



# **For-ethiopia** **15<sup>th</sup> Annual Report** *for Year 1<sup>st</sup> October 2018 to 30<sup>th</sup> September 2019*



**[www.for-ethiopia.com](http://www.for-ethiopia.com)**

Registered Charity Number 1108526

## 1. REFERENCE AND ADMINISTRATIVE INFORMATION

### **For-ethiopia Trust Annual Report**

**The Trustees present their report and accounts for the year ended 30th September 2019.**

For-ethiopia is a registered charity. Charity number 1108526.

#### **Patron:**

Professor Alice Roberts

#### **Trustees:**

|                 |                                   |
|-----------------|-----------------------------------|
| Diana Brand     |                                   |
| Fraser Cardow   | Resigned 9 <sup>th</sup> May 2019 |
| Nick Carroll    |                                   |
| Robert Gentilli | (Treasurer)                       |
| Robert Grieve   |                                   |
| Tigist Grieve   | (Secretary)                       |
| Mandy Risso     | (Vice-Chair)                      |
| Sue Thomas      | (Chair)                           |

#### **Registered Office:**

5 Broadoak Walk, Bristol, BS16 4AX

#### **Contact:**

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Email: [information@for-ethiopia.com](mailto:information@for-ethiopia.com)  
Website: [www.for-ethiopia.com](http://www.for-ethiopia.com)

#### **Bankers:**

Barclays Bank Plc, Leicester, LE87 2BB

#### **Independent Examiner:**

Rupert Taylor, Easton Business Centre, Felix Rd, Bristol BS5 0HE

## 2. CHAIR'S INTRODUCTION

In the year leading up to our 15th Birthday, I took over the chair from John Rosewell, to whom many thanks. He has left us with a sound infrastructure.

Having been associated with FE since 2005, it is extraordinary to reflect on how far we have come since my first visit to Addis Alem. I remember visiting a rural Health Post serving a population roughly equivalent to my practice population in Bristol (I was still working as a GP at that time). I met a young nurse, who described her duties. 'And who is on your team?' I asked. Her expression was blank. In Bristol, at that time, we had several doctors, practice nurses, district nurses, midwives and health visitors, before I started counting technical staff, receptionists, managers etc. 'Maybe I can help here', I thought, and I have been doing so ever since.

My main interest is in health, but as I have been to Addis Alem a dozen or so times, I am also familiar with the other important aspects of our work – water, sanitation and education, particularly the empowerment of girls. I will not list our record of achievements, except to say that by 2019, all health posts have received some basic help. The Maternity Unit in Addis Alem Health Centre has been refurbished and plans are afoot for the other 3, starting with Gorba - our 'Women and Children First campaign'. We also have a project which bridges health and education, undertaking a survey on children with disabilities, our 'Leave No One Behind' project, inspired by UN sustainable development goals and our own DFID (Department for International Development). All this is being achieved on the ground by our committed FDA-E team, where there have been changes this year. Still led by Worknesh Daba and her deputy Mary Jaffer, our field worker Dereje, who has been with FDAE for 9 years, has now left to start up his own business while remaining committed to volunteer on an ongoing basis. Dereje has been replaced by returning Askale, formerly House Mother at Underhill House, so she is a tried and trusted member of the team.

In the UK, I was determined to mark our 15 years with something different. I wanted to draw together other small charities, like our own, working independently in Ethiopia. I am planning a networking event on 4th October, of which you will hear in next year's annual report and the second trip to undertake The Great Ethiopian Run next November.

To do all this, I must extend thanks to all who have supported us financially this year. I cannot mention you all, but especial thanks to Woodlands Church for their continuing support, Mandy Risso's ABC Business group, the Mullers foundation, the Underhill family, the Just Trust and our dedicated patron Professor Alice Roberts. Of the many individuals I would particularly like to thank Liz Cullen – our outpost in Malmesbury- Over the years, independently, she has run dozens of small events for us which bring in a tidy sum.

Looking ahead to the new decade, there will be changes. Major well drilling projects are now beyond our capacity, although we would hope to partner with other organisations to carry out water projects. We will continue to support medical facilities in primary care, both via the Health Posts and Health Centres, but our main drive will be in education, particularly in supporting girls and young women. The county has allotted us more land, adjacent to our existing compound, where we plan to build a second house, with scope for other facilities. There has already been a substantial donation to allow us to commence this project and our major fund-raising activities this coming year will be towards this project.

Thank you.

Dr Sue Thomas, Chair

30<sup>th</sup> September 2019

### 3. STRUCTURE, GOVERNANCE & MANAGEMENT

For-ethiopia was formally constituted with the signing of the Trust Deed on 26th September 2004 by the four original trustees. Registration with the Charity Commission was achieved on 10th March 2005.

The trustees who held office during the financial year and at the date of this report are set out on page two. The Trust Deed states that there must be at least three trustees. Apart from the founding trustees, every trustee must be appointed for a term of three years by a resolution of the trustees passed at a special meeting called under clause 15 of this deed. During the 2018/19 financial year, there were 11 Ordinary meetings in addition to 3 special meetings.

The Trust's headquarters are at its registered office in Bristol. The Trust is committed to ensuring that the maximum amount of money raised from donations is spent on development projects in Ethiopia. Therefore in the UK no salaries or office rental is paid and all administrative costs including the cost of organising events are carefully scrutinised and kept to a minimum. Furthermore, all monitoring visits by all trustees to Ethiopia are self-financed.

The Trust continues its work collaboratively through its sister partner organisation 'For Development Association Ethiopia' (FDAE), an NGO based in Addis Ababa (Ethiopian registration number 0573), in assessing and selecting development projects, raising funds for those projects, supervising the work, monitoring the impact of the resulting development and maintaining the effectiveness of the projects. All projects must meet the criteria set by the charity before the money is sent to Ethiopia. An interest has been declared in that the general manager of FDAE, an Ethiopian national, is a related party to two of the UK trustees. This is managed by our Conflicts of Interest policy.

Currently the work in Ethiopia is focussed on rural communities in Ejerie District where Addis Alem is the administrative centre. Our procedure for selection of projects and beneficiaries incorporates the following safeguards:

- All trustees will be involved in reviewing identified projects or applications.
- All trustees will consider whether we need to consult independent experts to assess viability of proposed projects.
- Partners may be recommended by individual trustees.
- No work with new partner organisations will occur without a personal meeting with their leaders.
- To further enable effective decision making in-depth analysis of the local situation and context will be undertaken, including cross-checking our understanding of unfamiliar social / cultural situations.

## **Risk Management**

The trustees recognise that some areas of our work require the acceptance and management of risk if our key objectives are to be achieved. We recognise that risk may be involved in initial project assessment and implementation. Major risks, for this purpose, are those that may have a significant effect on:

- a. operational performance, including risks to our personnel and volunteers;
- b. achievement of our aims and objectives; or
- c. meeting the expectations of our beneficiaries or supporters.

The following framework is central to ensuring adequate risk assurance:

- monitoring of major risks and development of action plans;
- establishing a clear structure of delegated authority and control;
- maintaining sufficient reserves to guarantee project completion;
- reviewing progress and impact of projects in trustees' meetings.

The trustees are determined to satisfy themselves that adequate procedures are in place to manage the risks identified.

We maintain Public and Employees Liability Insurance with Zurich Insurance, together with Trustee indemnity. With the international recession continuing the exchange rate is monitored regularly and financial advice is always taken as to the timing of sending funds to Ethiopia.

As part of our Risk Management 3 visits to Ethiopia for planning, monitoring and evaluation were undertaken during the year by trustees and by an Associate. As always all of the visits were made on a self-funded basis to follow on current projects monitoring and evaluation. Visits were also useful to consider future projects.

We have also revised our Safeguarding Policy and given further annual training to all FDAE staff in Ethiopia and encouraged our beneficiaries themselves to be pro-active in whistle blowing should the need arise. Safeguarding training for our scholarship awardees was held over a weekend. This was prepared to ensure the information reflected the cultural context appropriately and the technical terms are simplified to be understood by rural girls.



## 4. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

For-ethiopia is a charity operating from Bristol, UK with the aim of providing sustainable development to help the people of Ethiopia move towards self-sufficiency. The Trust Deed defines the charity's Objects as being:

***'To relieve poverty and sickness, to preserve and protect health and advance education, among the people of Ethiopia who are in need.'***

### **How our activities deliver public benefit**

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future objectives. The For-ethiopia Trust's principal activity continues to be supporting the development of services in health, education and water supply for the benefit of communities in the Ejere District of Ethiopia.

### **Activities undertaken to meet our objectives**

We do not work in isolation, but in close partnership with a wide range of local authorities and stakeholders including the Ejere District administration offices for water resources, health and education in Addis Alem as well as the target beneficiaries of different Kebele Associations, water engineers, school directors and teachers and health care professionals.

We do this by working through FDAE based in Addis Ababa that shares our small is beautiful ethos and community led sustainable development principles. FDA-E, has been instrumental in enabling us reach out to communities in a true bottom-up development approach. We remain dedicated to continuing our partnership for as long as communities remain in need.

## 5. ACHIEVEMENTS AND PERFORMANCE IN 2018/19

Our target area in West Shewa in Ethiopia continues to be the 3 urban and 27 rural kebeles (which are similar to parishes) in the Ejerie Woreda (District). According to the Government's 2015 census this rural area had a total population of 109,000; it surrounds and includes the town of Addis Alem (14,000). We successfully completed all of our projects in health, WASH and education scheduled for 2018/2019 on time. We continue to monitor our programmes with particular reference to their holistic impact on the health, well-being and life opportunities of all stakeholders including the future generation.

### Health Projects

This year our health project was planned to support two health centres (Gorba and Geba Jimmata) and one health post (Daka Bora).

The two health centres have been refurbished to improve the quality of service. This included fixing the maternity unit, painting, the supply of a washing machine and work on water pipe connections to the rooms.

The work on the health post provided medical equipment and furniture as requested by the health desk for the local zone through the consultation period. In Gorba the water connection work has been hampered by the lack of a water meter which is only supplied by the local government water authorities. We are expecting the connection to happen as soon as the water meter is available. Overall, this was an important intervention that goes a long way towards improving the care of mothers and babies in the two health centres.

In the process of our monitoring and evaluation period we have noticed a significant need for refreshing strategic training and work on morale-boosting initiatives at the Gorba health clinic. We envisage addressing this with the help of the Woreda health office and UK based charity Midwives UK in the coming year 2020/2021. We also anticipate collaborating with UK based charity 'Loving Humanity' sometime in future towards the reproductive health of girls and young women.

### Water Projects

This year before undertaking the water projects we had commissioned a survey of the water situation in the communities of Ejerie. We have learnt that a significant need remains as a majority of the schools and communities lack clean drinking water and accessible water sources. We have determined due to the geographical locations and complex topography that these require substantial capital beyond the charity's means. We are hoping to actively advocate for UK and Ethiopia based NGOs specialising in water to undertake these through partnership. For-Ethiopia and our implementing partner FDAE will stand to facilitate and assist when opportunities arise.

As per our 2018 consultation with the local water desk and the communities for this year, two water spring development projects and the rehabilitation of



old water points were designed to benefit rural communities. The selected villages are situated too far from the main road and due to erosion, road access was a significant challenge. With a local expert in developing springs and the communities' own contribution in labour and in kind both springs have been capped successfully. Both had excellent yield which was pointed out at the inauguration ceremony.

The commission report helped us to determine and work through systematically on the rehabilitation of old water sources. We are satisfied with the achievements of the water projects and are grateful to the inspiring involvement, feedback and kind hospitality from communities during the project and we look forward to our visit of inauguration in November 2019.

## **Education Projects**

This year we were focused on continuing to support various education projects in response to requests arising during the consultation with communities and the local education desk. While we were unable to respond positively to all requests due to insufficient resources we have utilised the budget earmarked for education as follows:

We provided solar reading lights for 120 primary school children; a director from Daka Bora School sent two men on horseback to collect the solar lights. We learnt this was celebrated by the school children as Daka Bora does not have electricity.

The hardship funds at Ejere, Hawi Boru and Ifa Beri schools now support a total of 85 disadvantaged pupils with uniforms, stationery and soap as per their respective school level committee recommendations. They assure us of the valuable contribution of this award in saving many children from dropping out of their primary education for lack of essential support.

In Ejere School we have again been able to fund the disabled students' initiative and all 16 disabled children have been able to benefit from our support earmarked for the initiative. The teachers in Ejere School are highly committed to doing more with less and we are delighted to be part of this important effort. Without this support many would have had to drop out of primary education.

We celebrate the secondary school completion of 5 girls and their transitioning into higher education. In their exit interview, they note, how without the support of FE, like many of their grade 8 friends in their villages, by now they would have been married or migrated for domestic labour. This is an incredible achievement despite the odds. The Underhill Scholarship Award scheme and the Muller's Trust fund continues to provide support for 32 teenage girls from remote villages allowing them to live away from home safely and access secondary education at Addis Alem High School. Towards this important and complex programme, the fund from Mullers has covered the stipend, healthcare, uniform and stationary while the Underhill scheme and other funds accounted for tutorials, incentives, extracurricular activities, utility bills, reference books for the in-house library and furniture among other costs. This project is further enabled by the important support provided by the

Housemother, a team of mentoring local supporters, the FDAE staff and the local Women and Children's Affairs and the Education desk.

This year we continued the social enterprise of making uniforms for sale however it proved a challenge to sell our uniforms in the local market due to the presence of cheap Chinese imports. Further while the enterprise is required to pay tax the products at the informal market do not seem to be subject to the same tax system. We continue to monitor the viability of the enterprise as an income generating venture. The related skills acquisition programme continued with the enterprise staff teaching the girls sewing skills in their free times. Staff also continue to produce uniforms for all supported secondary and primary level children. We are still exploring the sanitary product production subject to funding and suitable partners in year 2020/21.

## 6. FINANCIAL REVIEW

During the financial year 2018/19 the charity received income of £107,751 and sent £57,468 to Ethiopia to fund the development projects for that year.

As of 30th September 2019 there was a net unrestricted funds balance of £18,707. Of this £3,472 is designated for development work in 2019. £15,235 therefore remains as General Funds.

For further financial details refer to the Balance Sheet and the SoFA in the Financial Statements of the accounts that follow.

### Reserves and Investments

Our stance on both reserves and investments is regularly reviewed under our Financial Controls Policy.

- Our current policy is to ensure our cash reserves are readily accessible within reasonable notice and we hold no long term investments.
- The Trust is entirely dependent on the receipt of unguaranteed donations, so trustees intend to maintain a cautious approach to finances over the next twelve months.
- Our policy on reserves is to maintain sufficient funds to cover baseline operational costs in Ethiopia for the year ahead. The level of this fund is based on regular review of staffing levels, office rental and transport costs there. As of September 2019 this was set at £12,000. For the year in question, there is £117,638 available (including both unrestricted and restricted funds, given that currently the restricted funds contribute to the charity's regular work).

## **7. PLANS FOR THE FUTURE 2019/2020**

### **Overview**

In 2019 as trustees and associates we have worked on a 5 year strategic plan for FE which we plan to serve us as a working document going forward. The discussions in the UK at away days and trustees' meetings as well as the independent feedback we received from Ethiopia will gradually help us to specialize and focus on our strengths and where the needs are greatest. This will be the education of girls with health and wellbeing elements included. Our future plan therefore is to actively seek partners to invite to the area to address the extensive water related challenges in the community.

### **Water related challenges**

For 2019/20, as outlined in the water section and the above overview section, while we are unable to take on large scale water development work, we will be active in advocating and searching for suitable partners to join efforts in addressing the challenge of clean water in the community. There is an immense need where many communities and schools lack access to clean drinking water which will require us to advocate and facilitate for bigger charities to join the communities and local water desk efforts.

### **Health and Sanitation related challenges**

In 2019/2020 we will draw on our research commissioned last year and endeavour to address the much needed support and refresher training to health professionals. We are in discussions with UK based charity 'Midwives Ethiopia' to offer important training for the health professionals. We are also planning on completing the water connection at the Gorba health post which was postponed due to the lack of a water meter. We also continue our dialogue with the local health centre as to the future of the new building that remains empty. While we do not yet know their decision we are ready to assist the health desk in utilising the place for maternal and baby care use and we await their decision.

### **Education related challenges**

Low enrolment at secondary level, poor quality education and learning remains a challenge. We are working towards the exciting opportunity to develop land adjacent to our Toby's house campus to further the aims of the girls' access to secondary education programme. The process of acquiring the land is underway. This will require careful planning and probably four years to achieve. We are planning to raise funds through strategic planning of significant events. In the meantime we will continue to support the 32 girls already on the Girls' Access to Secondary Education programme and provide Hardship Funds to the 83 disadvantaged students at Ejere, Hawui Boru and Ifa Beri primary schools.

## **Administration**

**In Ethiopia** finding qualified staff remains difficult due to the low salary we offer compared to other NGOs. Some training has been done and staff continue to take part in country training including those provided by the charity agency and CCRDA from a membership. Trustees from Bristol have also been there to offer training and help with updating the policies for safeguarding, whistleblowing, communication and record keeping. We will continue to monitor the rate of inflation in Ethiopia and its effect on all aspects of our development work including the alignment of salaries paid to FDAE staff. We will also look for other NGO's to partner with in development work particularly in water sector.

**In the UK** our biggest challenge for 2019/2020 remains increasing our capacity both in finances and in management. We aim to generate further income through grant fund applications. We aim to advertise and recruit further trustees and continue our succession planning and business continuity.

## 8. ACCOUNTS

### **Trustees' responsibilities in relation to the Financial statements**

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and 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 on 19<sup>th</sup> June 2020 and signed on their behalf by:

By  \_\_\_\_\_

Robert Gentilli

By  \_\_\_\_\_

Tigist Grieve



## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FOR-ETHIOPIA

I report to the trustees on my examination of the accounts of the above charity for the year ended 31st March 2019 which are set out on pages 12 to 19.

### Responsibilities and basis of report

As the trustees of the charity, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### Independent examiner's statement

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

I have completed my examination. I confirm that no material matters have come to my attention (other than that disclosed below \*) in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.



..... 23<sup>rd</sup> June 2020

Rupert Taylor  
Easton Business Centre, Felix Road  
Bristol BS5 0HE

## STATEMENT OF FINANCIAL ACTIVITIES

### FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2019

|                                     | Note | Unrestricted<br>Funds<br>£ | Restricted<br>funds<br>£ | Total funds<br>2019<br>£ | Total funds<br>2018<br>£ |
|-------------------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Income from:</b>                 |      |                            |                          |                          |                          |
| Donations and legacies              |      |                            |                          |                          |                          |
| Donations                           |      | 12,364                     | 74,060                   | 86,423                   | 29,261                   |
| Gift Aid Tax Recoverable            |      | 2,039                      | 15,754                   | 17,793                   | 6,003                    |
| Grants from Trusts                  |      | -                          | 2,250                    | 2,250                    | 16,870                   |
| Tax Included Donations              |      | 590                        | -                        | 590                      | 855                      |
|                                     |      | <b>14,992</b>              | <b>92,063</b>            | <b>107,056</b>           | <b>52,989</b>            |
| Charitable Activities               |      |                            |                          |                          |                          |
| Events                              |      | 696                        | -                        | 696                      | 464                      |
| <b>Total Income</b>                 |      | <b>15,688</b>              | <b>92,063</b>            | <b>107,751</b>           | <b>53,453</b>            |
| <b>Expenditure on:</b>              |      |                            |                          |                          |                          |
| Raising funds                       | 3    | 94                         | 7                        | 101                      | 413                      |
| Charitable Activities               | 4,5  | 15,772                     | 41,696                   | 57,468                   | 65,744                   |
| Other                               | 3    | 984                        | -                        | 749                      | 1,502                    |
| <b>Total Expenditure</b>            |      | <b>16,849</b>              | <b>41,704</b>            | <b>58,553</b>            | <b>67,658</b>            |
| <b>Net income/(expenditure):</b>    |      | (1,161)                    | 50,359                   | 49,198                   | (14,206)                 |
| <b>Transfers between funds</b>      |      | (43,696)                   | 43,696                   | -                        | -                        |
| <b>Net movements in funds</b>       | 6    | <b>(44,857)</b>            | <b>94,056</b>            | <b>49,198</b>            | <b>(14,206)</b>          |
| <b>Reconciliation of funds:</b>     |      |                            |                          |                          |                          |
| Total funds brought forward         |      | 63,564                     | 4,875                    | 68,440                   | 82,645                   |
| <b>Total funds carried forward:</b> | 6    | <b>18,707</b>              | <b>98,931</b>            | <b>117,638</b>           | <b>68,440</b>            |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

For full comparison with the previous year, see Note 7.

## BALANCE SHEET

### AS AT 30<sup>TH</sup> SEPTEMBER 2019

|  | Note | 2019<br>£      | 2018<br>£     |
|--|------|----------------|---------------|
| <b>Current assets</b>                        |      |                |               |
| Debtors                                      |      | 1,319          | 1,901         |
| Cash at bank and in hand                     |      | 116,848        | 65,039        |
| Undeposited Funds                            |      | -              | 2,000         |
| <b>Total Current Assets</b>                  |      | <b>118,168</b> | <b>68,940</b> |
| <b>Current Liabilities</b>                   |      |                |               |
| Creditors                                    |      | -              | 500           |
| Deferred Income                              |      | 309            | -             |
| Accruals                                     |      | 221            | -             |
| <b>Total Current Liabilities</b>             |      | <b>530</b>     | <b>500</b>    |
| <b>Net Current assets</b>                    |      | <b>117,638</b> | <b>68,440</b> |
| <b>Total assets less current liabilities</b> |      | <b>117,638</b> | <b>68,440</b> |
| <b>Net assets</b>                            |      | <b>117,638</b> | <b>68,440</b> |
| <b>The funds of the charity:</b>             | 6    |                |               |
| Restricted income funds                      |      | 98,931         | 4,875         |
| Unrestricted income funds                    |      | 18,707         | 63,564        |
| <b>Total charity funds</b>                   |      | <b>117,638</b> | <b>68,440</b> |

The notes on pages 18 to 24 form part of these accounts.

Approved by the Board of Trustees on **19<sup>th</sup> June 2020**.

And signed on its behalf by



**Treasurer** – Robert Gentilli



**Secretary** – Tigist Grieve

## 1. **ACCOUNTING POLICIES**

### a. **Basis of preparation and assessment of going concern**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1<sup>st</sup> January 2019 and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating the liability from multi-year grant commitments (see note 1(e) and notes 8 and 9 for more information). With respect to the next reporting period, 2019-20, there are no significant areas of uncertainty that affect the carrying value of assets held by the Trust given that the majority of the assets are cash held in sterling in the charity's bank account.

### b. **Funds structure**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are three restricted funds – Education, Health & Sanitation and Water – each of which can only be used to fund development work on those particular sectors.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Further details of each fund are disclosed in note 7.

### c. **Income recognition**

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 income receivable can be measured reliably.

Donations, are recognised when the Trust 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 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 those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting 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.

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.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, including both the trustees and Associates for governance and fundraising. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

**d. Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (g) below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

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

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material.

The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

**e. Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**f. Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examination and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the value of grant awards made in recognition that the administrative costs of awarding, monitoring and assessing grants are broadly equivalent. The allocation of support and governance costs is analysed in note 4.

**g. Costs of raising funds**

The costs of generating funds consist of investment management costs and certain legal fees.

#### **h. Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 5.

#### **i. Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged on furniture and equipment on a straight-line basis over their estimated useful life of six years from the year of acquisition.

#### **j. Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### **k. Contingent liabilities**

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.



## 2. **RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION**

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2018: £nil). Expenses of £707 were paid to four trustees (2018: £nil). These were reimbursements of equipment, insurance, catering and fundraising costs incurred in furtherance of the charity's objects.

The total amount of donations received from trustees and other related parties without conditions in the year was £57,522 (2018: £5,600).

## 3. **ALLOCATION OF GOVERNANCE AND SUPPORT COSTS**

No support costs were incurred during the year. The trustees have decided to meet all governance costs from unrestricted funds and so no allocation or charge is made to restricted funds for any governance related costs.

|                               | <b>2019</b>  | <b>2018</b>  |
|-------------------------------|--------------|--------------|
| <b>Governance costs:</b>      | <b>£</b>     | <b>£</b>     |
| Bank Charges                  | 25           | 45           |
| Cost of meetings              | -            | -            |
| Insurance                     | 272          | 277          |
| Miscellaneous                 | 11           | 450          |
| Professional Fees             | 441          | -            |
| Virgin Money Transaction Fees | 101          | 413          |
| Software                      | -            | 450          |
| Event Costs                   | 235          | 280          |
| <b>Total</b>                  | <b>1,085</b> | <b>1,915</b> |

Total governance and support costs are apportioned pro rata to the value of grants awarded as shown in the table below:

| <b>Allocation of governance and other support costs</b> | <b>2019</b>  | <b>2018</b>  |
|---|--------------|--------------|
|   | <b>£</b>     | <b>£</b>     |
| Education   | 442          | 1,167        |
| Health & Sanitation                                     | 283          | 748          |
| Water   | 360          | -            |
| <b>Total Allocated</b>                                  | <b>1,085</b> | <b>1,915</b> |

#### 4. ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making and awarded grants to For Development Association-Ethiopia (FDA-E) in furtherance of its charitable activities. No other institutions received grants from the charity during the year.

|  | Grant<br>funded<br>activity<br>£ | Support<br>and<br>governance<br>costs<br>£ | Total 2019<br>£ | Total<br>2018<br>£ |
|--|----------------------------------|--|-----------------|--------------------|
| <b>Funded from<br/>unrestricted funds:</b> |                                  |  |                 |                    |
| Education                                  | 6,431                            | 442  | 6,874           | 2,167              |
| Health & Sanitation                        | 4,109                            | 283  | 4,391           | 748                |
| Water                                      | 5,232                            | 360  | 5,592           | -                  |
| <b>Funded from restricted<br/>funds:</b>   |                                  |  |                 |                    |
| Education                                  | 17,003                           |  | 17,003          | 39,061             |
| Health & Sanitation                        | 10,862                           |  | 10,862          | 25,683             |
| Water                                      | 13,832                           |  | 13,832          | -                  |
| <b>Total Allocated</b>                     | <b>57,468</b>                    | <b>1,085</b>                               | <b>58,553</b>   | <b>67,658</b>      |

In 2019 the expenditure on charitable activities was £58,553 (2018: £67,658) of which £16,856 (2018: £2,915) was expenditure from unrestricted funds and £41,696 (2018: £67,744) was expenditure from restricted funds.

#### 5. ANALYSIS OF GRANTS

|                        | Grants to<br>institutions<br>2019<br>£ | Grants to<br>institutions<br>2018<br>£ |
|------------------------|--|--|
| Education              | 23,434                                 | 40,061                                 |
| Health & Sanitation    | 14,970                                 | 25,683                                 |
| Water                  | 19,064                                 | -                                      |
| <b>Total Allocated</b> | <b>57,468</b>                          | <b>65,744</b>                          |

##### Predicted costs of Development Projects in 2020

The projects currently detailed in the Plans for the Future section of the Annual Report have been estimated to cost £33,396, of which £29,924 is held in Restricted Funds; the Trustees have therefore designated Unrestricted Funds of £3,472 for this work. Decisions concerning the movement of funds to Ethiopia are made based on the current year end accounts for the following year and only for one year. However with considerable changes happening in the exchange rate we may need to send less money this year which allows us to expand our targets for 2020.

## 6. ANALYSIS OF CHARITABLE FUNDS

|                                 | Opening<br>Balance<br>01/09/18<br>£ | Income<br>£    | Expenditure<br>£ | Transfers<br>£  | Closing<br>Balance<br>31/08/19<br>£ |
|---------------------------------|-------------------------------------|----------------|------------------|-----------------|-------------------------------------|
| <b>Restricted Funds</b>         |                                     |                |                  |                 |                                     |
| Education                       | -                                   | 67,550         | (17,003)         | 19,003          | 69,550                              |
| Health & Sanitation             | 1,862                               | 13,009         | (10,869)         | 10,862          | 14,863                              |
| Water                           | 3,014                               | 11,505         | (13,832)         | 13,832          | 14,518                              |
| <b>Total Restricted Funds</b>   | <b>4,875</b>                        | <b>92,063</b>  | <b>(41,704)</b>  | <b>43,696</b>   | <b>98,931</b>                       |
| <b>Unrestricted Funds:</b>      | <b>63,564</b>                       | <b>15,688</b>  | <b>(16,849)</b>  | <b>(43,696)</b> | <b>18,707</b>                       |
| <b>Designated Funds</b>         |                                     |                |                  |                 |                                     |
| 2020 projects fund              | 56,580                              |                | (14,884)         | (41,696)        | -                                   |
| Tailoring workshop fund         | 2,000                               |                |                  | (2,000)         | -                                   |
| 2021 projects funds             | -                                   |                |                  | 3,472           | 3,472                               |
| <b>Total Designated Funds</b>   | <b>58,580</b>                       | <b>-</b>       | <b>(14,884)</b>  | <b>(40,224)</b> | <b>3,472</b>                        |
| General Funds                   | 4,984                               | 15,688         | (1,965)          | (3,472)         | 15,235                              |
| <b>Total Unrestricted Funds</b> | <b>63,564</b>                       | <b>15,688</b>  | <b>(16,849)</b>  | <b>(43,696)</b> | <b>18,707</b>                       |
| <b>Total</b>                    | <b>68,440</b>                       | <b>107,751</b> | <b>(58,553)</b>  | <b>-</b>        | <b>117,638</b>                      |

a) The restricted funds are only available for funding development work in the relevant sector to which the funds have been restricted (i.e. Education, Health & Sanitation and Water).

b) The unrestricted funds are available to be spent for any of the purposes of the charity.

| Comparison with<br>previous year | Balance at<br>01/09/17<br>£ | Income<br>£   | Expenditure<br>£ | Transfers<br>£ | Balance at<br>31/08/18<br>£ |
|----------------------------------|-----------------------------|---------------|------------------|----------------|-----------------------------|
| <b>Restricted Funds</b>          |                             |               |                  |                |                             |
| Education                        | 25,529                      | 10,390        | (39,061)         | 3,142          | -                           |
| Health & Sanitation              | 18,472                      | 9,073         | (25,683)         | -              | 1,862                       |
| Water                            | 1,864                       | 1,150         | -                | -              | 3,014                       |
| <b>Total Restricted Funds</b>    | <b>45,864</b>               | <b>20,613</b> | <b>(64,744)</b>  | <b>3,142</b>   | <b>4,875</b>                |
| <b>Unrestricted Funds:</b>       | <b>36,781</b>               | <b>32,840</b> | <b>(2,915)</b>   | <b>(3,142)</b> | <b>63,564</b>               |
| <b>Designated Funds</b>          |                             |               |                  |                |                             |
| 2019 projects fund               | -                           | -             | -                | 56,580         | 56,580                      |
| Tailoring workshop fund          | -                           | -             | -                | 2,000          | 2,000                       |
| <b>Total Designated Funds</b>    | <b>-</b>                    | <b>-</b>      | <b>-</b>         | <b>58,580</b>  | <b>56,580</b>               |
| General Funds                    | 36,781                      | 32,840        | (2,915)          | (61,722)       | 4,984                       |
| <b>Total Unrestricted Funds</b>  | <b>36,781</b>               | <b>32,840</b> | <b>(2,915)</b>   | <b>(3,142)</b> | <b>63,564</b>               |
| <b>Total</b>                     | <b>82,645</b>               | <b>53,453</b> | <b>(67,658)</b>  | <b>-</b>       | <b>68,440</b>               |

## 7. STATEMENT OF FINANCIAL ACTIVITIES: PREVIOUS YEAR

|                                    | Note | Unrestricted funds<br>£ | Restricted funds<br>£ | Total funds<br>2018<br>£ |
|------------------------------------|------|-------------------------|-----------------------|--------------------------|
| <b>Income from:</b>                |      |                         |                       |                          |
| Donations and legacies             |      |                         |                       |                          |
| Donations                          |      | 20,473                  | 8,788                 | 29,261                   |
| Gift Aid Tax Recoverable           |      | 4,548                   | 1,455                 | 6,003                    |
| Grants from Trusts                 |      | 6,500                   | 10,370                | 16,870                   |
| Tax Included Donation              |      | 855                     | -                     | 855                      |
|                                    |      | <b>32,375</b>           | <b>20,613</b>         | <b>52,989</b>            |
| Charitable activities              |      |                         |                       |                          |
| Events                             |      | 464                     | -                     | 464                      |
| Investments                        |      |                         |                       |                          |
| Bank Interest                      |      | -                       | -                     | -                        |
| <b>Total Income</b>                |      | <b>32,840</b>           | <b>20,613</b>         | <b>53,453</b>            |
| <b>Expenditure on:</b>             |      |                         |                       |                          |
| Raising funds                      | 3    | 413                     | -                     | 413                      |
| Charitable Activities              | 4,5  | 1,000                   | 64,744                | 65,744                   |
| Other                              | 3    | 1,502                   | -                     | 1,502                    |
| <b>Total Expenditure</b>           |      | <b>2,915</b>            | <b>64,744</b>         | <b>67,658</b>            |
| <b>Net income/(expenditure)</b>    |      | 29,925                  | (44,131)              | (14,206)                 |
| <b>Transfers between funds</b>     |      | (3,142)                 | 3,142                 | -                        |
| <b>Net movement in funds</b>       | 6    | <b>26,783</b>           | <b>(40,989)</b>       | <b>(14,206)</b>          |
| <b>Reconciliation of funds:</b>    |      |                         |                       |                          |
| Total funds brought forward        |      | 36,781                  | 45,864                | 82,645                   |
| <b>Total funds carried forward</b> | 6    | <b>63,564</b>           | <b>4,875</b>          | <b>68,440</b>            |