TMS Plus

Tafesse,Shisema and Ayalew Certified Audit Partnership

Chartered Certified Accountants (UK) and Authorised Auditors (Ethiopia)

Tel. 251-011-8961752 /011 6180638 Mob. 0911 229425 /0930 034356/0930 034357 Fax: 251-011 662 12 70/60
E-mail:- tafessef@gmail.com / tafessef@hotmail.com P.O.Box 110690 Addis Ababa - Ethiopia

25 September 2024

The Management
CHILDFUND ETHIOPIA COUNRY OFFICE
Addis Ababa

Dear Sirs,

We have audited the financial statements of the organization for the year ended 30 June 2024.

We are not issuing a report on the audit findings in respect of this audit, since no major findings were discovered.

It must be appreciated however, that our normal audit procedures are designed with a view to the expression of our independent audit opinion on the sources and utilizations of the funds.

Our examination can not be expected to disclose all possible weaknesses in internal control and all other findings which a more extensive special examination might reveal.

Sincerely yours.

Tafesse, Shisema and Ayalew (TMS *Plus*) Certified Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors (Eth.)

CHILD FUND ETHIOPIA
COUNRY OFFICE

FINANCIAL STATEMENTS AND
AUDIT REPORT
30 JUNE 2024

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Tafesse, Shisema and Ayalew
Certified Audit Partnership
Chartered Certified Accountant (UK)
Authorized Auditors (Ethiopia)
Tel. 0118961752 Fax 011 662 1260/70
Mob. 0911229425/0930034356/57
P.O. Box – 110690 e-mail tmsplus@ethionet.et
Addis Ababa-Ethiopia

CHILDFUND ETHIOPIA COUNTRY OFFICE
CONTENT
FOR THE YEAR ENDED 30 JUNE 2024

Tafesse, Shisema & Ayalew
TMS Plus
Certified Audit Partnership

CHILDFUND ETHIOPIA COUNTRY OFFICE
KEY ORGANIZATION INFORMATION
FOR THE YEAR ENDED 30 JUNE 2024

1 BACKGROUND INFORMATION

ChildFund International began its intervention in Ethiopia in 1972. ChildFund Ethiopia endeavor to enhance the wellbeing of Deprived, Vulnerable and Excluded (DEV) children and their families in target communities, by facilitating access to social and economic development.

ChildFund Ethiopia , formerly named Christian Children's Fund, has been re-registered and licensed by the Charities and Societies Agency of Ministries of Justice as Child fund Ethiopia, as a foreign charity on October 12, 2009 in accordance with Charities and Societies Proclamation N°. 621/2009 with the certification N° 0025. After the issuance of the new proclamation No. 1113/2019, ChildFund has been re-registered to the Civil Society Organizations Agency as per the new proclamation.

At present, ChildFund is implementing child- focused development projects in Amhara, Oromia, Southern Nations and Nationalities and peoples' Regional state (SNNPRS), and Addis Ababa city administration, supporting about 1 million needy children, their families and other community members through development interventions focusing on education, health food security and micro -enterprise development programs in partnership with Ethiopian Government Regional Bureaus. ChildFund Ethiopia is carrying out its activities mainly in partnership with 13 local NGOs.

2 EXECUTIVE MANAGEMENT

Name	Position
Lilly Omondi	Country Director
Sara Nigussie	Human Resource Manager
Abadi Amdu	Program & Sponsorship Director
Siprosa Maroko	Finance Director
Solomon Tesgaw	Administration & Security senior Manager(Left end of March)
Ruth Kasaye	Administration & Security senior Manager(Joined in June)

3 PRINCIPAL OPERATION OFFICE

Town: -Addis Ababa-; Sub city: - Bole
Kebele 03, House No.207-11
Tel :- +251-011-661-2928/251-011-661-2865
Addis Ababa
Ethiopia

3 PRINCIPAL LEGAL ADVISOR

Melat and Nigatu law office
Legal Consultants and attorneys at Law
P.O.Box 10601
Addis Ababa, Ethioia

CHILDFUND ETHIOPIA COUNTRY OFFICE
KEY ORGANIZATION INFORMATION
FOR THE YEAR ENDED 30 JUNE 2024

4 PRINCIPAL BANK INFORMATION

Commercial Bank of Ethiopia
Mesret Defar Branch, Addis Ababa
Account Type - Current
Account Number 1000073341446
Bank Address-Bole Sub City,Kebele 03/05,House number 2144,Addis Ababa
Bank Contact/ Title-Biniam Alemayehu/Branch Manager
Bank Contact Phone Number-+251 913738743/251 116672107
Currency type - Ethiopian Birr
SWIFT - CBETETAA

Commercial Bank of Ethiopia
IBD
Account Type - NR/NT
Account Number 1000001154797
Currency type - Ethiopian Birr
Bank Address-Unity Square,P.O.Box 255,Addis Ababa,Ethiopia
Bank Contact/Title-Gemechu Tsegaye/Manager-International Serivce Special Branch
Bank Contact Phone number-+251 011-551 5004/011-551 5000
SWIFT - CBETETAA

Awash Bank S.C
Head office Branch, Addis Ababa
Account Type - Current
Account Number 0130402044200
Currency type - Ethiopian Birr
Bank Name & Address-Awash Bank,Head Office Branch,P.O.Box 12638 Addis Ababa,Ethiopia
Bank Contact/Title-Mulugeta Bonsa/Branch Manager
Bank Contact Phone number-+251 0016 62 03 03
SWIFT - AWINETAA

Commercial Bank of Ethiopia-Woldia Branch
Account Type-Current
Account Number-1000530059956
Currency type-Ethiopian Birr
Bank Address-Amhara Region,North Wollo Zone,Woldia City,Kebele 02,H#721,P.O.B 8
Bank Contact/Title-Eliyas Yilma/Branch Manager
Phone #0912156128
SWIFT-CBETETAA

Commercial Bank of Ethiopia-Mekele Branch
Account Type-Current
Account Number-1000567898249
Currency type-Ethiopian Birr
Bank Address-Mekele,Tigray,Ethiopia
Bank Contact/Title-Kibrom Asmelash/Branch Manager
SWIFT-CBETETAA

5 INDEPENDENT AUDITORS

Tafesse ,shisema & Ayalew Certified Audit Partnership (TMS Plus)
(Chartered Certified Accountants (UK) Authorized Auditors (Eth)
P.O.Box 110690,tmsplus@ethionet.et
Tel +0118961752,0911229425,0930034356/57
Addis Ababa, Ethiopia

CHILDFUND ETHIOPIA COUNTRY OFFICE
REPORTS AND ANNUAL FINANCIAL STATEMENTS
STATEMENT OF MANAGEMENT RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2024

The Financial Reporting Proclamation No. 847/2014 requires the Organization to prepare its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS).

The Management is responsible to prepare financial statements in respect of that Organization, which give a true and fair view of the state of affairs of the Organization at the end of the financial year and the operating results of the Organization for that year. The Management is also required to ensure that the Organization keeps proper accounting records which disclose with reasonable accuracy of the financial position of the Organization. The Management is also responsible for safeguarding the assets of the Organization.

The Management is responsible for the preparation and presentation of the Organization's financial statements, which give a true and fair view of the state of affairs of the organization for and as at the end of the financial year ended on June 30, 2024.

The Management accepts the responsibility for the Organization's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS). The Management is of the opinion that the Organization's financial statements give a true and fair view of the state of Organization's transactions during the financial year ended June 30, 2024, and of the Organization's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the organization, which have been relied upon in the preparation of the Organization's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Management to indicate that the Organization will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Organization's financial statements were approved by the Management on 13th September 2024 and signed on its behalf by:

Lily Omondi
Country Diector

Siprosa Maroko
Finance Director

Tafesse, Shisema & Ayalew
TMS Plus
Certified Audit Partnership

TMS Plus

Tafesse,Shisema and Ayalew Certified Audit Partnership
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E-mail:- tafessef@gmail.com / tafessef@hotmail.com P.O.Box 110690 Addis Ababa - Ethiopia

INDEPENDENT AUDITORS' REPORT ON THE ACCOUNTS OF
CHILDFUND ETHIOPIA COUNRY OFFICE
Section One: Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ChildFund Ethiopia Country Office, set out on page 6 to 10, which comprise the statement of financial position as at 30 June 2024, a statement of financial performance, a statement of changes in net assets; a statement of cash flows; and a summary of significant accounting policies and other explanatory information for the year then ended, and notes to the financial statements, specified on pages 11-19.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the Ethiopian Code of Ethics for Professional Accountants, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as management determines 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, management is responsible for assessing the Organization'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 management either intends to liquidate the Organization or to cease operations, or have no realistic alternative but to do so.

Management is responsible for overseeing the Organization's financial reporting process.

Auditor's 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 an auditor's report 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 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.

Taf. Shi & Ay

TMS Plus Certified Audit Partnership

Tafesse, Shisema and Ayalew (TMS plus) Certified Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors (ETH)

Addis Ababa
14 September 2024

Section Two: Report on the Legal and Regulatory Requirements

The Opinion in this section is given based on the audit procedures we applied in accordance with Directives 8/2004 issued by the Charities and Society Agency of Ethiopia based on Proclamation No 621/2009 which has been replaced by the Organizations of Civil Societies Proclamation No. 1113/2019.

1) **Revenue**:-

a. The Organization has pre numbered Cash Receipt Vouchers.
b. All income of the year has been supported by Cash Receipt Voucher.
c. As per the documents presented for us sources of income are clearly identified.
d. All income directly remitted to bank accounts of the Organization.
e. All foreign income collected by the Organization are legal.

2) **Expense**:-

a. Expenses were supported by appropriate documents.
b. The Organization has pre numbered Payment and Journal Vouchers.
c. Payments were effected following payment procedures designed by the Organization.
d. Payments were approved by management.
e. Original documents were used as supporting evidence for expenditures.
f. As shown under the attached detail of administrative expenditure and current year income, the Organization uses 8.43 % of its current year income to administrative expenditures.

3) **Property, plant and Equipment**:-

a. Purchases of assets were supported by legal invoices.
b. Property, plant and Equipment counted by the management at year end.
c. Property, plant and Equipment is recognized as asset with value more than $ 5,000 each and expected economic value more than a year.

4) **Advance to local Organization**

a. Advance to partner organization are a consequence of such transfer of cash funds, less reported disbursements.

b. The balance represents unutilized grant transferred to local partners.

5) **Cash and Cash equivalents**

a. The details of bank used by the Organization are known.
b. Bank Reconciliation is prepared on a monthly basis.
c. Bank statements of each account operated by the Organization are made available.

6) **Creditors**

a. Taxes are deducted and paid over to the tax authority within the time set for settlements.
b. All liabilities were classified under current category.

In our opinion, the attached financial statements of ChildFund Ethiopia Country office as at and for the year ended 30 June 2024 complies with Organizations of Civil Societies Proclamation No. 1113/2019.

Taf. Shi & Ay

Tafesse, Shisema and Ayalew (TMS plus) Certified Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors (ETH)

Addis Ababa
14 September 2024

CHILDFUND ETHIOPIA COUNTRY OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

Currency:- Ethiopian Birr

ASSETS :	Notes		2023
CURRENT ASSETS			
Cash and cash equivalents	5	32,922,753.22	27,924,631.82
Advances to partners organizations	3	6,080,616.18	7,055,530.14
Work advances and prepayment	4	9,861,781.49	21,252,054.99
		48,865,150.89	**56,232,216.95**
NON CURRENT ASSETS			
Property, plant and Equipment	9	2,520,496.87	1,209,886.67
TOTAL ASSET		**51,385,647.76**	**57,442,103.62**
EQUITY AND LIABILITIES			
CURRENT LIABILITIES			
Creditors	6	14,398,953.17	13,858,061.50
Grant payable	7	4,806,003.07	18,787,143.99
		19,204,956.24	**32,645,205.49**
Net Asset/Equity/Fund Balance	8	32,180,691.52	24,796,898.19
TOTAL LIABILITIES AND EQUITY		**51,385,647.76**	**57,442,103.68**

CHILDFUND ETHIOPIA COUNTRY OFFICE

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2024

	Notes		2023
REVENUE			
Income	10	464,890,385.35	525,386,912
EXPENDITURE			
Grants Expenditure	11	149,626,360.03	192,627,769
Non- Sponsorship Expenditure	12	24,152,624.20	30,388,580
Subsidy and Designated fund Contribution	13	247,691,773.05	241,705,173
Administration and general expenditure	14	22,823,203.22	24,080,750
Partnership effectiveness expenditure	15	45,715,932.45	44,930,405
Grant fee/ surplus expense		-	-
Intercompany expenses		(1,977,727.40)	(3,490,938)
		488,032,165.55	530,241,738
EXCESS OF INCOME OVER EXPENDITURE		**(23,141,780.20)**	**(4,854,826)**

CHILDFUND ETHIOPIA COUNTRY OFFICE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

	Accumulated surplus
Balance as at 01 July 2022	29,651,723.97
Surplus/Deficit for the period	(4,854,825.78)
Adjustment from prior period	
Balance as at 01 July 2023	**24,796,898.19**
Balance as at 01 July 2023	24,796,898.19
Surplus/Deficit for the period	(23,141,780.20)
Adjustment from prior period	30,525,573.94
Balance as at 30 June 2024	**32,180,691.93**

Tafesse, Shisema & Ayalew
TMS Plus
Certified Audit Partnership

CHILDFUND ETHIOPIA COUNTRY OFFICE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

Cash flow from operating activities		**2023**
Surplus/Deficit for the year	(23,141,780.20)	(4,854,826)
Less: Adjustment- opening balance difference	30,525,573.94	
	7,383,793.74	**(4,854,826)**
Adjustment for non- cash income and expenses		
Deprecation and amortization	469,389.80	245,348
Gift in Kind-Inventory in country		1,220,857
Change in working capital:		
(Increase)/decrease in advances to partners	974,913.96	5,869,762
(Increase)/decrease in prepayments & other advances	11,390,273.50	(3,546,789)
Increase/(decrease) in creditors (other current liabilities)	540,891.67	3,742,167
Increase/(decrease) in Grant Payable	(13,981,140.92)	(5,595,454)
Cash (used in)/ generated from operating activities	6,778,121.75	(2,918,934)
Net cash flow from operating activities	**6,778,121.75**	**(2,918,934)**
Cash flow from investing activities		
Purchase of plant, property and equipment	(1,780,000.00)	(454,250)
Net cash flow from investing activities	**(1,780,000.00)**	**(454,250)**
Cash flow from financing activates		
Net cash in flow from finance activities	-	-
Net increase /decrease in cash and cash equivalents	4,998,121.75	(3,373,184)
Cash and cash equivalent at the beginning of the year	27,924,631.47	31,297,816
Cash and cash equivalent at the end of the year	**32,922,753.22**	**27,924,632**
Components of cash and cash equivalents		
Cash at bank	32,922,753.22	27,924,632
	32,922,753.22	**27,924,632**

Telesse, Shiseme & Ayalew TMS Plus Certified Audit Partnership

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CHILDFUND ETHIOPIA COUNTRY OFFICE

STATEMENTS OF COMPARISION OF BUDGET AND ACTUAL AMOUNT

FOR THE YEAR ENDED JUNE 30, 2024

Currency: Ethiopian Birr

No	Description	Budget	Actual	Remaining Balance	Percentage Implementation
1	Working fund-Country office	22,857,610.68	22,823,203.22	34,407.46	100%
2	Partnership Effectiveness Fund (PEF)	46,634,698.24	45,715,932.45	918,765.79	98%
3	Sodo Buee Child and Family Development Charitable Organization	39,766,414.80	35,534,166.92	4,232,247.88	89%
4	Aynage Child and Family Development Organization	25,392,742.41	25,497,641.77	-104,899.36	100%
5	Reach the Needy Ethiopia	22,080,533.91	22,146,082.50	-65,548.59	100%
6	Care for Child and Family Organization	19,427,710.92	22,111,908.03	-2,684,197.11	114%
7	Dugda Children's and Family Charitable Organization	43,243,544.30	44,398,912.16	-1,155,367.86	103%
8	Future Generation Organization	21,146,311.38	22,160,464.81	-1,014,153.43	105%
9	Tesfa Berehan Child and Family Development Organization	34,478,923.00	38,132,500.88	-3,653,577.88	111%
10	Siraro Child and Family Development Association	19,402,667.09	21,850,925.48	-2,448,258.39	113%
11	Future Hopes Integrated Development Organization	31,400,677.71	33,277,430.66	-1,876,752.95	106%
12	Ethiopia Orthodox Church_Child and Family Affairs Organization Genete Eyesus Child Family Development Program Coordination Office	16,381,211.30	16,485,037.75	-103,826.45	101%
13	Love for Children and Family Development Charitable Organization	15,831,985.89	15,935,923.50	-103,937.61	101%
14	Addis Integrated Develeopment Organization	16,172,145.16	16,272,047.43	-99,902.27	101%
15	Sheger Child and Family Development Charitable Society	17,733,813.41	18,849,969.96	-1,116,156.55	106%
16	Children Believe	3,005,662.40	2,865,746.03	139,916.37	95%
17	AAU	2,633,390.00	923,646.27	1,709,743.73	35%
18	Cheshire Foundation	170,199.90	170,199.90	0.00	100%
18	Grant-Country office expenses	73,293,212.29	70,577,412.53	2,715,799.76	96%
19	Non Sponsorship - Country office expenses	14,007,930.64	11,404,709.50	2,603,221.14	81%
20	Sonsorship & Legacy Expenses-Country office	2,204,222.35	2,204,222.35	0.00	100%
21	DFC-Country office expense	16,695.09	16,695.09	0.00	100%
	Grand Total	**487,282,302.88**	**489,354,779.19**	**(2,072,476.31)**	**100%**

CHILDFUND ETHIOPIA COUNTRY OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

1. Statement of Compliance and basis of preparation

The financial statements of ChildFund Ethiopia have been prepared in accordance and complying with International Public Sector Accounting Standards (IPSAS). The financial statements have been prepared using the historical cost convention. Where IPSAS does not address a specific matter, the appropriate International Financial Reporting Standards (IFRS) have been applied.

Going Concern

These financial statementss have been prepared under the assumption that ChildFund is a going concern, will continue in operation, and will meet its mandate for the foreseeable future (IPSAS 1). The Management of ChildFund have not communicated any intention to terminate the organization or to cease its operations.

Financial statements

The financial statement which is prepared based on accrual method consists of:

Statement of Financial Position

This provide information about the accumulated surplus/deficit at the reporting year-end date – the difference between Child Fund's total assets and liabilities. It gives information about the extent to which resources are available to support future operations and the unfunded liabilities.

Statement of Financial Performance

This measures the net surplus or deficit of the reporting year – the difference between Income and expenses. It provides information about the Organization's cost of programme delivery and the amounts and resources of revenue contributions from different sources.

Statement of Changes in Net Assets/Equity

This highlights the sources of changes in the overall financial position.

Cash Flow Statement

This provides information about ChildFund Ethiopia's liquidity and solvency including how the Organization raised and used cash during the period. It measures the difference between the actual cash coming in and cash going out.

Notes to the Financial Statements

These assist in understanding the financial statements. Notes comprise of a summary of significant accounting policies and other explanatory information. It provides additional information on the financial statements as required under IPSAS.

Tefesse, Shiseme & Ayele's TMS Plus Certified Audit Partnership

CHILDFUND ETHIOPIA COUNTRY OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

2. Summary of Significant accounting policies

2.1 Cash and cash equivalents

Cash and cash equivalents are held at nominal value and comprise cash on hand, cash at banks, collateral deposits, commercial paper, money market funds and short-term bills and notes.

2.2 Accounts receivable

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Current receivables are for amounts due within 12 months of the reporting date, while non-current receivables are those that are due more than 12 months from the reporting date of the financial statements.

2.3 Inventories

Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost or current replacement cost. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost is determined using the weighted average inventory valuation method. The cost of inventories includes costs incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. For inventories acquired through a non-exchange transaction (e.g., donated goods), cost shall be measured at its fair value at the date of acquisition.When inventories are distributed,sold, exchanged or sold, their carrying amount is recognized as an expense.

2.4 Prepayments

Prepayments relate to amounts paid to suppliers for goods or services not yet received. Prepayments are recorded at cost.

2.5 Property, plant and equipment

Property, plant and equipment with a value greater than US$ 5,000 are recognized as non-current assets in the Statement of Financial Position. Property, plant and equipment are initially recognized at cost unless acquired through a non-exchange transaction, in which case they are recognized at fair value at the date of acquisition.

Property, plant and equipment are stated at historical cost, less accumulated depreciation and any impairment losses, if any. ChildFund considers all assets of this type to be non-cash generating.

Depreciation and amortization:
Depreciation is the expense resulting from the systematic allocation of the depreciable amounts of property, plant and equipment

Depreciation is calculated on a straight-line basis over the asset's useful life except for land, which is not subject to depreciation. The estimated useful lives of the asset classes that make up property, plant and equipment are provided in the table below:

	Years
Buildings	40
Major building improvement	15
Short -term building improvement	5
Motor vehicles	3
Furniture and others	3

Telesse, Shiferaw & Ayele Certified Audit Partnership TMS Plus

Accounting and Auditing Board of Ethiopia Original Copy

CHILDFUND ETHIOPIA COUNTRY OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

2.5 Property, plant and equipment - Continued

The residual value of all property plant and equipment is zero.

Impairment

The carrying values of PPEs are reviewed for impairment if events or changes in circumstances indicate that the book alue of the asset may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss if any. Any provision for impairment is included in the statement of financial performance.

2.6 Intangible assets

Intangible assets are assets that lack physical substance., intangible property owned by ChildFund in excess of $5000, used to generate revenue or enhance service potential over multiple accounting years. Intangible assets include such items as computer software.

2.7 Accounts payable and accrued liabilities

Accounts payable are financial liabilities for goods or services that have been received by ChildFund but not paid for. Accrued liabilities are financial liabilities for goods or services that have been received by ChildFund and which have neither been paid for nor invoiced to ChildFund. Accounts payable and accrued liabilities are recognized at cost as the effect of discounting is considered immaterial.

2.8 Provisions and contingencies

Provisions

A provision is recognized if, as a result of a past event, ChildFund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits or service potential will be required to settle the obligation. Provisions are measured at the present value of the expenses expected to be required to settle the obligation. The increase in a provision due to the passage of time is recognized as a finance cost.

Contingencies

Contingent assets

A contingent asset is disclosed when an event gives rise to the inflow of economic benefits or service potential is probable. If it has become virtually certain that an asset is no longer contingent and that its value can be measured reliably, the asset and the related revenue are recognized in the year in which the change occurs.

Contingent liabilities

Provisions are recognized for future liabilities and charges where ChildFund has a present legal or constructive obligation as a result of past events and it is probable that the Organization will be required to settle the obligation.

Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of ChildFund.

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CHILDFUND ETHIOPIA COUNTRY OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

2.9 Deferred revenue

Deferred revenue derives from legally binding agreements between ChildFund and its contributors, including governments, international organizations and private and public institutions. Deferred revenue is recognized when:

a contractual agreement is confirmed in writing by both the Organization and the contributor; and the funds are earmarked and due in a future period.

Deferred revenue also includes any advances from exchange transactions. Deferred revenue is presented as non-current if the revenue is due one year or more after the reporting date.

Grant payable shown on the statement of Financial position is the amount received from the donors but not recognized as revenue until the expenses are incurred.

2.10 Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by ChildFund during the year, which represents an increase in net assets/equity. The Organization recognizes revenue following the established criteria of IPSAS 23 (Revenue from Non-Exchange Transactions).

2.12 Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows, consumption of assets, or incurrences of liabilities that result in decreases in net assets/equity. ChildFund recognizes expenses at the point where goods have been received or services rendered (delivery principle) and not when cash or its equivalent is paid.

2.13 Statement of Cash Flow

The Statement of Cash Flow is prepared using the indirect method.

2.14 NET ASSETS/EQUITY

The Statement of Changes in Net Assets/Equity provides information on the fund balances for all funds as at 30 June 2024, the movement during 2024 and the opening balances as at 1 July 2023.

2.15 Budget comparison

As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing, presentation and entity differences. There may also be differences in formats and classification schemes adopted for the presentation of financial statements and the budget.

2.16 Note on the implementation of IPSAS and opening balance adjustments

The financial statements for the 2024 financial period are the fifth financial statements that comply with the requirements of IPSAS. ChildFund's financial statements for the prior year were also prepared based on IPSAS & presented on an accrual basis.

2.17 Transfers and grants to partners

Transfers and grants to partners relate to non-exchange contracts signed with national counterparts (mainly local partners) to perform activities that are in line with the Organization's Programme budget. Funds are expensed at the point of time when the funds are transferred to the contractual partner for subsidies and DFCs. However, for Grants and NSPs, funds are treated as an advance (current assets) at the point of time when the funds are transferred to partners and recognized as expense & revenue when reported as incurred through monthly and quarterly financial reporting.

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CHILDFUND ETHIOPIA COUNTRY OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.18 Related party and other senior management disclosures

Staff members considered to be "senior management personnel" are the Country Director, Program & Sponosrship Director, Human Resource Manager,Admin & Security Manager,Emergency Response Manager & Finance Director. During the year, no loans were granted to Senior management personnel.

2.19 Events after the reporting date

ChildFund's reporting date is 30 June 2024. On the date of the signing of these accounts, no material events, favorable or unfavorable, had been incurred between the balance sheet date and the date when the financial statements were authorized for issue that would have had an impact on the financial statements.

2.20 Contingent liabilities and contingent assets

Contingent liabilities

As at 30 June 2024, ChildFund had no pending legal cases. As a result, there are no material contingent liabilities to disclose or to recognize.

Contingent assets

In accordance with IPSAS 19, contingent assets will be disclosed for cases where an event will give rise to a probable inflow of economic benefits. As at 30 June 2024, there are no material contingent assets to disclose.

2.21Transaction with partners

a) Documentation

ChildFund Ethiopia Country Office-Ethiopia program implements its projects in partnership with local NGOs and transfers cash funds to these partners who provide monthly expenditure reports. Based on these reports ChildFund-Ethiopia program records expenditure incurred by the partners. The original expenditure documents are retained by the respective partner organizations.

b) Subsidy and Designated Fund Contribution

The subsidy and designated fund contributions (DFC) are transferred to partners through the Ethiopia Country Office. The income is recognized at the time of receipt from International office and expenditure are incurred at the time when the cash is transferred to the partners.

2.22 Foreign exchange currency ,Functional currency and translation of foreign currencies

2.22 a) Functional currency and translation of foreign currencies

The functional and reporting currency of ChildFund Ethiopia is the Ethiopian Birr.

Foreign currency transactions are translated into Birr at the exchange rates prevailing at the date of the transactions. The Operational Rates of Exchange to United States dollars are set once a month by the International office at the beginning of the month.

b) Foreign exchange currency risk

ChildFund Ethiopia receives grants in currencies other than Ethiopian Birr and it is exposed to foreign exchange currency risk arising from fluctuations in currency exchange rates.

Exchange rate gains and losses on the date of transfer (purchase and sale of currencies) for grant projects are handled as per the terms and conditions of the grant. The translation of transfers expressed in other currencies into Birr is performed at the exchange rate prevailing at the date of transfer/transaction.

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CHILDFUND ETHIOPIA COUNTRY OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

3. ADVANCES TO PARTNER ORGANIZATIONS

		2023
NSP advances	13,716.16	1,790,625.79
Grant advances	6,066,900.02	5,264,904.35
	6,080,616.18	**7,055,530.14**

4. WORK ADVANCES AND PREPAYMENTS

Other advance	427,347.82	258,001.10
Prepayments	2,312,876.36	2,556,733.24
Subsidy held at CO	147,277.25	-
Grant receivable-donor	6,974,280.06	18,437,320.65
	9,861,781.49	**21,252,054.99**

5. CASH ON HAND AND AT BANK

Cash on hand	-	-
Cash at bank	32,922,753.22	27,924,631.82
	32,922,753.22	**27,924,631.82**

6. CREDITORS

Account payable	1,056,681.48	2,250,843.82
Withholding tax payable	103,719.75	162,194.76
Income taxes payable	1,775,233.79	1,319,433.48
Pension contribution payable	630,060.95	512,035.24
Severance payable	9,477,793.90	8,597,948.58
Accrued Leave	1,208,186.05	1,015,605.61
Subsidy Payable-CO held	147,277.25	0.01
	14,398,953.17	**13,858,061.50**

7. GRANT PAYABLE

Grants Payable	4,806,003.07	18,787,143.99
	4,806,003.07	**18,787,143.99**

CHILDFUND ETHIOPIA COUNTRY OFFICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

8. FUND BALANCE		2023
Balance brought forward	24,796,898.19	29,651,723.97
Adjustment from prior period	30,525,573.94	
Current year transfer	(23,141,780.55)	(4,854,825.78)
Balance carried forward	**32,180,691.58**	**24,796,898.19**

9. PROPERTY,PLANT AND EQUIPMENT

	Balance 01.07.23	Additions / Disposal/	Balance 30.06.24
COST			
Building	3,212,811.98	-	3,212,811.98
Motor Vehicles	10,297,916.70	-	10,297,916.70
Others	1,569,395.46	1,780,000.00	3,349,395.46
	15,080,124.14	**1,780,000.00**	**16,860,124.14**
DEPRECIATION			
Building	2,381,467.02	169,639.82	2,551,106.84
Motor Vehicles	10,297,916.64		10,297,916.64
Others	1,190,853.81	299,749.98	1,490,603.79
	13,870,237.47	**469,389.80**	**14,339,627.27**
BOOK VALUE	**1,209,886.67**		**2,520,496.87**

10. REVENUE		2023
ChildFund HQ grant for Ethiopia Country Office (a)	66,651,553.57	66,065,163.46
Less; Grant income received at IO (b)	(5,350,635.60)	(31,287,684.69)
	61,300,917.97	**34,777,478.77**
ChildFund HQ Subsidy and Designated fund contributioı (DFC) for local partners(b)	247,839,051.02	241,705,173.03
Grants from various donors through ChildFund HQ	144,176,947.61	190,821,281.23
ChildFund HQ partnership effectives fund for local partnı	45,715,932.45	44,930,405.15
DFC received at NO	1,217.55	5,037.09
Miscellaneous Revenue	20,314.16	
TR contribution	2,289,690.34	2,395,348.15
Grant ICR income	655,114.11	6,592,371.41
Gain/Loss-FOR. EXCH-Realized	71,646.55	
Unconditional grant income	18,442,795.90	37,385,710.17
Contra to unconditional grant income	(59,108,578.31)	(36,757,339.57)
Gift in Kind	3,485,336.00	
Grant Surplus Income		3,531,446.77
	464,890,385.35	**525,386,912.20**

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Accounting and auditing Board of Ethiopia 0118*81298 0111541235 Original Copy Submitted to the Board

CHILDFUND ETHIOPIA COUNTRY OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

10.1. REVENUE - CONTINUED

a) Transfer obtained from ChildFund HQ in USA for the Ethiopia Country Office and subsidy and designated fund contribution to partners organization were recognized as income upon receipt by the Ethiopia Country Office.

b) Grants received at headquater on behalf of the Ethiopia Country Office are transfered with the working funds and recognized as grant income when partners expenditure reports are obtained.

c) Grants obtained directly from various donors and through ChildFund HQ in the USA are recognized as payable to partner organizations up on receipt of the grant by Ethiopia Country Office and as working fund cash income for the Ethiopia Country Office respectively. Then the Ethiopia Country Office transfer the money to the partner organization. The revenue and the respective expenditure are recognized by Ethiopia Country Office when obtaining the monthly expenditure report from the respective partner organization, which also include Indirect Cost (ICR) charges.

11. GRANT EXPENDITURE		2023
Personnel Expenditure	44,676,532.03	43,163,956.03
Training	5,516,631.28	12,513,309.56
Supplies/Equipment's	3,268,027.59	8,356,620.88
Grants Contracted Services	5,764,471.63	3,154,718.57
Travel,Conference & Meetings	17,260,430.12	3,869,241.80
Community Projects	57,471,648.09	92,200,514.06
GIK Expense-CO	3,485,336.00	8,894,764.30
Subgrants	3,959,592.20	6,284,196.93
Other OPS	7,568,576.98	4,066,628.49
Grant Surplus Expense		3,531,446.77
Grant ICR expense	655,114.11	6,592,371.41
	149,626,360.03	**192,627,768.80**

The above grant expenditure except ChildFund Ethiopia project support cost incurred at Ethiopia Country Office are recorded based on expenditure summaries received from the the local partners and the original supporting documents are retained by the local partners.

12. NON-SPONSORSHIP PROGRAMME		
Salaries and Benefit	3,028,592.72	2,101,726.49
Trainings	955,713.00	
Supplies and equipment's	456,763.63	1,705,271.96
NSP Contracted Services	60,276.00	6,935,897.45
Travel,Conference & Meetings	1,728,049.22	1,364,882.51
Community Projects	14,597,510.24	14,735,264.08
GIK Expense		1,220,856.95
Other Operating Costs	3,325,719.39	2,324,680.16
	24,152,624.20	**30,388,579.60**

CHILDFUND ETHIOPIA COUNTRY OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Currency: Ethiopian Birr

13. SUBSIDY PROJECTS AND DESIGNATED FUND CONTRIBUTIONS

		2023
Subsidy-projects	218,415,738.64	211,813,893.22
Designated fund contributions(DFC)	29,276,034.41	29,891,279.77
	247,691,773.05	**241,705,172.99**

Subsidy-project and Designated fund contributions(DFC) are recorded as expenditure upon transfer of money to local partners.

14. ADMINISTRATION AND GENERAL EXPENDITURE

Salaries and Benefit	14,411,530.01	15,815,584.76
Medical	1,013,976.64	828,684.23
Severance Expense	233,173.08	1,307,430.81
Employment Tax	3,234,541.82	2,294,235.57
Insurance-Life	583,988.51	620,798.17
Staff Training		52,516.94
Office Supplies		71,403.49
Equipment	553,725.00	1,082.14
Contracted Service Fee	1,036,600.05	381,229.97
Travel	1,860.00	44,940.59
Conference and meeting	3,342.85	304,571.63
Car Running	882,704.05	955,122.82
Occupancy	180,401.04	987,326.97
Bank Service Charges	9,187.94	2,068.68
Telephone Postage and fax		23,780.63
Advertising		10,289.82
Audit Fee		59,727.42
Miscellaneous Expense	4,639.89	62,990.70
Depreciation	469,389.80	245,348.21
Property Tax	204,142.54	
Dues and Membership		11,616.25
	22,823,203.22	**24,080,749.80**

15. PARTNERSHIP EFFECTIVENESS EXPENDITURES

Salaries and benefits	20,868,665.84	9,909,850
Training	130,123.31	304,342
Supplies and Equipment	3,423,272.99	3,445,202
Contracted Services	1,915,187.72	1,532,652
Travel and Perdium	888,775.93	845,945
Program activities CO	6,332,006.85	27,612,725
Conference and meeting	4,836,604.63	-
Other Operating Costs	7,321,295.18	1,279,690
	45,715,932.45	**44,930,405**

CHILDFUND ETHIOPIA COUNTRY OFFICE
PROGRAM AND ADMINISTRATION COSTS
FOR THE YEAR ENDED 30 JUNE 2024

Annex 1

Currency: Ethiopian Birr

No	Description	TOTAL COST IN BIRR	%	
	Administrative expense			
1	Working fund-Country office	22,823,203.22	4.66%	
2	Partnership Effectivness Fund	9,761,723.52	1.99%	
3	Grant-Country office expenses	2,769,852.27	0.57%	
4	NSP-Country office expenses	3,811,095.96	0.78%	
5	DFC-Country office expense	16,695.09	0.00%	
	Sub Total Administration Cost	**39,182,570.06**		**8.01%**
	Program costs			
1	Sodo Buee Child and Family Development Charitable Organization	35,534,166.92	7.26%	
2	Aynage Child and Family Development Organization	25,497,641.77	5.21%	
3	Reach the Needy Ethiopia	22,146,082.50	4.53%	
4	Care for Child and Family Organization	22,111,908.03	4.52%	
5	Dugda Children's and Family Charitable Organization	44,398,912.16	9.07%	
6	Future Generation Organization	22,160,464.81	4.53%	
7	Tesfa Berehan Child and Family Development Organization	38,132,500.88	7.79%	
8	Siraro Child and Family Development Association	21,850,925.48	4.47%	
9	Future Hopes Integrated Development Organization	33,277,430.66	6.80%	
10	Ethiopia Orthodox Church_Child and Family Affairs Organization Genete Eyesus Child Family Development Program Coordination Office	16,485,037.75	3.37%	
11	Love for Children and Family Development Charitable Organization	15,935,923.50	3.26%	
12	Addis Integrated Develeopment Organization	16,272,047.43	3.33%	
13	Sheger Child and Family Development Charitable Society	18,849,969.96	3.85%	
14	Children Believe	2,865,746.03	0.59%	
15	AAU	923,646.27	0.19%	
16	Cheshire Foundation	170,199.90	0.03%	
17	Partnership Effectivness Fund	35,954,208.93	7.35%	
18	Grant-Country office Program expenses	67,807,560.26	13.86%	
19	NSP Expenditure program-Country office expenses	7,593,613.54	1.55%	
20	Sonsorship & Legacy Expenses-Country office	2,204,222.35	0.45%	
	Sub Total Program Cost	**450,172,209.13**		**91.99%**
	Grand Total	**489,354,779.19**		**100.00%**

Note;

The difference b/n the total expenditure reported in the Statement of Financial Performance (page4) & the classification of program & adminstration cost is the the indirect cost recovery (ICR) amount of ETB655,114.11, and the intercompany expenses payment of Birr (1,977,727.40) made on behalf of ChildFund Ethiopia by other ChildFund offices.

CHILDFUND ETHIOPIA COUNTRY OFFICE
Fund Transfer Summary to Local Partners
For the Fiscal year 2024(July 1, 2023 to June 30, 2024)

Annex 2

		Type of Fund					
S.N	**Local Partner Name**	**Sponsorship**	**DFC**	**PEF**	**LEG**	**NSP**	**Grant**	**Total**
1	Sodo Buee	15,150,526.65	2,002,722.88	566,801.00		3,107,903.00	17,820,814.66	38,648,768.19
2	Aynage	20,956,637.04	4,347,951.83	370,531.50		193,052.88	21,216.78	25,889,390.03
3	RTN	18,064,283.52	2577021.26	97,783.00	250,000.00	1,114,120.00		22,103,207.78
4	CCFO	15,740,705.23	2337393.32	248,446.00		558,900.00	3,443,195.06	22,328,639.61
5	Dugda	21,507,919.78	4,443,854.70	200,295.00		2,354,347.29	15,381,234.75	43,887,651.52
6	FGO	14,909,159.65	1,836,537.51	669,195.00		661,949.84	5,295,521.31	23,372,363.31
7	Tesfaberhan	16,419,702.73	1819260.69	421,908.00	170,400.00	1,628,055.25	21,838,166.37	42,297,493.04
8	Sirao	12,434,878.28	1,462,064.36	850,653.00		1,385,340.93	6,658,273.75	22,791,210.32
9	FHIDO	24,412,380.33	2985651.12	254,129.88	30,900.00	441,194.53	5,681,098.98	33,805,354.84
10	ETOT-CFAO-GECH	11,161,367.01	960,381.12	99,720.00	250,000.00	325,671.03	4,152,976.61	16,950,115.77
11	LoveCFDCO	13,865,480.66	1,777,978.53	181,820.00		292,464.31	143,160.11	16,260,903.61
12	AIDO	14,855,115.30	1,420,285.35	253,620.00			174,002.16	16,703,022.81
13	Chora	16,699,392.47	1325557.5	143,885.00	48,800.00	825,020.00	165,981.39	19,208,636.36
14	Children Belive						1,411,973.64	1,411,973.64
15	Cheshire foundation						55,666.41	55,666.41
16	AA University						2,173,078.27	2,173,078.27
								-
	Total	**216,177,548.65**	**29,296,660.17**	**4,358,787.38**	**750,100.00**	**12,888,019.06**	**84,416,360.25**	**347,887,475.51**

FY'24 Budget by LP & CO

Name of LP	Grant	NSP	Subsidy	DFC	WF	PEF	Total
Sodo Buee	22,545,397.60	158,195.40	15,060,098.92	2,002,722.88			39,766,414.80
Aynage	-	193,052.88	20,851,737.70	4,347,951.83			25,392,742.41
RTN Eth.	-	1,543,300.81	17,960,211.84	2,577,021.26			22,080,533.91
CCFO	891,543.85	558,900.00	15,639,873.75	2,337,393.32			19,427,710.92
Dugda	15,320,302.51	2,354,347.29	21,125,039.80	4,443,854.70			43,243,544.30
FGO	3,742,424.08	756,000.00	14,811,349.80	1,836,537.51			21,146,311.38
Tesfa Berhan	15,916,984.39	424,106.25	16,318,571.67	1,819,260.69			34,478,923.00
Siraro	3,473,037.00	2,131,464.96	12,336,100.77	1,462,064.36			19,402,667.09
FHIDO	4,579,945.89	441,194.53	23,393,886.18	2,985,651.12			31,400,677.71
EOTC GE...	4,037,618.59	325,671.03	11,057,540.56	960,381.12			16,381,211.30
Love	-	292,464.31	13,761,543.05	1,777,978.53			15,831,985.89
AIDO	-	-	14,751,859.81	1,420,285.35			16,172,145.16
Sheger	-	825,020.00	15,583,235.91	1,325,557.50			17,733,813.41
Children Believe	3,005,662.40	-					3,005,662.40
AAU	2,633,390.00	-					2,633,390.00
Chesire Foundation	170,199.90	-					170,199.90
CO	69,807,876.29	14,007,930.64			22,857,610.68	46,634,698.24	153,308,115.84
IRC GIK-CO	3,485,336.00	-					3,485,336.00
Sonsorship & Legacy Expenses-Country office			2,204,222.35				2,204,222.35
DFC-Country office expense				16,695.09			16,695.09
Total	**149,609,718.49**	**24,011,648.10**	**214,855,272.11**	**29,313,355.26**	**22,857,610.68**	**46,634,698.24**	**487,282,302.88**

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