

PARTNERS FOR CHANGE ETHIOPIA

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The annual report and financial statements were approved by the Trustees
on 4 June 2021.

John Binns, Chair of Trustees

Trustees

Chairperson: The Revd Dr John Binns
President: Fr Colin Battell OSB
Honorary Treasurer: Roy Warden
Gary Battell (appointed 22 April 2020)
Karina Prasad (appointed 22 April 2020)
Sarah Parfitt (appointed 22 April 2020)
Catherine Salway (resigned during 2020)

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 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 2020

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.

The main focus of our work continues to be the empowerment of community based organisations in developing sustainable approaches to reducing poverty in deprived areas. 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.

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.

Main activities in 2020

There were significant new challenges to our work in Ethiopia in 2020.

Although the number of reported infections from covid-19 was comparatively small, the restrictions imposed to prevent the spread of the virus had a devastating impact on the lives of many people in Ethiopia already in challenging circumstances. JeCCDO quickly took an active role in its project areas and elsewhere to promote awareness of the virus and actions to take to protect against it. Providing clean water, sanitisers, and emergency food supplies were key tasks. The value of the work of JeCCDO in this respect was acknowledged by the Ethiopian government.

In November 2020, reports reached the UK of conflict, deaths and refugees, especially in Tigray in the north of the country, with strains in other areas of the federal political structure. Partners for Change has been monitoring the situation as best we can, which is difficult because communications have been disrupted especially in areas where there is fighting. Nevertheless, through JeCCDO we have local contacts and we have experience in trying to interpret this complex country since we first became involved there in the 1980s. People in poor local communities are resilient and can still benefit enormously from the moves towards self-sufficiency which we encourage through our partnerships. We are continuing to support these efforts.

Financial summary

Partners for Change made payments of £95,514 to Ethiopia in 2020 (£97,986 in 2019).

Fundraising remained very challenging during the year. Our donations fell by 16% compared with 2019, but we have plans for new fundraising campaigns in 2021. Nevertheless, because of

substantial reductions in our operating costs in the UK, we were able to increase our unrestricted reserve from £38,682 to £41,326. This is more than enough to support our reduced costs in the UK and we will be able to make some of our reserve available for work in Ethiopia.

Our operating costs in the UK fell to £6,084 (£20,866 in 2019) and were 6% of the value of payments to Ethiopia (21% in 2019). This significant reduction depended on a large amount of unpaid work by our trustees and other volunteers.

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 2020, the only income Partners for Change Ethiopia received from outside the UK was a grant from the Constable Foundation of Sherborn, Massachusetts, USA. All payments made to Ethiopia by Partners for Change Ethiopia were within 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 2020**

| | Note | Unrestricted fund (£) | Restricted funds (£) | 2020 total (£) | <i>2019 total (£)</i> |
|--------------------------------|-------------|----------------------------------|---------------------------------|---------------------------|---------------------------|
| Income from: | | | | | |
| Donations | 2 | 24,014 | 2,318 | 26,332 | <i>30,008</i> |
| Grants and legacies | 2 | 7,572 | 60,810 | 68,382 | <i>123,592</i> |
| Other | 3 | 523 | - | 523 | <i>336</i> |
| Total income | | 32,109 | 63,128 | 95,237 | <i>153,936</i> |
| Expenditure on: | | | | | |
| Payments to Africa | 4 | 23,381 | 72,123 | 95,514 | <i>97,986</i> |
| Operating costs | 5 | 6,084 | - | 6,084 | <i>20,866</i> |
| Total expenditure | | 29,465 | 72,133 | 101,598 | <i>118,852</i> |
| Surplus/(deficit) | | 2,644 | (9,004) | (6,360) | <i>35,084</i> |
| Reconciliation of funds: | | | | | |
| Brought forward from 2019 | | 38,682 | 9,304 | 47,986 | |
| Surplus/(deficit) | | 2,644 | (9,004) | (6,360) | |
| Carried forward to 2021 | | 41,326 | 300 | 41,626 | |

BALANCE SHEET AT 31 DECEMBER 2020

| | Note | Unrestricted fund (£) | Restricted funds (£) | 2020 total (£) | <i>2019 total</i> (£) |
|---|------|--------------------------|-------------------------|-------------------|--------------------------|
| Current assets | | | | | |
| Debtors | 6 | 327 | | 327 | 4,286 |
| Prepayments | | 33 | | 33 | 34 |
| Cash and bank accounts | | 41,106 | 300 | 41,406 | 44,254 |
| <hr/> | | | | | |
| Sub-total: current assets | | 41,466 | 300 | 41,766 | 48,575 |
| Current liabilities | | | | | |
| Creditors: amounts falling due within 1 year | 6 | 140 | | 140 | 588 |
| Net current assets | | 41,326 | 300 | 41,626 | 47,986 |
| Creditors: amounts falling due after 1 year | | - | - | - | - |
| Net assets | | 41,326 | 300 | 41,626 | 47,986 |
| Unrestricted fund | | | | 41,326 | 38,682 |
| Restricted funds | | | | 300 | 9,304 |
| Total funds | | | | 41,626 | 47,986 |

The notes on pages 6 to 7 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.

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 Tax reclaimable on donations is recorded at the same time as the donation.

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

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

1.7 On grounds of materiality, interest income is not apportioned to restricted funds.

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

2. Donations and grants received

Donations included Gift Aid of £2,294 (£3,412 in 2019).

Grants were received from 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.

4. Payments to Ethiopia

| | £ |
|---|---------------|
| Empowering community based organisations in Bishoftu, Bahir Dar, Debre Berhan, Hawassa and Dire Dawa to develop sustainable approaches to reducing poverty in deprived areas. | 20,450 |
| Promotion of livelihood alternatives for poor community members in Debre Sina. | 35,000 |
| Supporting women's groups in Hawassa and Debre Berhan | 32,279 |
| Supporting women from families in Genda Tesfa to generate income and providing breakfast and various facilities for school children. | 7,185 |
| Supporting a family in Bahir Dar. | 600 |
| Total | 95,514 |

Note: These amounts relate to payments made in 2020 regardless of when the income to fund the payments was received.

5. Cost of administration

| | 2020 (£) | 2019(£) |
|------------------------------|--------------|---------------|
| UK consultancy | 2,752 | 13,483 |
| Bank charges | 77 | 80 |
| International transfer fees | 52 | 150 |
| Bookkeeping | 259 | 234 |
| Fund raising fees | 388 | 525 |
| Insurance | 551 | 517 |
| Travel | 367 | 3,778 |
| Printing and postage | 250 | 288 |
| Cost of merchandise for sale | - | 521 |
| Trustee meetings | 46 | 166 |
| Miscellaneous | 1,342 | 1,125 |
| Total | 6,084 | 20,866 |

6. Debtors and creditors

There was a single debtor at 31 December 2020 - HMRC in respect of Gift Aid.
There was a single creditor at 31 December 2020 who has now been paid.

7. Analysis of funds

| | Brought forward from 2019 (£) | Incomings (£) | Outgoings (£) | Carried forward to 2021 (£) |
|--------------------------------|----------------------------------|------------------|------------------|--------------------------------|
| Gende Tesfa women and children | 2,535 | 1,719 | 4,254 | 0 |
| Hawassa women | 6,469 | 25,810 | 32,279 | 0 |
| Debre Sina communities | 0 | 35,000 | 35,000 | 0 |
| Bahir Dar family | 300 | 600 | 600 | 300 |
| Restricted funds | 9,304 | 63,129 | 72,133 | 300 |
| Unrestricted | 38,682 | 32,109 | 29,465 | 41,326 |
| Total funds | 47,986 | 95,238 | 101,598 | 41,626 |

8. Related parties

There were no transactions with related parties in the year ended 31 December 2020. 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 2020 set out in pages 4 to 7 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
21 May 2021