

REGISTERED COMPANY NUMBER: 02435882 (England and Wales)
REGISTERED CHARITY NUMBER: 802353

Report of the Trustees and
Financial Statements For The Year Ended 31 December 2018
for
Ethiopiaid

Kingscott Dix Limited
Chartered Accountants
and Statutory Auditor
Goodridge Court
Goodridge Avenue
Gloucester
Gloucestershire
GL2 5EN

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COMPANIES HOUSE

Ethiopiaid

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For The Year Ended 31 December 2018

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Ethiopiaid

Report of the Trustees **For The Year Ended 31 December 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' effective from January 2017.

OBJECTIVES AND ACTIVITIES

Objectives and aims

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 greater Addis Ababa, Afar, Gondar, Dire Dawa and further afield 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.

Significant activities

The charity's main activities are focused on raising funds to support its local partnerships in Ethiopia. This is carried out predominantly through direct mail campaigns, legacies, applications to grant makers, and major donations from individuals.

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.

Grantmaking

Ethiopiaid raised a total income of £2,558,275 in 2018 (2017: £2,684,592). The charity made donations of £2,076,299 for Ethiopia (2017: £2,748,054).

Pledges outstanding at the year end total £256,000, being sums due to be transferred to partners.

There were no significant operational problems facing the charity.

Ethiopiaid
Report of the Trustees
For The Year Ended 31 December 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The following provides a breakdown of grants made in 2018 to Ethiopiaid's partner organisations:

Association for Women's Sanctuary and Development (AWSAD)

New Donations: £106,000

AWSAD provides support to women that have suffered gender based violence. In 2018 support was given to over 1,000 women and almost 500 children all of whom were victims of rape and violence. A new safe house in Amhara was opened during the year to address the urgent need in that region. The primary activity continues to be the provision of 5 safe houses, psycho-social support to female victims, training and capacity building within the community which extends to local government and the police force.

Afar Pastoralist Development Association (APDA)

New Donations: £40,000

APDA tackles traditional practices in the Afar region, for example female genital mutilation and child marriage. Their integrated approach focuses on challenging cultural beliefs. APDA's outreach workers achieve this by working with community and religious leaders, families and traditional FGM practitioners to change mind sets and end practices.

Cheshire Services Ethiopia & Cheshire Livelihood Project

New Donations: £287,788

Cheshire Services is a leading disability charity working with adults and children from all over the country who have disabilities. The charity provides mobility aids, physiotherapy, intensive rehabilitation and corrective surgery at centres in Addis Ababa and Menagesha and through their mobile outreach service. The Menagesha site also hosts the complex surgical missions organised by the charity Facing Africa where the survivors of noma are treated.

Destitute Elders Welfare and Development Association (DEWADA)

New Donations: £182,042

DEWADA provides welfare supports over 1,000 destitute elders and 100 orphaned grandchildren in four of the poorest sub cities in Addis, 90% of the elders are women. Ethiopiaid funds a monthly pension payment for each elder (equivalent of £7).

Dignity Period

New Donations: £256,000

Dignity works in the Tigray and Afar regions of Ethiopia to change attitudes to menstruation and keep girls in school. Their approach, which includes education and the provision of sanitary packs, means that girls are able to stay in education and without fear or shame.

Facing Africa

New donations: £20,923

Facing Africa organises complex surgical missions in Ethiopia to treat the survivors of noma. Ethiopiaid supports these missions by covering the costs of patient accommodation during their recovery and rehabilitation at the Cheshire Services Menagesha site.

Hope Enterprises

New Donations made: £461,335

Hope Enterprises provides education for over 4,000 students from impoverished backgrounds in 7 regions of Ethiopia, from primary and secondary schooling to vocational training. They also provide 'Functional Adult Literacy' teaching for parents and an 'Alternative Basic Foundation' for young women who have no prior schooling. Hope's street children's breakfast operates in Addis Ababa and Dessie and provides a nutritious breakfast for 1,150 children every morning.

Hospice Ethiopia

New Donations: £128,000

Hospice Ethiopia provide community based palliative care in 10 sub cities across Addis Ababa. Working with the most poor and destitute, they provide support through nursing, a day service and end of life counselling. Hospice Ethiopia is the only organisation of its kind in Ethiopia and has hopes of expanding its reach.

Ethiopiaid

Report of the Trustees **For The Year Ended 31 December 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Healing Hands of Joy

New Donations: £50,000

Healing Hands of Joy aims to eliminate fistula by training fistula survivors, referred by Hamlin Fistula Hospital, as Safe Motherhood Ambassadors. These Ambassadors provide education and access to safe delivery options for pregnant mothers. The organisation rehabilitates fistula survivors with education, economic empowerment and counselling to transform their lives and support social reintegration.

Hope College of Science, Business and Technology

New Donations: £73,130

Hope College is in Addis Ababa and provides access to quality education for students from impoverished backgrounds from across the country. Currently there are over 1,000 undergraduates and a further 300 extension students enrolled, the majority of which are female.

Women and Health Alliance (WAHA)

New Donations: £154,000

WAHA is one of our 3 fistula partners. They provide interventions to prevent and treat obstetric fistula and other childbirth injuries. Their programmes include fistula surgery and rehabilitation centres across Ethiopia, community training and sponsoring surgical and midwifery students at university teaching hospitals.

Small Grants Programme

New Donations: £275,821

A small grants programme, established in 2016, enables Ethiopiaid to support organisations in Ethiopia that are not existing partners with a one-off grant. The following organisations benefitted:

Eshet Children and Youth Development Organisation

FOVC - Shape Ethiopia

AD Horn

Give Hope Ethiopia

Women In Self Employment

National Podoconiosis Action Network

Action on Podoconiosis and Integrated Development Organisation

Atsede and Indle's Women's Clinic

Kelam Ethiopia

Agro Pastoral Initiative for Development

Bethel Children's Home Association

Empathy for Life

MGIET

Nekemta School for the Deaf

Afro Ethiopia Integrated Development

The Big Give Christmas Challenge 2018

New Donations: £88,110

Donations were made to the Big Give in order to provide matched funding to UK based charities working in Ethiopia. The funding enabled the participating charities to unlock a further £390,683 in donations from other sources. The following charities benefitted:

Project Harrar

Bees for Development

Ethiopian Education Foundation

Womankind Worldwide

Link Community Development

Amref Health Africa

Retrak - Inspiring Street Children

Hospice Ethiopia UK

Lifebox Foundation

IDE Global

Ethiopiaid

Report of the Trustees **For The Year Ended 31 December 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Ethiopiaid Australia

New Donations: £104,670

Ethiopiaid Australia is Ethiopiaid UK's Australian sister organisation which, like Ethiopiaid UK, provides funding to a number of carefully selected local partners in Ethiopia. Funding was provided to support grants made to Ethiopian partners.

Ethiopiaid Canada

New Donations: £91,000

Ethiopiaid Canada is Ethiopiaid UK's Canadian sister organisation which, like Ethiopiaid UK, provides funding to a number of carefully selected local partners in Ethiopia. Funding was provided to support grants made to Ethiopian partners.

Ethiopiaid Ireland

New Donations: £30,000

Ethiopiaid Ireland is Ethiopiaid UK's Irish sister organisation which, like Ethiopiaid UK, provides funding to a number of carefully selected local partners in Ethiopia. Ethiopiaid UK provided a grant to support fundraising costs.

Capacity Building Project

£29,608 was invested in a pilot programme in Ethiopia to assess the capacity development needs of four of Ethiopiaid's partners. The intention being to provide access to training and resources that will support partners' growth and sustainability, in a way that is meaningful and which will see learnings embedded in the organisation.

Ethiopiaid

Report of the Trustees **For The Year Ended 31 December 2018**

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

Individual Giving Campaigns

During 2018 the charity completed 7 direct mail appeals (totalling 84,864 direct mail packs) to existing supporters on the charity's database.

These campaigns raised a total of £337,236 (2017: £461,538) of cash donations.

Regular Giving (direct debits and standing orders)

The charity receives regular gifts (e.g. monthly, quarterly or annually) from 8,217 donors.

339 new regular gifts were recruited from the following sources:

72 via direct mail appeals

189 via cold donor acquisition campaigns

78 regular gifts were recruited through other fundraising activities

Cold Donor Acquisition Campaigns

A number of new donor recruitment activities were tested during 2018 including social media, direct mail, door drops and media inserts. A total of 862 new cash donors gave gifts totalling £20,940 from this activity.

Philanthropy

A total of £127,695 was raised from individuals making significant gifts (2017: £113,000).

Legacies

Legacies are a key source of significant gifts for the charity. In 2018 total legacy receipts totalled £513,071 (2017: £546,323).

Grant-makers

A total of £154,566 was raised through grants from charitable trusts and foundations (2017: £101,084).

The Great Ethiopian Run Challenge

Employees from Reed Specialist Recruitment Limited and donors participated in the GER Challenge in 2018 raising a total of £36,199 in sponsorship.

FINANCIAL REVIEW

Principal funding sources

In 2018 the charity's incoming donations from individuals were £1,701,522 (2017: £1,847,109).

The charity believes that this level of income demonstrates a solid financial basis for the charity, thereby offering security to the partners that it supports. Regular monthly donations via banker's orders and direct debits make up 38% of the charity's fundraising income.

Cash donations from individuals, legacies and grants make up 62% of the charity's income.

The trustees continue to recognise the need to diversify income and develop new sources of funding and as such invest in the charity's fundraising activities in order to ensure that income remains at a good level.

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 prudent about its investments and cash.

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

Ethiopiaid

Report of the Trustees **For The Year Ended 31 December 2018**

FINANCIAL REVIEW

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 partner donations and our overheads at any one time.

Ring fenced funds

Special Projects

A total of £696,500 was awarded to Ethiopian partners for special and/ or significant projects during the year.

Dignity Period £256,000

DEWADA £15,500

SENTigray £15,000

Hope Enterprises £110,000

Hope College £46,000

APDA £250,000

A further £256,000 has been pledged for these projects in 2018:

Dignity Period £256,000

Capacity Building Programme

The sum of £500,000 was ring fenced in 2017 for use in future years in order to specifically support the capacity building of the charity's Ethiopian partners in future years.

In 2018 a pilot project was undertaken with 4 partner organisations and a specialist Ethiopian consultant. The outcome of this pilot project will inform if and in what form this programme might continue. The pilot project will assess partners' capacity in:

Financial management

Governance

Fundraising

Human resources

Monitoring and evaluation

Project management

Ethiopiaid
Report of the Trustees
For The Year Ended 31 December 2018

FUTURE PLANS

Ethiopiaid's Chair and CEO participated in a global strategy meeting held in Addis in November 2018. The purpose of the meeting was to develop with Ethiopiaid's sister charities in Ireland, Australia and Canada, a new global strategy. The document sets out the charities shared commitment to a set of global values, objectives and our approach to grant making beyond 2020.

Ethiopiaid is committed to ensuring that its administrative costs remain at a realistic minimum whilst enabling the diversification and growth of fundraising activities. A stable and secure organisation is critical to the future of the charity being able to maintain support for its partners.

The 2019 fundraising strategy focuses on continuing the steady growth in income from grant makers, philanthropists, legacies, and new donor acquisition programmes. Ethiopiaid will seek to develop and maintain a good mix of income generating activities in order to ensure the future of Ethiopiaid and grant-making in Ethiopia.

2019 will see a continued commitment to good governance, regulatory compliance, safeguarding and best practice across all operational areas of Ethiopiaid.

The charity prefers to maintain long term relationships with its partners as opposed to giving one off donations. This is to ensure stability of funding to the partners, enabling them to focus upon their work. It is not expected that the focus of the charity will change significantly within the short or medium term.

The year ahead will see the charity focus upon:

- Creating meaningful donor relationships to maintain trust and commitment
- Maintain levels of income through diversification
- Working smarter, staying nimble and taking calculated risks in a competitive fundraising environment
- Finalising its global strategy for 2020 and beyond

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Ethiopiaid

Report of the Trustees **For The Year Ended 31 December 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

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 three and there is no maximum unless determined by ordinary resolution. They do not have to be re-elected at Annual General Meetings, but two do step down at each Annual General Meeting.

The trustees are selected by the currently serving trustees based upon their experience and expertise, with the aims of maintaining a wide knowledge and skill base which can be used to the benefit of the charity. The positions are not advertised. Instead the trustees invite suitably qualified individuals who would complement the team's current balance of experience and skills to fill the roles.

Currently the board of trustees has competencies in:

Accountancy
Anthropology
Education
Fundraising
International Development
Law
Marketing

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.

Organisational structure

There are four members of staff (three full time and one part time) and one part-time contractor, who co-ordinate all fundraising and associated activities for the charity. The team are line managed by the CEO who reports directly to the Board of Trustees. The Board of Trustees is the ultimate decision-maker.

Related parties

The charity benefitted from free office space donated by Reed Specialist Recruitment Limited for the whole financial year. This organisation was founded by Sir Alec Reed CBE in 1989 and he served as an Ethiopiaid trustee until 2016.

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

Ethiopiaid Trustee N J Reed is a member of the Reed family and the spouse of the current Chairman of Reed.

Principal Risks and Uncertainties facing the Charity

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

A risk register is updated annually by the CEO and reviewed by the Trustees. The register identifies risks to the charity's finances, operations, data, staff, fundraising and governance.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02435882 (England and Wales)

Registered Charity number
802353

Ethiopiaid

Report of the Trustees
For The Year Ended 31 December 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

Upper Borough Court Floor 3
Upper Borough Walls
Bath
Somerset
BA1 1RG

Trustees

A M Chapman
A Fenn
S L Grimsdale
M C Norman
E Prak
N J Reed
H M Horn

Company Secretary

S L Grimsdale

Auditors

Kingscott Dix Limited
Chartered Accountants
and Statutory Auditor
Goodridge Court
Goodridge Avenue
Gloucester
Gloucestershire
GL2 5EN

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Ethiopiaid for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make sure they are aware of any relevant audit information and to establish that the auditors are aware of that information.

Ethiopiaid
Report of the Trustees
For The Year Ended 31 December 2018

Approved by order of the board of trustees on 14th May 2019 and signed on its behalf by:


.....
A M Chapman - Trustee

Report of the Independent Auditors to the Members of Ethiopiaid

Opinion

We have audited the financial statements of Ethiopiaid (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Report of the Independent Auditors 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.

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

Matters on which we are required to report by exception

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

Report of the Independent Auditors to the Members of Ethiopiaid

Matters on which we are required to report by exception

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Woodman (Senior Statutory Auditor)
for and on behalf of Kingscott Dix Limited
Chartered Accountants
and Statutory Auditor
Goodridge Court
Goodridge Avenue
Gloucester
Gloucestershire
GL2 5EN

Date: 15th May 2019

Ethiopiaid

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,141,006	405,099	2,546,105	2,676,428
Investment income	3	<u>12,170</u>	<u>-</u>	<u>12,170</u>	<u>8,164</u>
Total		2,153,176	405,099	2,558,275	2,684,592
EXPENDITURE ON					
Raising funds	4	273,999	-	273,999	302,119
Charitable activities	5	<u>1,913,796</u>	<u>405,099</u>	<u>2,318,895</u>	<u>2,939,291</u>
Ethiopia Partner support					
Total		2,187,795	405,099	2,592,894	3,241,410
NET INCOME/(EXPENDITURE)		(34,619)	-	(34,619)	(556,818)
Transfers between funds	13	<u>22,756</u>	<u>(22,756)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(11,863)	(22,756)	(34,619)	(556,818)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,797,855	22,756	2,820,611	3,377,429
TOTAL FUNDS CARRIED FORWARD		<u>2,785,992</u>	<u>-</u>	<u>2,785,992</u>	<u>2,820,611</u>

The notes form part of these financial statements

Ethiopiaid
Registered Company Number 02435822 (England and Wales)

Statement of Financial Position
At 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
CURRENT ASSETS					
Debtors	11	184,168	-	184,168	386,647
Cash at bank		<u>2,874,205</u>	-	<u>2,874,205</u>	<u>3,177,761</u>
		2,802,373	-	3,058,373	3,564,408
CREDITORS					
Amounts falling due within one year	12	(272,381)	-	(272,381)	(743,797)
NET CURRENT ASSETS		<u>2,785,992</u>	-	<u>2,785,992</u>	<u>2,820,611</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,785,992</u>	-	<u>2,785,992</u>	<u>2,820,611</u>
NET ASSETS		<u>2,785,992</u>	-	<u>2,785,992</u>	<u>2,820,611</u>
FUNDS	13				
Unrestricted funds				2,785,992	2,797,855
Restricted funds				-	<u>22,756</u>
TOTAL FUNDS				<u>2,785,992</u>	<u>2,820,611</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 14th May 2019 and were signed on its behalf by:


A M Chapman -Trustee

The notes form part of these financial statements

Ethiopiaid

Statement of Cash Flows
For The Year Ended 31 December 2018

	Notes	31.12.18 £	31.12.17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(315,726)</u>	<u>(26,134)</u>
Net cash provided by (used in) operating activities		<u>(315,726)</u>	<u>(26,134)</u>
Cash flows from investing activities:			
Interest received		<u>12,170</u>	<u>8,164</u>
Net cash provided by (used in) investing activities		<u>12,170</u>	<u>8,164</u>
Change in cash and cash equivalents in the reporting period		<u>(303,556)</u>	<u>(17,970)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,177,761</u>	<u>3,195,731</u>
Cash and cash equivalents at the end of the reporting period		<u>2,874,205</u>	<u>3,177,761</u>

The notes form part of these financial statements

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Notes to the Statement of Cash Flows
For The Year Ended 31 December 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.18 £	31.12.17 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(34,619)	(556,818)
Adjustments for:		
Interest received	(12,170)	(8,164)
Decrease/(increase) in debtors	202,479	(72,250)
(Decrease)/increase in creditors	<u>(471,416)</u>	<u>611,098</u>
Net cash provided by (used in) operating activities	<u>(315,726)</u>	<u>(26,134)</u>

Ethiopiaid

Notes to the Financial Statements For The Year Ended 31 December 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- confirmation has been received from the representatives of the estates that probate has granted,
- the executors have established that there are sufficient assets in the estate to pay the legacy and,
- all conditions attached to the legacy have been fulfilled or are within the Charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all the conditions of income recognition are met.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs include grants payable to institutions listed in note 6 and support costs summarised in note 8.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Ethiopiaid

Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The accounts have been prepared on a going concern basis as there is no doubt over the charities' ability to continue its operations.

Debtors

Debtors are amounts owed by the charity. They are measured on the basis of their recoverable amount.

Cash and cash equivalents

Cash at bank and in hand is held to meet day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, usually less than 90 day interest bearing accounts.

Creditors and provisions

Creditors are recognised where the charity has a present obligation as a result of a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at the settlement amount after allowing for any trade discounts due.

Financial instruments

The trust only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. DONATIONS AND LEGACIES

	31.12.18	31.12.17
	£	£
Gifts in kind	29,000	29,000
Donations	1,761,440	1,847,109
Gift aid	242,594	253,996
Legacies	513,071	546,323
	<u>2,546,105</u>	<u>2,676,428</u>

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Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

3. INVESTMENT INCOME

	31.12.18	31.12.17
	£	£
Deposit account interest	11,560	7,438
Interest receivable - trading	<u>610</u>	<u>726</u>
	<u>12,170</u>	<u>8,164</u>

4. RAISING FUNDS

Raising donations and legacies

	31.12.18	31.12.17
	£	£
Other Fundraising Costs	256,133	283,547
Database Processing Costs	8,053	13,343
Travelling and subsistence	<u>9,813</u>	<u>5,229</u>
	<u>273,999</u>	<u>302,119</u>

5. CHARITABLE ACTIVITIES COSTS

	Support costs	Grant funding of activities (See note 6)	Totals
	£	£	£
Ethiopia Partner Support	<u>242,596</u>	<u>2,076,299</u>	<u>2,318,895</u>

Ethiopiaid

Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

6. GRANTS PAYABLE	31.12.18	31.12.17
The total grants paid to institutions during the year was as follows:	£	£
The Hamlin Fistul Hospital	-	70,000
Afar Pastoralist Development Association (APDA)	40,000	380,000
AWSAD	106,000	60,000
Cheshire Services Ethiopia	250,000	272,581
Cheshire Livelihoods Project	37,788	-
Facing Africa (Noma)	20,923	-
Destitute Elders' Welfare and Development Association (DEWADA)	166,542	295,540
Dignity Period	-	585,407
Ethiopiaid Australia	104,671	130,000
Ethiopiaid Canada	91,000	108,299
Ethiopiaid Ireland	30,000	-
Hope Enterprises	461,335	363,000
Hope University College	73,130	118,130
WAHA International	154,000	100,000
Healing Hands of Joy	50,000	119,766
SENTIgray	-	39,175
Women in Self Employment	15,000	-
Project Harrar	-	10,000
Afro Ethiopia Integrated Dev (AEID)	16,000	-
Hospice Ethiopia	128,000	-
Aga Development	24,162	-
Agro Pastoral Initiative Dev (AID)	13,000	-
Action on Podoconiosis and Integrated Development Organisation	20,000	-
Alsha Charity Association	15,000	-
Atsede & Indie's Women Clinic	15,434	-
Bethal Children's Home Association	15,000	-
Development and Relief Association	13,500	-
Empathy for Life Integrated Development Association	12,295	-
Eshet Children and Youth Dec Org	15,000	-
FOVC – Shap Ethiopia	15,000	-
Give Hope Ethiopia	15,000	-
Kelam Ethiopia	13,389	-
MGIET	13,042	-
National Podoconiosis and Integrated Development Organisation	15,000	-
SGP Small Grants	-	40,000
Positive Action	10,000	-
AD Horn	20,000	-
Big Give Grants		
Ethiopian Education Foundation	11,430	11,500
Bees for Development Trust	13,615	7,350
Hospice Ethiopia UK	2,795	-
Project Harar Ethiopia	25,000	12,600
Retrak-Inspiring Street Children	5,035	3,750
Self Help Africa	-	7,500
Link Community Development	6,735	5,956
Womankind Worldwide	9,753	7,500
Lifebox Foundation	2,120	-
IDDE Global	110	-
Amref Health Africa	6,300	-
The Big Give	4,195	-
Ethiopia Partner Support	<u>2,076,299</u>	<u>2,748,054</u>

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Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

7. SUPPORT COSTS

Support costs

	2018 £	2017 £
Staff costs	121,798	89,138
Management fees	36,543	36,222
Office costs	<u>84,255</u>	<u>65,877</u>
	<u>242,596</u>	<u>191,238</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.18 £	31.12.17 £
Auditors' remuneration	<u>6,600</u>	<u>6,600</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustee remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

Trustee expenses paid for the year ended 31 December 2018 totalled £608 (2017: £80). All expenses reimbursed related to travel costs.

10. STAFF COSTS

	31.12.18 £	31.12.17 £
Wages and salaries	112,000	80,901
Social security costs	7,767	6,514
Other pension costs	<u>2,031</u>	<u>1,723</u>
	<u>121,798</u>	<u>89,138</u>

Reed Specialist Recruitment Limited provides staff for Ethiopiaid to carry out operations.

The average monthly number of employees during the year was as follows:

	31.12.18	31.12.17
Support staff	<u>4</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

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Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18 £	31.12.17 £
Gift Aid	96,251	59,190
Prepayments and accrued income	<u>87,917</u>	<u>327,457</u>
	<u>184,168</u>	<u>386,647</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18 £	31.12.17 £
Trade creditors	7,584	31,385
Social security and other taxes	2,335	1,967
Pledged Donations	256,000	701,876
Accrued expenses	<u>6,462</u>	<u>8,569</u>
	<u>272,381</u>	<u>743,797</u>

13. MOVEMENT IN FUNDS

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.18 £
Unrestricted funds				
General fund	2,287,855	(34,619)	22,756	2,275,992
Capacity Building Funds	500,000	-	-	500,000
OMO Child	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	2,797,855	(34,619)	22,756	2,785,992
Restricted funds				
Noma and Facial Disfigurement	22,756	-	(22,756)	-
TOTAL FUNDS	<u>2,820,611</u>	<u>(34,619)</u>	<u>-</u>	<u>2,785,992</u>

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Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,153,176	(2,187,795)	(34,619)
Restricted funds			
Anti-FGM	12,341	(12,341)	-
Elder and Grandchild Welfare	5,000	(5,000)	-
Dignity Period Project	81,977	(81,977)	-
Noma and Facial Disfigurement	45,391	(45,391)	-
Fistula Hospital	74,756	(74,756)	-
Cheshire Services	60,288	(60,288)	-
AWSAD	50,447	(50,447)	-
Dewada	14,197	(14,197)	-
Hope College of Business, Science & Technology	22,140	(22,140)	-
Hope Enterprises	14,635	(14,635)	-
SENTigray	23,927	(23,927)	-
	405,099	(405,099)	-
TOTAL FUNDS	<u>2,558,275</u>	<u>(2,592,894)</u>	<u>(34,619)</u>

Comparatives for movement in funds

	At 1.1.17 £	Net movement in funds £	Transfers between funds £	At 31.12.17 £
Unrestricted Funds				
General fund	3,377,429	(579,574)	(510,000)	2,287,855
Capacity Building Funds	-	-	500,000	500,000
OMO Child	-	-	10,000	10,000
	3,377,429	(579,574)	-	2,797,855
Restricted Funds				
Noma and Facial Disfigurement	-	22,756	-	22,756
TOTAL FUNDS	<u>3,377,429</u>	<u>(556,818)</u>	<u>-</u>	<u>2,820,611</u>

Ethiopiaid

Notes to the Financial Statements - continued For The Year Ended 31 December 2018

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,087,335	(2,666,909)	(579,574)
Restricted funds			
Obstetric Fistula	170,286	(170,286)	-
Anti-FGM	40,257	(40,257)	-
Gender based violence	7,244	(7,244)	-
Disability	6,250	(6,250)	-
Elder and Grandchild Welfare	33,699	(33,699)	-
Dignity Period Project	108,385	(108,385)	-
Emergency Relief	142,238	(142,238)	-
Noma and Facial Disfigurement	42,132	(19,376)	22,756
Education	43,566	(43,566)	-
Hospice Ethiopia	3,200	(3,200)	-
	597,257	(574,501)	22,756
TOTAL FUNDS	<u>2,684,592</u>	<u>(3,241,410)</u>	<u>(556,818)</u>

14. RELATED PARTY DISCLOSURES

Gifts in kind were received for the use of Reed Specialist Recruitment Limited office space and other fund raising costs, totalling £29,000 (2017 £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.

The Big Give Trust, which has trustees in common with Ethiopiaid was paid a £4,195 administration fee for facilitating a number of grants paid in the year.

The CEO, Lisa Cousins, is contracted to Reed Specialist Recruitment Limited, who in turn charges Ethiopiaid for her time.

The following trustees made donations to Ethiopiaid during the year:

A Chapman £3,820 (2017 : £120)

E Prak £240 (2017 : £240)

N Reed £Nil (2017 : £1,000)

A Fenn £1,101 (2017 : £Nil)

15. ULTIMATE CONTROLLING PARTY

The Company is controlled by the Board of Trustees.

This page does not form part of the statutory financial statements