

## **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 2017 set out in pages 5 to 10.

### **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

25 September 2018

**PARTNERS FOR CHANGE ETHIOPIA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2017**

The annual report and financial statements were approved by the Trustees on 25  
September 2018 and signed on their behalf by:

John Binns, Chair of Trustees

Roy Warden, Treasurer

## **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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

Partners for Change Ethiopia (PfC) 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 2017**

Together with JeCCDO, we enabled over 198,000 of the poorest people to develop sustainable solutions to poverty through orphan support, small business start ups, urban agriculture, health and sanitation, education, health awareness and building the capacity of community organisations to meet the needs of their most vulnerable people and hold local government to account.

We launched our Woman2Woman campaign on 8 March 2017 – International Woman's Day. With the help of our PfC Ambassadors, we reached our target of enabling 100 women in the leprosy affected community of Gende Tesfa in Dire Dawa to set up their own small businesses and provide a better future for their children. In addition, Ambassadors raised funds to enable 72 children from the poorest backgrounds to attend the Gende Tesfa Breakfast Club enabling them to have breakfast and so be able to concentrate on their studies.

During the year, PfC worked closely with JeCCDO to develop its capacity to develop social enterprise in order to generate its own income, enabling it to be less reliant on funding from other countries. To this end, PfC worked closely with the Centre for Global Equality to develop a research centre at JeCCDO's Bahir Dar site, which will be used by University of Cambridge researchers and other academics to co-create sustainable technological solutions to poverty with local communities. PfC also worked with Jill Adams Associates to enable JeCCDO to develop a school in Debre Berhan which will be a social enterprise.

### **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.

## **Financial summary**

Income from donations and fund raising activities increased by over £12,000 compared with 2016, but grants received were about £32,000 lower so there was about £20,000 less income. Grants received remained the principal source of income, amounting to 79% in 2017 (85% in 2016).

The cost of administration fell by about £12,000 between 2016 and 2017, but was 17.4% of total expenditure in 2017 compared with 16.1% in 2016. The cost of administration is forecast to continue to fall, but the ability to make payments to Ethiopia has been falling faster. These payments were £229,248 in 2017 compared with £316,182 in 2016.

During 2017, Partners for Change Ethiopia incurred a deficit of £7,425. This brought net assets down to £32,346 at the end of the year.

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

During 2017, Partners for Change Ethiopia received no income from outside the UK.

During 2017, Partners for Change Ethiopia operated in Ethiopia. Expenditure of £229,248 was incurred in that country. The charity did not operate in any other country outside the UK.

No money transferred to Ethiopia during 2017 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.

## **Trustees**

Chairperson: The Revd Dr John Binns

Secretary: Ruth Salmon

Honorary Treasurer: Roy Warden (from July 2017)

Fr Colin Battell OSB

Robert Stallard

Margaret Ingram

Catherine Salway

Will Eckersley

## **Staff**

Peter Jones, Director

## **Charity information**

Registered Charity No: 297391

Address: The Centre for Global Equality, 72 Trumpington Street, Cambridge CB2 1RR4

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

**STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE FOR  
THE YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted funds (£)	Restricted funds (£)	2017 Total (£)	2016 Total (£)
<b>Income from:</b>					
Donations	2	38,224	11,970	50,194	44,228
Grants	3	14,393	200,125	214,518	246,717
Fund raising	5	6,501	-	6,501	312
Interest		67	-	67	287
<b>Total income</b>		<b>59,186</b>	<b>212,095</b>	<b>271,281</b>	<b>291,544</b>
<b>Expenditure on:</b>					
Payments to Ethiopia	4	-	229,248	229,248	316,182
Administration	6	48,416	-	48,416	60,560
Fund raising	5	1,042	-	1,042	-
<b>Total expenditure</b>		<b>49,458</b>	<b>229,248</b>	<b>278,706</b>	<b>376,742</b>
<b>Surplus/(deficit)</b>		<b>9,728</b>	<b>(17,153)</b>	<b>(7,425)</b>	<b>(85,198)</b>
<b>Reconciliation of funds</b>					
Brought forward from 2016		11,218	28,553	39,771	
2017 surplus/(deficit)		9,728	(17,153)	(7,425)	
<b>Carried forward to 2018</b>		<b>20,946</b>	<b>11,400</b>	<b>32,346</b>	

## BALANCE SHEET AT 31 DECEMBER 2017

	Note	Unrestricted funds (£)	Restricted funds (£)	2017 Total (£)	2016 Total (£)
<b>Fixed assets</b>					
Tangible assets		-	-	-	399
<b>Current assets</b>					
Debtors	7	1,931	-	1,931	3,425
Prepayments	7	707	-	707	-
Cash and bank accounts		36,386	11,400	47,786	46,726
Sub-total: current assets		39,024	11,400	50,424	50,151
<b>Current liabilities</b>					
Creditors: amounts falling due within 1 year	8	18,078	-	18,078	10,779
<b>Net current assets</b>		20,946	11,400	32,346	39,372
Creditors: amounts falling due after more than 1 year		-	-	-	-
<b>Net assets</b>		<b>20,946</b>	<b>11,400</b>	<b>32,346</b>	39,771
Unrestricted funds	9			20,946	
Restricted funds	9			11,400	
<b>Total funds</b>				<b>32,346</b>	

The notes on pages 7 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2017**

**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 in the financial statements.

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

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

**2. Donations**

Donations included Gift Aid of £4,998 (£6,315 in 2016).

**3. Grants received**

Grants totalling £214,518 were received from:

Comic Relief - £138,518

The Maurice and Hilda Laing Charitable Trust - £50,000

The Waterloo Foundation - £25,000

The Paragon Trust - £1,000

#### 4. Payments to Ethiopia

	£
Projects in various parts of Ethiopia, including the education of children, the support of orphans and other vulnerable children, the support of self-help groups for women and others, training on health, hygiene, sanitation, urban agriculture and environmental protection, the construction of toilets and the repair of houses,	127,733
The promotion and provision of training in environmentally friendly livelihood alternatives to poor community members in Debre Berhan and Bishoftu.	45,622
The improvement of wash facilities, the delivery of hygiene training, and the provision of reuseable sanitary pads in two urban upper primary schools in Gende Tesfa in Dire Dawa and Buruh Tesfa in Debre Berhan.	23,750
Project management.	20,423
The provision of a breakfast club, and other facilities, for a school in Dire Dawa.	6,580
Through the Woman 2 Woman programme, to support women to generate income for their families in Gende Tesfa.	4,700
To support a family in Bahir Dar.	440
<b>Total</b>	<b>229,248</b>

#### 5. Fund raising activities

	Gross income (£)	Expenditure (£)	Net income (£)
Sale of icons	387	334	53
Art auction	6,114	708	5,406
<b>Total</b>	<b>6,501</b>	<b>1,042</b>	<b>5,459</b>

## 6. Cost of administration

	2017 (£)	2016 (£)
Salary	34,549	34,549
Employer's National Insurance	648	648
Employee's pension	215	0
Payroll fees	1,407	1,074
Bank charges	127	238
International transaction fees	210	60
Bookkeeping	3,600	3,600
Just Giving fees	246	216
Office rental and utilities	0	8,287
Insurance	772	866
Travel	2,963	611
Printing and postage	1,043	3,100
Trustee meetings	187	153
Depreciation	399	261
Miscellaneous	2,050	6,897
<b>Total</b>	<b>48,416</b>	<b>60,560</b>

The cost of administration was 17.4% of total expenditure (16.1% in 2016).

## 7. Debtors and prepayments

Due from HMRC for Gift Aid on donations made in 2017: £1,931

Prepayment of insurance for January to November 2018: £707

## 8. Creditors

Project management in 2016 and 2017: £12,500

PAYE owed to HMRC in respect of 2017 salaries: £3,258

Net salary December 2017: £2,212

## 9. Analysis of funds

	Brought forward from 2016 (£)	Income (£)	Expenditure (£)	Carried forward to 2018 (£)
JeCCDO	28,553	197,575	217,528	8,600
Breakfast Club	0	6,580	6,580	0
Woman 2 Woman	0	7,500	4,700	2,800
Bahir Dar family	0	440	440	0
<b>Restricted funds</b>	<b>28,553</b>	<b>212,095</b>	<b>229,248</b>	<b>11,400</b>
Unrestricted	11,198	59,186	49,458	20,946
<b>Total funds</b>	<b>39,771</b>	<b>271,281</b>	<b>278,706</b>	<b>32,346</b>

## 10. Employee

Throughout 2017 (and 2016), there was one employee. Annual remuneration was less than £60,000.

## 11. Related parties

There were no transactions with related parties in the year ended 31 December 2017. Any donations made by trustees were unconditional.