

Hope of Light is a newly formed organisation founded by Dr Ambaye Michael, an experienced fistula surgeon who trained under Dr Catherine Hamlin. In 2020 Ethiopiaid provided funding to kick start the organisation's fistula centres in Jimma and Gondar.

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Trustees' Report

Emergency funding

Ethiopiaid provided a number of emergency grants to partners facing significant challenges throughout 2020.

Locust swarms in Afar

Funding was provided to the Afar Pastoralist Development Association (APDA) to support communities severely impacted by devastating locust swarms. Over 38,000 people benefitted from nutritional support, health screening, veterinary care and provision of fodder to keep livestock alive and productive.

Support during Covid pandemic

Pledged grants were released early to a number of partners to enable them to respond to the immediate challenges caused by covid restrictions enabling:

- feeding programmes for vulnerable school children whilst schools were closed
- provision of PPE and sanitisers for staff and beneficiaries
- core operational activities to continue

Our small grants programme partners

The small grants programme is a funding opportunity for locally registered Ethiopian charities to apply for a one off grant of up to £20,000 for work aligned with Ethiopiaid's global strategy. The programme enables Ethiopiaid to further its reach and also assess potential for longer-term partnerships.

Grants totalling £119,000 were distributed to the following Ethiopian charities:

- Alliance for Better Life Association (ABLA)
- Cheshire Foundation Action for Inclusion
- Child Development Training and Research Centre (CDTRC)
- Atsede and Indies Maternity Clinic - Midwives on the Move
- Mothers and Children Development Organisation
- Pro Development network
- Promotional Service for Development
- Guidance Welfare Development Association (GWDA)

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 2020 Ethiopiaid's champion fund of £84,500 successfully leveraging an additional £214,295 in donations for the following charities:

- Together We Learn
- Lifebox Foundation
- Hope International Development Agency
- Hospice Ethiopia UK
- Ethiopian Education Foundation
- Send A Cow
- Povertyswap Limited
- Bees for Development Trust
- Global Care
- Link Education International
- Hamlin Fistula UK
- Womankind Worldwide

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Trustees' Report

Seed funding to Ethiopiaid Australia and Ethiopiaid Canada

Seed funding is provided to other Ethiopiaid offices to underwrite fundraising costs, enable growth and stability of fundraising, and maximise grants to Ethiopian partners. 2020 was the final year of agreed support.

Public benefit

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 partners to promote capacity building and maximise cost effectiveness.

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.

Policy on grant making

We are committed to investing in partnerships that expand our reach and impact across Ethiopia.

Partnership selection is based on four principles: integrity, passion, excellence, and commitment. Before working with a new partner due diligence is undertaken to assess any potential risks. New partners are always considered through the lens of our global strategy.

Ethiopiaid remains in partnerships as long as there is a clear need and funding continues to make a significant impact.

Fundraising Regulations

The charity adheres to the Institute of Fundraising Code of Practice, is registered with the Information Commissioners Office, and the Fundraising Regulator.

Complaints are recorded by the charity on the complaints register and shared with the Fundraising Regulator annually. In 2020 there were a total of 15 complaints received by the charity (14 were received in 2019). 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 2020 Ethiopiaid supported the work of 32 non governmental organisations working in Ethiopia through direct partnerships, the small grants programme and The Big Give Christmas Challenge.

Key achievements for the year included:

- £2,283,504 worth of grants were made to Ethiopian partners.
- Voluntary income (excluding legacies) for the year totalled £1,924,261 (2020 target: £2,220,000).

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Trustees' Report

- Securing a grant from the UN Women's Fund to mitigate the impact of Covid-19 at AWSAD's safe houses.
- A matched appeal to support Hospice Ethiopia's expansion into a new region raised £30,760
- Eight additional Ethiopian charities were supported through the small grants program.
- An emergency appeal raised £183,000 to support communities impacted by locust swarms in the Afar region.
- Stable and productive staff team who delivered results despite the challenges of Covid and working remotely.

Achievements against objectives set

- Successfully delivered the annual schedule of direct mail campaigns raising £393,536 exceeding the £280,000 target.
- Over £1 million raised through regular gifts.
- Legacies received with a value of £347,364 enabling us to make significant grants to partners and respond to emergencies.
- £294,033 raised through grants from charitable trusts, foundations and grant makers.
- £182,947 raised through philanthropic gifts.
- Regular gifts increased by 1.46% from the previous year.
- 1,748 new donors (2020 target: 1,500) engaged with our work following an acquisition campaign through Facebook and Instagram.
- 766 new regular givers were recruited during the year.
- Timely and efficient gift aid claims resulted in £257,938 being claimed back from HRMC.
- Overall running costs were kept to a minimum. For every £1 raised 22 pence was spent on administration and fundraising costs.

Priority areas for 2021

Maintaining income streams

Ethiopiaid will focus on maintaining performing income streams in order that we ensure organisational sustainability and resist shocks to our finances.

A good mix of income streams that will deliver in the immediate, mid and long term.

Donor stewardship

Regular giving from individuals through standing orders and direct debits, is an effective income stream for Ethiopiaid. Our focus for 2021 will be to stabilise committed income through improved donor stewardship to aid retention and life time value, and a programme of new donor acquisition.

Capacity building

Ethiopiaid understands that its partners may require support to strengthen their organisation to increase its effectiveness, professionalism and social impact.

A programme will be developed to provide funding in order that partners can address their capacity needs to support sustainability and becoming 'funder ready'. For example leadership, finance, project management, marketing, fundraising and human resources.

Monitoring and evaluation

Our monitoring and evaluation process continues to be regularly reviewed and strengthened. With the global pandemic restricting our ability to travel to Ethiopia, ensuring a blend of remote monitoring coupled with an in-country consultant, will be a priority going forward.

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Ethiopiaid UK will work closely with Ethiopiaid Canada, Ethiopiaid Ireland and Ethiopiaid Australia to ensure a cohesive approach to M&E.

Financial review

In 2020 the charity's total income was £2,561,580, down from £2,581,046 in 2019. This was due to a decrease in donations from £2,060,951 in 2019 to £1,924,261 in 2020. Gift aid reclaimed increased to £257,938 in 2020 from £239,124 in 2019, whilst gifts in kind remained the same in the year £29,000 (2019: £29,000).

Expenditure on raising funds in the year was £256,351 (2019: £332,340), whilst expenditure on charitable activities increased in the year to £2,603,297 from £2,351,554 in 2019.

The charity generated a larger deficit in the year of £298,068, an increase of the 2019 deficit of £102,848.

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

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At 31 December 2020 the charity held £2,301,975 (2019 : £2,683,144) in unrestricted reserves. Based on the expenditure levels during 2020 the unrestricted reserves held at 31 December 2020 equate to approximately 11 months of partner donations and overheads.

The charity has £83,101 in restricted reserves carried forward, of which £40,000 relates to Noma and Facial Disfigurement, £2,062 relates to Dignity Period Project and £41,039 relates to Hamlin Fistula Hospital.

Total free reserves as at 31 December 2020 were £2,295,878 (2019: £2,683,114).

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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

Military action and violence in the Tigray region putting at risk partner projects, beneficiaries safety and ability to continue working in this region. There is a risk to donor confidence.

Reduction in fundraising income

Safeguarding of staff, volunteers during times of political and social instability

Fraud and misappropriation of funds in Ethiopia

Exploitation of beneficiaries

Mitigations

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.

Keep up to date with fundraising trends. Clear and realistic fundraising strategy. Investment in fundraising activities. Diversify and develop new funding streams. Deliver best possible donor care. Maintain adequate level of reserves. Build the capacity of Ethiopian partners to be 'funder ready' and attract other donors.

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.

Partnership agreements with every partner. M&E checks. Partners to have policies on anti-fraud, bribery and corruption.

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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Impact of Covid-19

The Charity has adapted its working practices as a result of the Covid-19 related control measures enforced 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

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

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

Demands for additional funding to support our partners response to Covid-19 may increase

Risk of grant makers redirecting funding to Covid-19 projects

Ethiopiaid employees working remotely due to office closures and travel restrictions

Mitigations

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.

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

Restrictions in Ethiopia have meant some services and project have temporarily ceased, 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 restrictions are lifted.

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

The charity's staff will ensure all opportunities to apply for appropriate funding are taken.

Twice weekly team zoom calls are held to discuss the weeks priorities, ensure focus and maintain productivity. The wellbeing and resilience of team members is reviewed by the CEO on a regular basis. All staff are provided with laptops/ devices to enable work to continue remotely. IT support is provided by Reed's IT Team until such time that we migrate from their system.

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Trustees' Report

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 (recognized 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.

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 employees of the Reed Family of Companies, and external trustees to maintain the charity's strong links to the Reed Family of Companies.

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.

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Trustees' Report

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

The charity's organisational structure

In 2020 there were seven members of staff (two of which were part time) 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 recognizes 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 2021.

Ethiopiaid benchmarks its salary scale using published salary benchmarking research for the voluntary sector. This 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.

Ethiopiaid's CEO supports the board of trustees with benchmarking against comparative organisations in the UK (based on number of staff, income levels, location in the UK, activities undertaken, etc). The trustees are ultimately responsible for setting the salary of the most senior member of staff, the CEO.

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Trustees' Report

The CEO, Lisa Cousins, is responsible for ensuring that the charity follows sector legislation and best practices to raise income targets; managing the small staff team; liaising with all partner organisations in Ethiopia; and leading on the monitoring and evaluation of the charity's partnerships.

Relationship with any related parties

In 2020 the charity benefitted from donated business support (office space, 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 Trustees Nicola Reed and Tessa Reed are both members of the Reed family. Nicola Reed is the spouse, and Tessa Reed the daughter, of the current Chairman of Reed Specialist Recruitment.

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
- Sally Grimsdale, First appointed: 20/01/11
- Tessa Reed, First appointed : 29/01/19

Familial links between Trustees

Alexandra Chapman and Nicola Reed are sisters-in-law (Nicola Reed is married to Alexandra's brother James Reed). Tessa Reed is the daughter of Nicola Reed and niece of Alexandra Chapman.

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.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 13/07/21 and signed on its behalf by:



A Chapman
Trustee

Ethiopiaid

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 the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

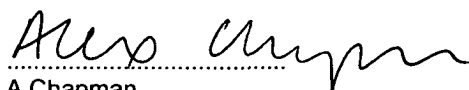
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees of the charity on 13/07/21 and signed on its behalf by:



A Chapman
Trustee

Ethiopiaid

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 2020, 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 2020 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's 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 original 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 matters 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 company 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 13), 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's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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: 12th August 2021

Ethiopiaid

Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Income and Endowments from:					
Donations and legacies	3	2,230,417	328,146	2,558,563	2,567,853
Investment income	4	<u>3,017</u>	<u>-</u>	<u>3,017</u>	<u>13,193</u>
Total income		<u>2,233,434</u>	<u>328,146</u>	<u>2,561,580</u>	<u>2,581,046</u>
Expenditure on:					
Raising funds	5	(256,351)	-	(256,351)	(332,340)
Charitable activities	6	<u>(785,517)</u>	<u>(1,817,780)</u>	<u>(2,603,297)</u>	<u>(2,351,554)</u>
Total expenditure		<u>(1,041,868)</u>	<u>(1,817,780)</u>	<u>(2,859,648)</u>	<u>(2,683,894)</u>
Net income/(expenditure)		1,191,566	(1,489,634)	(298,068)	(102,848)
Transfers between funds		<u>(1,572,735)</u>	<u>1,572,735</u>	<u>-</u>	<u>-</u>
Net movement in funds		(381,169)	83,101	(298,068)	(102,848)
Reconciliation of funds					
Total funds brought forward		<u>2,683,144</u>	<u>-</u>	<u>2,683,144</u>	<u>2,785,992</u>
Total funds carried forward	17	<u>2,301,975</u>	<u>83,101</u>	<u>2,385,076</u>	<u>2,683,144</u>


All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2019 is shown in note 17 on page 32.

Ethiopiaid

(Registration number: 02435882)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	6,097	-
Current assets			
Debtors	14	216,452	74,970
Cash at bank and in hand		<u>2,493,994</u>	<u>2,630,724</u>
		2,710,446	2,705,694
Creditors: Amounts falling due within one year	15	<u>(331,467)</u>	<u>(22,550)</u>
Net current assets		<u>2,378,979</u>	<u>2,683,144</u>
Net assets		<u>2,385,076</u>	<u>2,683,144</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		83,101	-
Unrestricted income funds			
Unrestricted funds		<u>2,301,975</u>	<u>2,683,144</u>
Total funds	17	<u>2,385,076</u>	<u>2,683,144</u>

The financial statements on pages 17 to 36 were approved by the trustees, and authorised for issue on ~~13.10.2020~~ and signed on their behalf by:


.....
A Chapman
Trustee

Ethiopiaid

Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash expenditure		(298,068)	(102,848)
Adjustments to cash flows from non-cash items			
Depreciation	5	2,033	-
Investment income	4	<u>(3,017)</u>	<u>(13,193)</u>
		(299,052)	(116,041)
Working capital adjustments			
(Increase)/decrease in debtors	14	(141,482)	109,198
Increase/(decrease) in creditors	15	<u>308,917</u>	<u>(249,831)</u>
Net cash flows from operating activities		<u>(131,617)</u>	<u>(256,674)</u>
Cash flows from investing activities			
Interest receivable and similar income	4	3,017	13,193
Purchase of tangible fixed assets	13	<u>(8,130)</u>	<u>-</u>
Net cash flows from investing activities		<u>(5,113)</u>	<u>13,193</u>
Net decrease in cash and cash equivalents		(136,730)	(243,481)
Cash and cash equivalents at 1 January		<u>2,630,724</u>	<u>2,874,205</u>
Cash and cash equivalents at 31 December		<u><u>2,493,994</u></u>	<u><u>2,630,724</u></u>

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

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2020

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:

3rd Floor

Upper Borough Court

Upper Borough Walls

Bath

BA1 1RG

Authorised for issue date

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 2020

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.

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Notes to the Financial Statements for the Year Ended 31 December 2020

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's 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.

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2020

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.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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.

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Notes to the Financial Statements for the Year Ended 31 December 2020

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.

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Notes to the Financial Statements for the Year Ended 31 December 2020

3 Income from donations and legacies

	Unrestricted		Total	Total
	General	Restricted	2020	2019
	£	£	£	£
Donations and legacies;				
Legacies	278,486	68,878	347,364	238,778
Donations	1,664,993	259,268	1,924,261	2,060,951
Gift aid reclaimed	257,938	-	257,938	239,124
Gifts in kind	29,000	-	29,000	29,000
	<u>2,230,417</u>	<u>328,146</u>	<u>2,558,563</u>	<u>2,567,853</u>

Income from donations and legacies was £2,558,563 (2019: £2,567,853) of which £2,230,417 was unrestricted (2019: £2,322,230) and £328,146 was restricted (2019: £245,623).

4 Investment income

	Unrestricted funds General	Total	Total
	£	2020 £	2019 £
Interest receivable and similar income;			
Interest receivable on bank deposits	2,924	2,924	12,959
Other investment income	93	93	234
	<u>3,017</u>	<u>3,017</u>	<u>13,193</u>

Income from investments was £3,017 (2019: £13,193) of which £3,017 was unrestricted (2019: £13,193).

5 Expenditure on raising funds

	Direct costs	Total	Total
	£	2020 £	2019 £
Costs of generating donations and legacies	246,223	246,223	317,852
Other costs of generating funds	10,128	10,128	14,488
	<u>256,351</u>	<u>256,351</u>	<u>332,340</u>

Expenditure on raising funds was £256,351 (2019: £332,340) of which £256,351 was unrestricted (2019: £332,340).

Ethiopiaid

Notes to the Financial Statements for the Year Ended 31 December 2020

6 Expenditure on charitable activities

	Note	Unrestricted		Total 2020 £	Total 2019 £
		General £	Restricted £		
Grant funding of activities	8	465,724	1,817,780	2,283,504	2,027,955
Staff costs	11	216,782	-	216,782	155,869
Allocated support costs	7	93,500	-	93,500	161,250
Governance costs	7	9,511	-	9,511	6,480
		<u>785,517</u>	<u>1,817,780</u>	<u>2,603,297</u>	<u>2,351,554</u>

Expenditure on charitable activities was £2,603,297 (2019: £2,351,554) of which £785,517 was unrestricted (2019: £1,013,756) and £1,817,780 was restricted (2019: £1,337,798).

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Notes to the Financial Statements for the Year Ended 31 December 2020

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Finance costs £	Staff costs £	Admini- -stration costs £	Other support costs £	Total 2020 £	Total 2019 £
Staff development	-	1,481	-	-	1,481	2,708
Insurance	-	-	-	4,972	4,972	4,928
Office expenses	-	-	-	45,131	45,131	81,972
Online Donation Processing	-	-	1,622	-	1,622	1,322
Sundry expenses	-	-	-	2,148	2,148	887
Advertising	-	-	-	-	-	4,019
Consultancy fees	-	-	-	9,829	9,829	6,923
Management fees	-	100	-	-	100	42,879
Bank charges	2,561	-	-	-	2,561	5,050
Legal and professional	-	-	-	5,365	5,365	-
Depreciation	-	-	-	2,033	2,033	-
Photography	-	-	-	3,718	3,718	-
Processing fee	-	-	-	13,202	13,202	10,562
Marketing platform	-	-	-	1,338	1,338	-
	<u>2,561</u>	<u>1,581</u>	<u>1,622</u>	<u>87,736</u>	<u>93,500</u>	<u>161,250</u>

Governance costs

	Unrestricted General £	Total 2020 £	Total 2019 £
Other non-audit services	3,948	3,948	2,700
Auditors remuneration	<u>5,563</u>	<u>5,563</u>	<u>3,780</u>
	<u>9,511</u>	<u>9,511</u>	<u>6,480</u>

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Notes to the Financial Statements for the Year Ended 31 December 2020

8 Grant-making

Analysis of grants

	Grants to institutions	
	2020	2019
	£	£
Analysis		
Ethiopia Partner Support	2,283,504	2,027,955

The support costs associated with grant-making are £323,660 (31 December 2019 - £317,582).

Below are details of material grants made to institutions

	2020	2019
	£	£
Name of institution		
Afar Pastoralist Development Association (APDA)	320,000	54,500
Association of Women's Sanctuary and Development (AWSAD)	246,838	103,133
Cheshire Services Ethiopia	540,016	297,000
Cheshire Livelihoods Project	-	85,600
Facing Africa (Noma)	-	34,220
Support for Children, Women and Older People (SCWOP)	210,700	134,200
Ethiopiaid Australia	44,800	75,000
Ethiopiaid Canada	43,000	86,072
Hope Enterprises	250,000	250,000
Hope University College	75,000	30,000
Women and Health Alliance International (WAHA)	-	100,000
Healing Hands of Joy	50,000	50,000
Hospice Ethiopia	50,000	50,000
Aisha Charity Association	-	5,000
National Podoconiosis and Integrated Development Organisation	-	15,000
Action for Social Development	-	15,000
Sosena Lemma Capacity Building Consultant	-	6,003
Dignity Period	10,225	87,698
Dignity Period - Expansion into the Afar region	-	256,000
EECMY Nekemte Deaf School	-	20,000
Hamlin Fistula Hospital	50,000	100,000
SENEthiopia	(10,075)	12,000

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Notes to the Financial Statements for the Year Ended 31 December 2020

SENTigray	15,000	70,141
Simien Mountains Mobile Medical Service	55,000	15,000
Ethiopian Education Foundation	-	12,000
Bees for Development Trust	-	20,000
Hospice Ethiopia UK	-	3,750
Project Harar Ethiopia	25,000	25,000
Womankind Worldwide	-	10,000
The Big Give Christmas Challenge Admin	86,600	3,638
Povertyswap Limited	-	2,000
Alliance for Better Life Association (ABLA)	15,000	-
Cheshire Foundation Action for Inclusion	7,000	-
Child Development Training and Research Centre (CDTRC)	13,000	-
Guidance Welfare Development Association (GWDA)	19,000	-
Midwives on the Move	16,000	-
Mothers and Children Development Organisation	15,000	-
Pro Development Network	17,000	-
Promotional Service for Development	17,000	-
Studio Samuel Foundation	2,400	-
Hope of Light	100,000	-
	<u>2,283,504</u>	<u>2,027,955</u>

Refund from SENEthopia of £10,075 represents a return of unspent grant money.

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Notes to the Financial Statements for the Year Ended 31 December 2020

9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2020	2019
	£	£
Audit fees	5,563	3,780
Other non-audit services	3,948	2,700
Depreciation of fixed assets	<u>2,033</u>	<u>-</u>

10 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

H Horn

£Nil (2019: £175) of expenses were reimbursed to H Horn during the year.

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:

	2020	2019
	£	£
Staff costs during the year were:		
Wages and salaries	190,767	141,263
Social security costs	19,025	11,879
Pension costs	<u>6,990</u>	<u>2,727</u>
	<u>216,782</u>	<u>155,869</u>

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

	2020	2019
	No	No
Support staff	<u>9</u>	<u>6</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 £53,416 (2019 - £Nil).

In 2019 key management were seconded to the charity and were remunerated by a third party. The charity paid a management charge for the services received and therefore no key management remuneration was provided by the charity itself.

12 Taxation

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

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Notes to the Financial Statements for the Year Ended 31 December 2020

13 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
Additions	8,130	8,130
At 31 December 2020	8,130	8,130
Depreciation		
Charge for the year	2,033	2,033
At 31 December 2020	2,033	2,033
Net book value		
At 31 December 2020	6,097	6,097

14 Debtors

	2020 £	2019 £
Gift aid	50,471	45,435
Prepayments	2,314	2,910
Legacies	163,667	26,625
	216,452	74,970

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	313,851	6,242
Other taxation and social security	3,601	3,211
Pledged donations	6,280	6,017
Accruals	7,735	7,080
	331,467	22,550

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 £6,990 (2019 - £2,727).

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Notes to the Financial Statements for the Year Ended 31 December 2020

17 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds					
General					
General Fund	2,633,144	2,233,434	(1,041,868)	(1,572,735)	2,251,975
Capacity Building Funds	50,000	-	-	-	50,000
	<u>2,683,144</u>	<u>2,233,434</u>	<u>(1,041,868)</u>	<u>(1,572,735)</u>	<u>2,301,975</u>
Restricted funds					
Noma and Facial Disfigurement	-	25	-	39,975	40,000
Dignity Period Project	-	12,287	(10,225)	-	2,062
Hamlin Fistula Hospital	-	91,039	(50,000)	-	41,039
Cheshire Services	-	250	(540,016)	539,766	-
Association for Women's Sanctuary and Development	-	128,800	(246,839)	118,039	-
Support for Women, Children and Older People	-	9,100	(210,700)	201,600	-
Hope Enterprises	-	1,160	(250,000)	248,840	-
Special Educational Needs Tigray	-	125	(15,000)	14,875	-
Afar Pastoralist Development Association	-	51,705	(320,000)	268,295	-
Hospice Ethiopia	-	20,050	(50,000)	29,950	-
Hope University College	-	25	(75,000)	74,975	-
Healing Hands of Joy	-	13,580	(50,000)	36,420	-
Total restricted funds	<u>-</u>	<u>328,146</u>	<u>(1,817,780)</u>	<u>1,572,735</u>	<u>83,101</u>
Total funds	<u>2,683,144</u>	<u>2,561,580</u>	<u>(2,859,648)</u>	<u>-</u>	<u>2,385,076</u>

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Notes to the Financial Statements for the Year Ended 31 December 2020

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2019 £
Unrestricted funds					
General					
General Fund	2,275,992	2,335,423	(886,096)	(1,092,175)	2,633,144
Capacity Building Funds	500,000	-	(450,000)	-	50,000
OMO Child	10,000	-	(10,000)	-	-
	<u>2,785,992</u>	<u>2,335,423</u>	<u>(1,346,096)</u>	<u>(1,092,175)</u>	<u>2,683,144</u>
Restricted					
Noma and Facial Disfigurement	-	75	(34,220)	34,145	-
Hamlin Fistula Hospital	-	36,153	(105,253)	69,100	-
Cheshire Services	-	3,477	(112,600)	109,123	-
Association for Women's Sanctuary and Development	-	52,532	(103,133)	50,601	-
Support for Women, Children and Older People	-	14,480	(137,253)	122,773	-
Special Educational Needs Tigray	-	30,800	(70,141)	39,341	-
Afar Pastoralist Development Association	-	53,585	(54,500)	915	-
AISHA	-	-	(5,000)	5,000	-
SEN Ethiopia	-	-	(12,000)	12,000	-
Dignity Period	-	42,822	(343,698)	300,876	-
Hope Enterprises	-	9,996	(310,000)	300,004	-
Hospice Ethiopia	-	1,703	(50,000)	48,297	-
Total restricted funds	<u>-</u>	<u>245,623</u>	<u>(1,337,798)</u>	<u>1,092,175</u>	<u>-</u>
Total funds	<u>2,785,992</u>	<u>2,581,046</u>	<u>(2,683,894)</u>	<u>-</u>	<u>2,683,144</u>

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Notes to the Financial Statements for the Year Ended 31 December 2020

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

Noma and Facial Disfigurement

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

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

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 University College

To fund students to enable them to continue their studies.

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.

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Notes to the Financial Statements for the Year Ended 31 December 2020

18 Analysis of net assets between funds

	Unrestricted			Total funds at 31 December 2020 £
	General £	Designated £	Restricted £	
Tangible fixed assets	6,097	-	-	6,097
Current assets	2,577,345	50,000	83,101	2,710,446
Current liabilities	(331,467)	-	-	(331,467)
Total net assets	<u>2,251,975</u>	<u>50,000</u>	<u>83,101</u>	<u>2,385,076</u>

	Unrestricted funds		Total funds at 31 December 2019 £
	General £	Designated £	
Current assets	2,655,694	50,000	2,705,694
Current liabilities	(22,550)	-	(22,550)
Total net assets	<u>2,633,144</u>	<u>50,000</u>	<u>2,683,144</u>

19 Analysis of net funds

	At 1 January 2020 £	Financing cash flows £	At 31 December 2020 £
Cash at bank and in hand	<u>2,630,724</u>	<u>(136,730)</u>	<u>2,493,994</u>
Net funds	<u>2,630,724</u>	<u>(136,730)</u>	<u>2,493,994</u>

	At 1 January 2019 £	Financing cash flows £	At 31 December 2019 £
Cash at bank and in hand	<u>2,874,205</u>	<u>(243,481)</u>	<u>2,630,724</u>
Net funds	<u>2,874,205</u>	<u>(243,481)</u>	<u>2,630,724</u>

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Notes to the Financial Statements for the Year Ended 31 December 2020

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 £29,000 (2019: £29,000). 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 (2019 - £Nil).

A Chapman (a trustee)

A Chapman made donations of £145 (2019: £3,120) to Ethiopiaid during the year

At the balance sheet date the amount due to/from A Chapman (a trustee) was £Nil (2019 - £Nil).

E Prak (a trustee)

E Prak made donations of £240 (2019: £240) to Ethiopiaid during the year

At the balance sheet date the amount due to/from E Prak (a trustee) was £Nil (2019 - £Nil).

H Horn (a trustee)

During the year H Horn had reimbursed travel expenses amounting to £Nil (2019: £175).

At the balance sheet date the amount due to/from H Horn (a trustee) was £Nil (2019 - £Nil).

Ethiopiaid Australia

The Chairperson, Alexandra Chapman, is a trustee of Ethiopiaid Australia

Donations to Ethiopiaid Australia of £44,800 (2019: £75,000) were paid during the year. At the balance sheet date the amount due to/from Ethiopiaid Australia was £Nil (2019 - £Nil).

Ethiopiaid Canada

The Chairperson, Alexandra Chapman, is a trustee of Ethiopiaid Canada

Donations to Ethiopiaid Canada of £43,000 (2019: £91,000) were paid during the year. At the balance sheet date the amount due to/from Ethiopiaid Canada was £Nil (2019 - £Nil).

Ethiopiaid Ireland

The Chairperson, Alexandra Chapman, is a trustee of Ethiopiaid Ireland

Donations to Ethiopiaid Ireland of £Nil (2019: £Nil) were paid during the year. At the balance sheet date the amount due to/from Ethiopiaid Ireland was £Nil (2019 - £Nil).

21 Non-adjusting events after the financial period

The effects of the worldwide Covid-19 pandemic began impacting the UK from March 2020. This has resulted in a significant shut-down of both social and economic activity here and in many other countries around the globe. This is an unprecedented global event and it is impossible to determine what the likely future impact will be on the company, the local and national economy or indeed, the wider global economy. The crisis gives rise to uncertainty in relation to the future activity which may impact future company activities, but no adjustments are required in respect of the company's results to 31 December 2020.