

PARTNERS FOR CHANGE ETHIOPIA

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The annual report and financial statements were approved by the Trustees
on 15 May 2023.

John Binns, Chair of Trustees

Trustees

Chairperson: The Revd Dr John Binns

President: Fr Colin Battell OSB

Honorary Treasurer: Roy Warden

Gary Battell

Sarah Parfitt

Margaret Johnston

Christine Brown

Angela Robson (appointed 2021)

Charity information

Registered Charity No: 297391

Address: 197 Chase Road, Burntwood, Staffordshire, WS7 0EB

Email: info@pfcethiopia.org

Website: www.pfcethiopia.org

Bankers: Child & Co.

Independent Examiner: Gary Bandy CPFA, Clover Cottage, Stubbins Lane, Chinley, High Peak
SK23 6AE

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

The challenges to our work in Ethiopia continue. Political tensions remain following conflict in Tigray and other areas but there are signs that the participants are trying to restore stability. Moreover, the economy suffered as a result of the restrictions imposed to prevent the spread of covid-19. 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 has been 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. The value of the work of JeCCDO in providing clean water, sanitisers, and emergency food supplies have been acknowledged by the Ethiopian government.

Our work continues with breakfast clubs to provide the poorest children with a meal at the start of the school day and assistance to their families in setting up small businesses. In 2022, we completed a project in Debre Bihan and started a new one in Basso. A grant from the Constable Foundation enabled us to promote livelihood alternatives for poor community members in Debre Sina. And generous donations from individual donors supported individuals and facilities in Bahir Dar.

A key objective for us remains to provide financial and other support to JeCCDO so that it can continue its valuable work.

Financial summary

Partners for Change made payments of £51,955 to Ethiopia in 2022 (£124,900 in 2021). The reduction reflects continuing challenges in fund raising in the United Kingdom and we have been investing money to improve our fund raising ability. We hope to see the results in 2023.

Our administrative costs in the UK fell to £1,908 (£2,396 in 2021) and were 4% of the value of payments to Ethiopia (3% in 2021). This achievement depended on a large amount of unpaid work by our trustees and other volunteers.

We allowed our unrestricted reserve to drop to £10,974 at the end of 2022 (£21,622 at the end of 2021) to fund our payments to Ethiopia. The steady fall in our administrative costs over a number of years means that our reserve remains prudent.

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 2022, we received no income from outside the United Kingdom other than a grant from the Constable Foundation of the United States. All payments made to Ethiopia by Partners for Change were within the regulated banking system.

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; new trustees are being appointed.
- 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.

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.

**STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE FOR THE YEAR
ENDED 31 DECEMBER 2022**

	Unrestricted fund (£)	Restricted funds (£)	2022 total (£)	<i>2021 total (£)</i>
Income from:				
Donations	16,920	14,599	31,519	<i>62,061</i>
Grants and legacies (Note 2)	7,000	10,243	17,243	<i>47,138</i>
Other	1,042	-	1,042	<i>3</i>
Total income	24,962	24,842	49,804	<i>109,202</i>
Expenditure on:				
Payments to Ethiopia (Note 3)	27,765	24,190	51,955	<i>124,900</i>
Cost of fundraising	5,938	-	5,938	<i>1,910</i>
Administration (Note 4)	1,908	-	1,908	<i>2,396</i>
Total expenditure	35,611	24,190	59,801	<i>129,206</i>
Surplus/(deficit)	(10,649)	652	(9,997)	<i>(20,004)</i>
Reconciliation of funds:				
Brought forward from 2021	21,622	0	21,622	
Surplus/(deficit)	(10,649)	652	(9,997)	
Carried forward to 2023	10,974	652	11,626	

BALANCE SHEET AT 31 DECEMBER 2022

	Unrestricted fund (£)	Restricted funds (£)	2022 total (£)	2021total (£)
Current assets				
Debtors (Note 5)	345	-	345	324
Prepayments	183	-	183	33
Cash and bank accounts	21,045	652	21,697	31,826
<hr style="border: 1px solid black;"/>				
Sub-total: current assets	21,574	652	22,226	32,183
Current liabilities				
Creditors: amounts falling due within 1 year (Note 5)	10,600	-	10,600	10,561
Net current assets	10,974	652	11,626	21,622
Creditors: amounts falling due after 1 year	-	-	-	-
Net assets	10,974	652	11,626	21,622
Unrestricted fund			10,974	21,622
Restricted funds			652	0
Total funds (Note 6)	10,974	652	11,626	21,622

The notes on pages 7 to 8 form part of these financial statements.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

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. Grants received

A grant of £10,243 was received from the Constable Foundation.

3. Payments to Ethiopia

	£
Supporting JeCCDO's work with community based organisations in Bishoftu, Bahir Dar, Debre Berhan, Hawassa and Dire Dawa to develop sustainable approaches to reducing poverty in deprived areas.	23,745
Supporting women from families to generate income and providing breakfast and various facilities for school children:	
Biruh Tesfa	2,000
Basso	12,017
Promotion of livelihood alternatives for poor community members in Debre Sina.	10,243
Supporting internally displaced people, especially in eastern areas bordering Somalia.	2,000
Supporting the library in Bahir Dar.	1,350
Supporting a family in Bahir Dar.	600
Total	51,955

Note: These amounts relate to payments made in 2022 regardless of when the income to fund the payments was received.

4. Cost of administration

	2022 (£)	2021 (£)
Bank charges	62	71
Bookkeeping	286	265
Cost of events	-	602
Cost of items for sale	150	-
Insurance	400	550
International transfer fees	60	74
Miscellaneous	842	720
Travel	108	114
Total	1,908	2,396

5. Debtors and creditors

There was a single debtor at 31 December 2022 - HMRC in respect of Gift Aid.
There were two creditors at 31 December 2022 who have now both been paid.

6. Analysis of restricted funds

	Brought forward from 2021 (£)	Incomings (£)	Outgoings (£)	Carried forward to 2023 (£)
Basso breakfast club	0	12,669	12,017	652
Debre Sina	0	10,243	10,243	0
Bahir Dar library	0	1,330	1,330	0
Bahir Dar family	0	600	600	0
Total restricted funds	0	24,842	24,190	652

7. Related parties

There were no transactions with related parties in the year ended 31 December 2022. 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 2022 set out on pages 5 to 8 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
- which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Gary Bandy CPFA

28 July 2023