

**PARTNERS FOR CHANGE ETHIOPIA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2019**

The annual report and financial statements were approved by the Trustees  
on 16 September 2020.

John Binns, Chair of Trustees

**Trustees**

Chairperson: The Revd Dr John Binns  
Honorary Treasurer: Roy Warden  
Fr Colin Battell OSB  
Margaret Ingram (resigned during 2019)  
Catherine Salway

**Staff**

Peter Jones, Director (now a consultant rather than an employee)

**Charity information**

Registered Charity No: 297391  
Address: The Centre for Global Equality, 8c Kings Parade, Cambridge CB2 1SP  
Email: [info@pfcethiopia.org](mailto:info@pfcethiopia.org) [www.pfcethiopia.org](http://www.pfcethiopia.org)  
Bankers: Child & Co. 1 Fleet Street, London EC4Y 1BD  
Independent Examiner: Gary Bandy CPFA, Clover Cottage, Stubbins Lane, Chinley, High Peak SK23 6AE



## **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

### **What Partners for Change Ethiopia does**

Partners for Change Ethiopia was established in 1985 (then known as St Matthew's Children's Fund) to help care for some of the many children orphaned or abandoned following devastating famine and civil war. It continues this work today together with its Ethiopian partner organisation, JeCCDO (the Jerusalem Children and Community Development Organisation), although the emphasis is no longer on providing institutional care but on caring for children in their own communities.

### **Main activities in 2019**

The main focus of Partners for Change in 2019 continued to be the empowerment of community based organisations in developing sustainable approaches to reducing poverty in slum areas. This work was pursued in Bishoftu, Bahir Dar, Debre Berhan, Hawassa and Debra Sina, a widespread group of communities, but only scratching the surface of the problems facing this immense and populous country.

The mission is carried on in Ethiopia itself by our partner organisation, JeCCDO, based in Addis Ababa and operating through a regional network. JeCCDO is an Ethiopian organisation with Ethiopian staff and an Ethiopian board of trustees which has a deep understanding of the culture and traditions of the country and is trusted by the authorities to deliver valuable and practical projects. An important part of the work of Partners for Change is to support JeCCDO and strengthen its capabilities.

In 2019, we extended our work outside Ethiopia for the first time to support four communities in Somaliland to respond to gender-based violence. Our help was delivered by the local Barwaaqo Voluntary Organisation.

Partners for Change also continues as an advocate for the needs of children in Ethiopia and surrounding areas with grant making bodies and a wide community of individual donors.

### **Financial summary**

We made payments of about £93,000 to Ethiopia and £5,000 to Somaliland in 2019, down from about £120,000 in 2018. The level of our costs as a percentage of the payments we make to Africa fell to 21 per cent in 2019 from 35 per cent in 2018. This percentage is inflated because our costs include amounts incurred in support of JeCCDO which, if we did not incur them, would have reduced the funds available to our partner organisation to carry out its work in Ethiopia.

Fund raising remains very challenging, but we were able to raise our income to about £154,000 in 2019, an increase of about £11,000 over 2018. Additional amounts from grants and legacies exceeded a fall in donations from individuals. We continue to make significant progress in reducing our administrative costs, coming down to about £21,000 in 2019 from about £42,000 in 2018.

During 2019, we were able to improve our unrestricted reserve from a small and temporary deficit to a surplus of about £39,000. This will strengthen our ability to carry out our commitments, obligations and objectives.

**Public benefit** In reviewing the objectives of Partners for Change Ethiopia, and monitoring its activities, the trustees have taken account of the Charity Commission's guidance on public benefit. They confirm that the charity continues to carry out its purposes for the public benefit.

## **Income and expenditure outside the UK**

During 2019, the only income Partners for Change Ethiopia received from outside the UK was a grant from the Constable Foundation of Sherborn, Massachusetts, USA.

During 2019, Partners for Change Ethiopia made payments of £92,986 to JeCCDO for work in Ethiopia and of £5,000 to the Barwaaqo Voluntary Organisation for work in Somaliland. The charity did not make payments to any other country outside the UK. No money transferred to Ethiopia or Somaliland during 2019 was outside the regulated banking system.

The trustees are satisfied that the risk management policy and procedures adequately address the risks to the charity arising from its activities and where it operates.

## **Risks**

The main risks faced by Partners for Change Ethiopia that are monitored by the trustees are:

- political instability in Ethiopia, which could prevent JeCCDO from carrying out its work, endanger the safety of JeCCDO staff and foreign visitors, and deter potential donors; the trustees monitor this risk with advice from JeCCDO; the risk is constant with limited scope for mitigation.
- pressures on donation and grant income which, if it fell below a critical level, would mean that Partners for Change Ethiopia could no longer operate; the trustees explore established and innovative ways of encouraging existing donors and identifying potential new sources of income; the risk is a major one requiring constant attention, but also offering opportunities.
- inappropriate behaviour by people acting on behalf of Partners for Change Ethiopia or JeCCDO, particularly in relation to children and vulnerable adults, that would be unacceptable in itself and could cause reputational damage deterring donors; a moderate risk in terms of likelihood, but serious if it happened; the trustees have reviewed the safeguarding policy, reminded everyone of its importance, and encouraged JeCCDO to discuss it at every trustee meeting.
- fraud in the administration of resources; procedures are in place for authorising expenditure.
- loss of experienced staff at JeCCDO who have been in post for a long time; Partners for Change Ethiopia trustees regularly consult JeCCDO trustees on this issue; the risk will inevitably occur at some time and requires careful forward planning.
- insufficient knowledge and experience amongst Partners for Change Ethiopia trustees, especially as long-standing members leave for various reasons; a search for new trustees has begun.
- lack of clarity in explaining to a wider audience, especially potential donors, the new direction Partners for Change Ethiopia is taking from institutional to community based care of orphans and vulnerable children.

**STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE FOR THE YEAR  
ENDED 31 DECEMBER 2019**

	<b>Note</b>	<b>Unrestricted fund (£)</b>	<b>Restricted funds (£)</b>	<b>2019 total (£)</b>	<i>2018 total (£)</i>
Income from:					
Donations	2	23,242	6,766	30,008	39,978
Grants and legacies	2	45,609	77,983	123,592	100,000
Other	3	336		336	3,019
<b>Total income</b>		<b>69,187</b>	<b>84,749</b>	<b>153,936</b>	<b>142,996</b>
Expenditure on:					
Payments to Africa	4	9,074	88,912	97,986	120,130
Operating costs	5	20,866		20,866	42,310
<b>Total expenditure</b>		<b>29,940</b>	<b>88,912</b>	<b>118,852</b>	<b>162,440</b>
<b>Surplus/(deficit)</b>		<b>39,247</b>	<b>(4,163)</b>	<b>35,084</b>	<b>(19,144)</b>
Reconciliation of funds:					
Brought forward from 2018		(565)	13,467	12,902	
Surplus/(deficit)		39,247	(4,163)	35,084	
<b>Carried forward to 2020</b>		<b>38,682</b>	<b>9,304</b>	<b>47,986</b>	

## BALANCE SHEET AT 31 DECEMBER 2019

	Note	Unrestricted fund (£)	Restricted funds (£)	2019 total (£)	2018 total (£)
<b>Current assets</b>					
Debtors	6	4,286		4,286	2,070
Prepayments		34		34	
Cash and bank accounts		34,951	9,304	44,254	33,060
<hr/>					
Sub-total: current assets		39,270	9,304	48,575	35,130
<b>Current liabilities</b>					
Creditors: amounts falling due within 1 year	7	588		588	22,228
<b>Net current assets</b>		38,682	9,304	47,986	12,902
Creditors: amounts falling due after 1 year		-	-	-	-
<b>Net assets</b>		38,682	9,304	47,986	12,902
Unrestricted fund				38,683	(565)
Restricted funds				9,304	13,467
<b>Total funds</b>				<b>47,986</b>	<b>12,902</b>

The notes on pages 8 to 11 form part of these financial statements.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 1

### 1. Basis of preparation and accounting policies

1.1 These financial statements have been prepared on an accruals basis under the historical cost convention in accordance with Financial Reporting Standard 102 (which came into effect on 1 January 2016).

1.2 These financial statements have been prepared on the going concern basis.

1.3 Income is recorded in the Statement of Financial Resources when: - the charity becomes entitled to it (unconditionally entitled in the case of grants and donations); - the trustees are virtually certain that it will be received; and - its monetary value can be measured with sufficient reliability.

1.4 Donations on which tax can be reclaimed are recorded at the same time as the donation.

1.5 Income from fund raising activities is recorded gross with any associated costs recorded under expenditure.

1.6 The value of any voluntary help received is not included.

1.7 On grounds of materiality, no attempt has been made to apportion interest income to restricted funds.

1.8 Liabilities are recorded as soon as there is a legal or constructive obligation on the charity to pay.

### 2. Donations and grants received

Donations included Gift Aid of £3,412.

Grants were received from Comic Relief, the Constable Foundation, and the Maurice and Hilda Laing Charitable Trust.

### 3. Other income

Other income includes the gross income from the sale of merchandise. Some stock remains for future sale.

	<b>Gross income</b>	<b>Expenditure</b>	<b>Net expenditure</b>
	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
Sale of icons	242	521	279



#### 4. Payments to Ethiopia and Somaliland

	£
Empowering community based organisations in Bishoftu, Bahir Dar, Debre Berhan, Hawassa and Dire Dawa to develop sustainable approaches to reducing poverty in slum areas.	33,202
Promotion of livelihood alternatives for poor community members in Debre Sina.	31,000
Supporting women's groups in Hawassa and Debre Berhan	15,912
Supporting community groups in Dami, Sheikh Omar, Qoobdameeraad and Geerash Aw Aden, Somaliland, to respond to gender-based violence.	5,000
Supporting women from families in Genda Tesfa to generate income.	2,900
Providing breakfast and various facilities for school children in Genda Tesfa.	2,362
Providing breakfast and various facilities for school children in Biruh Tesfa.	584
Training young people in Hawassa to set up small businesses.	2,552
Supporting a family in Bahir Dar.	400
Enabling JeCCDO to strengthen its capabilities.	4,074
<b>Total</b>	<b>97,986</b>

Note: These amounts relate to payments made in 2019 regardless of when the income to fund the payments was received.

## 5. Cost of administration

	2019 (£)	2018 (£)
Salary	-	34,549
Employee's pension	-	499
UK consultancy	13,483	-
Payroll fees	-	636
Bank charges	80	189
International transfer fees	150	90
Bookkeeping	234	1,226
Fund raising fees	525	479
Insurance	517	707
Travel	3,778	798
Printing and postage	288	877
Cost of merchandise for sale	521	-
Trustee meetings	166	112
Miscellaneous	1,125	1,898
<b>Total</b>	<b>20,866</b>	<b>42,060</b>

## 6. Debtors

There was a single debtor at 31 December 2019 - £4,286 for HMRC in respect of Gift Aid (£2,070 in 2018).

## 7. Creditors

There was a single creditor at 31 December 2019 who was paid in January 2020 (three creditors for £22,228 in 2018).

## 8. Analysis of funds

	<b>Brought forward from 2018(£)</b>	<b>Income (£)</b>	<b>Expenditure (£)</b>	<b>Carried forward to 2020 (£)</b>
JeCCDO	8,600	24,602	33,202	0
Gende Tesfa children	0	2,908	2,362	543
Gende Tesfa women	1,631	3,258	2,900	1,989
Biruh Tesfa children	584	0	584	0
Hawassa women	0	22,381	15,912	6,469
Hawassa youth	2,552	0	2,552	0
Debre Sina communities	0	31,000	31,000	0
Bahir Dar family	100	600	400	300
<b>Restricted funds</b>	<b>13,467</b>	<b>84,749</b>	<b>88,912</b>	<b>9,304</b>
Unrestricted	(565)	69,187	29,940	38,682
<b>Total funds</b>	<b>12,902</b>	<b>153,936</b>	<b>118,852</b>	<b>47,986</b>

## 9. Related parties

There were no transactions with related parties in the year ended 31 December 2019. Any donations made by trustees were unconditional.

## **Independent Examiner's Report to the Trustees of Partners for change Ethiopia**

I report on the accounts of the charity for the year ended 31 December 2019 set out in pages 6 to 11 of the charity's annual report.

### **Respective responsibilities of the Trustees and Independent Examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. Having satisfied myself that the charity is not subject to audit and is eligible for independent examination, it is my responsibility to:

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

### **Basis of independent examiner's statement**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records.

It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### **Independent examiner's report**

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

- which gives me reasonable cause to believe that in, any material respect, the requirements
  - to keep accounting records in accordance with section 130 of the Charities Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Gary Bandy CPFA  
27 August 2020