

**INDEPENDENT AUDITORS' REPORT
ON THE ACCOUNTS OF
SIDDARTHA DEVELOPMENT ETHIOPIA
FOR THE YEAR ENDED 31, DECEMBER 2020**



**Wudu &
Hussie**

Audit
Partnership

*Chartered Certified Accountants (UK) &
Authorized Auditors (Eth.)*



**SIDDARTHA DEVELOPMENT ETHIOPIA
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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**SIDDARTHA DEVELOPMENT ETHIOPIA
KEY ORGANIZATION INFORMATION AND MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Organization TIN number

0001594063

Executive management (as of 31 December 2020)

Name	Position	Appointment date
1. Firehun Gebreyohanes	Country Representative	June 01,2000
2. Kifle SebGaze	Program Manager	November 1, 2011
3. Beneber Teshome	Finance Head	July 1, 2019

Independent auditor

Name Wudu & Hussien Audit Partnership

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P.O. Box 20641

Addis Ababa

Ethiopia

Central Office

SIDDARTHA

Address: located on the road from St. Mary Church of 5 kilo to Afinchober, 220 M from Armenian Association around Nazareth School.

Telephone +251-111-26 66 56

P.O. Box 25676/1000

Addis Ababa

Ethiopia

Principal Bankers

Commercial Bank of Ethiopia

NIB International Bank



**SIDDARTHA DEVELOPMENT ETHIOPIA
REPORT OF THE MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Management submit their report together with the financial statements for the year ended December 31, 2020 which show the state of the organization's affairs.

Background information

Siddartha Development Ethiopia (SDE) is a foreign Civil Society Organization, non-religious, not for profit and has been in operation in Ethiopia since 2001 focusing on improving the lives of the marginalized section of the community. Since its establishment in 2001, SDE envisages to provide the best of itself for unprivileged members of the society in a passion that they can be self dependent. To realize its vision, the organization implements various projects through a fund mobilized by Siddartha Belgium from a great circle of people, professionals and Volunteers. SDE is actively working towards improving the socio-economic condition of street children; homeless people; women headed poor families or with no income; Orphaned Children Living with HIV/AIDS; Vulnerable Children, Adolescents & Youths.

SDE has attempted to reach more people and improve its services step wise. SDE in its effort to address the problem of unprivileged section of the community provides different services and achieved considerable results during the last 21 years of service to the people of Ethiopia.

Principal Activities

The principal activity of the organization are to:

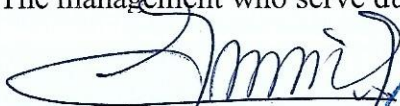
1. Support program for Women Headed Families (Edget fana Project),
2. Support program for Vulnerable Children, Adolescents and Youths (Siddartha Youth Project)
3. Support program for Children Living with HIV/AIDS (Little Heaven Project),
4. Support Program for Street Children and Homeless People,
 - A. Homeless People (Glorieu Project) and
 - B. Street Children (Circus Andinet Project)
5. Urban Destitute support program
6. Support Sick and/ or elderly people

Results

The results of the organization for the year ended December 31, 2020 are set out on page 10

Management

The management who serve during the year are set out on page 1.


Country Representative
Addis Ababa, Ethiopia

Firehun G/Yohannes
Country Representative
Siddartha Development Ethiopia
Addis Ababa—Ethiopia



SIDDARTHA DEVELOPMENT ETHIOPIA
STATEMENT OF MANAGEMENT RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

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 Financial Reporting Proclamation No. 847/2014, require the Management 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/period and the operating results of the organization for that year/period. The Management is also required to ensure that the organization keeps proper accounting records which disclose with reasonable accuracy the financial position of the organization. The Management is also responsible for safeguarding the assets of the organization.

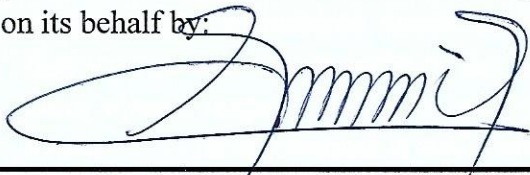
The Management is responsible for the preparation and presentation of the organization's financial statements, which give a true and fair view of the state of affairs of the organization for and as at the end of the financial year (period) ended on December 31, 2020.

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 December 31, 2020, 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 December 31/2020 and signed on its behalf by:



Country Representative
Firehun G/Yohannes
Country Representative
Siddartha Development Ethiopia
Addis Ababa—Ethiopia



Finance Head



**INDEPENDENT AUDITORS' REPORT
ON THE ACCOUNTS OF SIDDARTHA DEVELOPMENT ETHIOPIA (SDE)**

Opinion

We have audited the accompanying consolidated financial statements of Siddartha Development Ethiopia (SDE) (The organization), which comprise the statement of financial position as at 31 DECEMBER 2020, and the statement of financial performance, statement of cash flows and statements of changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organization as at 31 DECEMBER 2020, and of its income received and expenditures incurred and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards, IPSAS, as issued by International Public Sector Accounting Standards Board.

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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Ethiopia, 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 the management for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards, and for such internal controls as Management determines are 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. Those charged with governance are 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.



- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Hussien

18 March 2021
Addis Ababa, Ethiopia

Wudu & Hussien Audit Partnership
Chartered Certified Accountants (UK.) &
Authorized Auditors (ETH.)



**SIDDARTHA DEVELOPMENT ETHIOPIA
COMPLIANCE ON SPECIFIC MATTERS
FOR THE YEAR ENDED 31, DECEMBER 2020**

Our specific opinion in relation to compliance matters are stated below:

1. Income

In all material respects, we confirm that the Organization has:

- a) Collected all income with valid receipts;
- b) Properly identified and disclosed the sources of its income;
- c) Collected its income from abroad in accordance with the provision of the agency.

2. Expenses

In all material respects, we confirm that the Organization has:

- a) Recorded all of the expenses with original and appropriate supporting documents;
- b) Followed relevant policies and regulation during payment for goods and services;
- c) Approved expenses by appropriate official before payment;
- d) Program costs and administrative expenses are separated properly. Program costs represent about 82% of the total expenditures and administrative expenses 18% of the total expenditures.

3. Fixed Assets

In all material respects, we confirm that the Organization has:

- a) Maintained fixed assets register to ensure that assets are kept in good working condition at all times;
- b) We did not attend on inventory of fixed assets at the end of the financial year.

4. Cash and bank balances

In all material respects, we confirm that that Organization has:

- a) Retired working and temporary advances in a period stipulated;
- b) Received a bank statement for its bank accounts.
- c) Prepared a statement of bank reconciliation for its bank accounts; and
- d) Operated all its bank accounts with its duly authorized management.



5. Receivables

In all material respects, we confirm that the Organization has Collected its receivables timely

6. Liabilities

In all material respects, we confirm that the Organization has settled its tax obligations to the concerned office.

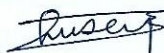
7. Fund raising

We confirm that the Organization has not performed any fund raising activities during the current audit period.

We, therefore, express our opinion on other matters that the Institute has complied with specific matters, in all material respects, for the period ended 31 December 2020 with the exception of the matters stated in 3(B).



18 March 2021
Addis Ababa, Ethiopia


Wudu & Hussien Audit Partnership
Chartered Certified Accountants (UK.) &
Authorized Auditors (ETH.)



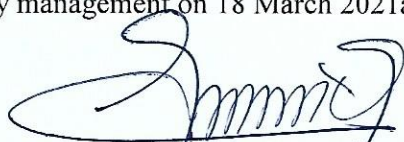
**SIDDARTHA DEVELOPMENT ETHIOPIA
STATEMENT OF FINANCIAL POSITION
AS AT OF 31 DECEMBER 2020**

(Currency In ETB)

	Notes	31 Dec 2020	31 Dec 2019
ASSETS			
Non-Current assets			
Property, Plant and Equipment (PPE)	9	10,950,943	11,297,086
Total Non-current Assets		10,950,943	11,297,086
Current assets			
Cash and bank balances	5	11,441,179	3,953,653
Receivable -Partners project advance		-	150,000
Inter Project receivable UPSNP	6	164,159	-
Prepayments and Deposits	7	510,327	1,041,207
Inventories	8	776,705	180,595
Total Current Assets		12,892,370	5,325,454
TOTAL ASSETS		23,843,313	16,622,540
LIABILITIES AND EQUITY			
Liabilities			
Accounts Payable	10	630,000	730,000
Staff payable	12	-	38,935
Salary Payable	12	352,752	
Government Payable	11	99,267	122,887
Other current liabilities	14	4,920	8,250
Total current liabilities		1,086,939	900,071
Non-current liability			
Accrued staff benefits	13	887,532	948,059
Total non-current liability		887,532	948,059
Total liability		1,974,471	1,848,130
EQUITY			
Fund Balance		14,774,410	12,432,784
Accumulated Surplus or Deficit		7,094,432	2,341,626
Remeasurment of PPE		-	-
Total Equity		21,868,842	14,774,410
Total equity and liabilities		23,843,313	16,622,540

The notes on pages 13 to 32 are an integral part of these financial statements

The financial statements on pages 9 to 32 were approved and authorized for issue by the Entity management on 18 March 2021 and were signed on its behalf by:


Country Representative




Finance Head



**SIDDARTHA DEVELOPMENT ETHIOPIA
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31, DECEMBER 2020**

(Currency In ETB)

	Notes	31 Dec 2020	31 Dec 2019
Revenue from non-exchange transactions			
Contributions and donations	15	21,294,072	14,608,086
Gifts and services-in-kind	15	785,322	-
		<u>22,079,394</u>	<u>14,608,086</u>
Revenue from exchange transactions			
Finance income			
Other income	15	10,572	37,721
		<u>10,572</u>	<u>37,721</u>
Total revenue		<u>22,089,966</u>	<u>14,645,806</u>
Expenditure			
Program Expenditure	17	11,911,823	9,582,755
Administrative expenditure	16	2,612,259	2,284,676
		<u>14,524,082</u>	<u>11,867,430</u>
Depreciation	9	471,453	436,750
Total expenses		<u>14,995,535</u>	<u>12,304,180</u>
Surplus for the period		<u>7,094,432</u>	<u>2,341,626</u>



**SIDDARTHA DEVELOPMENT ETHIOPIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31, DECEMBER 2020**

(Currency In ETB)

	Fund Balance	Accumulate d surplus	Total net Asset/equity
Balance at 01 January 2019 adjusted (IPSAS)	2,049,218	10,446,592	12,495,810
Prior Year adjustment	(63,026)		(63,026)
Surplus for the period	-	2,341,626	2,341,626
Transfers to/from accumulated surplus	10,446,592	(10,446,592)	-
Balance as at 31 December 2019	12,432,784	2,341,626	14,774,410
Balance at 01 January 2020 adjusted (IPSAS)	12,432,784	2,341,626	14,774,410
Surplus for the period	-	7,094,432	7,094,432
Transfers to/from accumulated surplus	2,341,626	(2,341,626)	-
Balance at 31 December 2020 adjusted (IPSAS)	14,774,410	7,094,432	21,868,842



SIDDARTHA DEVELOPMENT ETHIOPIA
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2020

	(Currency In ETB)	
	31-Dec-20	31-Dec-19
Cash flows from operating activities		
Surplus For the year	7,094,432	2,341,626
<i>Adjustments to reconcile deficit for the year to net cash flows :</i>		(63,026)
Depreciation and amortization	471,453	436,750
<i>Changes in assets</i>		
<i>(Increase)/decrease in assets</i>		
Receivable -Partners project advance	150,000	(150,000)
Inter Project receivable UPSNP	(164,159)	12,000
Staff Receivable	-	-
Prepayments and Deposits	530,880	(1,041,207)
Inventories	(596,111)	(180,595)
Other Current Assets	-	542
 <i>(Decrease)/Increase in accounts payable and accrued liabilities</i>		
Accounts Payable	(100,000)	726,686
Staff payable	313,818	1,311
Government Payable	(23,620)	(48,474)
Accrued Severance Payable	(60,526)	83,209
Other current liabilities	(3,330)	2,841
Net cash flows (used in) operating activities	7,612,836	2,121,664
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(125,310)	(421,550)
Net cash flows from investing activities	(125,310)	(421,550)
Cash flows from financing activities		
None	-	-
Net cash flows from financing activities	-	-
Net increase in cash and cash equivalents	7,487,526	1,700,114
Other movements in net assets		
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents — beginning of year	3,953,654	2,253,540
Cash and cash equivalents— end of year	11,441,180	3,953,654

The cashflow statement was prepared using the indirect method.

The accompanying notes form an integral part of these financial statements.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

(Currency In ETB)

1 Reporting Entity

Sidartha Development Ethiopia is an foreign, non-governmental organization dedicated to the creation of a self-reliant and empowered self-employed women community and to play a significant role in the alleviation and ultimately eradication of absolute poverty in the country. The Organization envisions a nation where absolute poverty is eradicated, and women play active part in development.

Sidartha Development Ethiopia exists to work with children living with HIV/AIDS, low-income women and girls, street children and homeless people, youth group and elderly in their efforts to become economically empowered, develop resilient families and become active players and beneficiaries in the development of Ethiopia.

Sidartha Development Ethiopia is a not for profit organization registered & accorded legal personality with the FDRE Agency for Civil Society Organization (CSO) under registry No. 1343 on June 25, 2019 as foreign organization in accordance with Civil Society Organizations (CSO) proclamation No. 1113/2019.

2 Statement of compliance with the International Public Sector Accounting Standards

The financial statements of SIDDARTHA have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). These annual financial statements of SIDDARTHA are the second to be prepared in accordance with IPSAS.

New standards and Interpretation not yet adopted

i) IPSAS 41, Financial Instruments

IPSAS 41, Financial Instruments, establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. The IPSASB approved IPSAS 41, Financial Instruments, in June 2018 and issued in August 2018.

IPSAS 41 'Financial Instruments', The Standard establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- ❖ Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- ❖ Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- ❖ Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

(Currency In ETB)

ii) IPSAS 42, Social Benefits

IPSAS 42 'Social Benefits', seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits.

3 Basis of preparation and authorization for issue

Basis of preparation

These financial statements are prepared on an accrual basis of accounting in accordance with IPSAS.

Sidartha Development Ethiopia applies the historical cost principle.

The financial statement consists of:

I, A Statement of Financial Position

This provides information about the accumulated surplus/deficit at the reporting year-end date – the difference between Sidartha Development Ethiopia (SDE's) total assets and liabilities. It gives information about the extent to which resources are available to support future operations and the unfunded liabilities.

II, A Statement of Financial Performance

This measures the net surplus or deficit of the reporting year – the difference between revenues and expenses. It provides information about the Entity's cost of programme delivery and the amounts and resources of revenue.

III, A Statement of Changes in Net Assets/Equity

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

IV, A Cash Flow Statement

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

V, Notes to the Financial Statements

Which 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.

3.1 Going concern

These financial statements were prepared on the assumption that the Organization is a going concern and will continue in operation and will meet its mandate for the foreseeable future (IPSAS 1). The Management of Sidartha Development Ethiopia have not communicated any intention to terminate the Organization or to cease its operations.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

(Currency In ETB)

Significance IPSAS applicable to Sidartha Development Ethiopia are:

- IPSAS 1: Presentation of Financial Statements
- IPSAS 2: Cash Flow Statement
- IPSAS 3: Accounting Policies, Change in Accounting Estimates and
- IPSAS 4: The effect of changes in Foreign Exchange Rate
- IPSAS 9: Revenue from Exchange Transactions
- IPSAS 12:Inventories
- IPSAS 13:Leases
- IPSAS 14:Events after the reporting date
- IPSAS 17:Property, Plant and Equipment
- IPSAS 19:Provisions, Contingent Assets and Contingent Liabilities
- IPSAS 20:Related Party Disclosure
- IPSAS 21-Impairment of Non-Cash Generating Assets
- IPSAS 23:Revenue from Non-Exchange Transactions
- IPSAS 28,29 & 30:Financial Instruments
- IPSAS 31:Intangible Assets
- IPSAS 39:Employee Benefits

3.2 Authorization for issue

These financial statements are certified and approved by the Management of Sidartha Development Ethiopia. This issuance approval is dated December 31/2020.

3.3 Financial risk management

Sidartha Development Ethiopia (SDE's) activities exposed it to a variety of financial risks, mainly, liquidity risk, foreign exchange risk and credit risk.

i) Liquidity Risk

Liquidity risk is the risk of Sidartha Development Ethiopia not being able to meet its obligations as they fall due. SIDDARTHA's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses of risking damage to SDE reputation.

Sidartha Development Ethiopia ensures that it has sufficient cash on demand to meet expected operating expenses through the maintenance of liquid cash and deposit that are available on demand.

As at the year-end, SDE's cash and cash equivalents amount to ETB 11.44 million which is substantially more than the current liabilities equaling ETB 1.08 million. Therefore, the Entity is not exposed to a significant liquidity risk.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

(Currency In ETB)

ii) Market Risk

Foreign exchange currency risk

The Entity receives contributions in currencies other than the Ethiopian Birr and it is exposed to foreign exchange currency risk arising from fluctuations in currency exchange rates. Translation into Ethiopian Birr of transactions expressed in other currencies is done at the prevailing rates of Exchange at the date of transaction.

Price Risk

The Entity does not hold any financial instruments subject to price risk.

Cash flow, fair value and interest rate risk

The Entity does not hold any bank loans and loans from related parties subject to cash flow, fair value and interest rate risk.

iii) Credit risk

The Entity has large amount of receivable that are due to be provided by contributors and donors. Credit risk is the risk of financial loss to Sidartha Development Ethiopia if donors fail to meet their promises. The Entity has a very good record of collecting all amounts due. Therefore the risks related to credit are considered minor.

Credit risk arises from cash and short term deposits with banks. The Entity does not have any significant concentrations of credit risk.

The amount that best represents the Entity's maximum exposure to credit risk at 31 December 2020 is made up as follows:

SIDDARTHA Ethiopia	31-Dec-20	31-Dec-19
Cash and bank balance	11,441,179.23	3,953,653.00
Balance	11,441,179.23	3,953,653.00

No collateral is held for any of the above assets.

4 Significant accounting policies

4.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless other SIDDARTHA stated.

4.2 Cash and cash equivalent

Cash comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks of Ethiopia at the end of the financial year.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

(Currency In ETB)

4.3 Inventories

Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost or current replacement cost. Inventories held for sale are stated at the lower of cost or net realizable value. 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 FIFO 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.

**4.4 Property, plant and equipment
Recognition and measurement**

All property, plant and equipment is stated at historical cost except building stated at the amount for which an asset could be replaced (as determined by an insurance company) as deemed cost, less accumulated depreciation and accumulated impairment losses. This includes costs that are directly attributable to the acquisition of the asset and the initial estimate of dismantling and site restoration costs. Where an asset is acquired for nil or nominal consideration, the fair value at the date of acquisition is deemed to be its cost. The threshold for recognition of property, plant and equipment as an asset is ETB 10,000 per unit.

Subsequent costs

Sidartha Development Ethiopia elected to apply the cost model to measurement after recognition instead of the revaluation model. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to Sidartha Development Ethiopia and the cost of the item can be measured reliably. Repairs and maintenance are charged to surplus or deficit in the statement of financial performance in the year in which they are incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation of property, plant and equipment is calculated using the straight-line basis over the estimated useful lives, except for land, which is not subject to depreciation. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that SIDDARTHA will obtain ownership by the end of the leased term.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

(Currency In ETB)

The estimated useful lives are as follows:

<i>Class</i>	<i>Estimated useful life (in years)</i>
Building	50
Motor Vehicles	20
Office Equipments	5
Office furniture & fixture	5
Machineries	10
Leasehold improvements	Shorter of lease term or life of applicable asset

The Entity commences depreciation when the asset is available for use. And ceases depreciation of an asset when the asset is derecognized.

Given the expected pattern of usage of property, plant and equipment, there are no residual values following full depreciation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.5 Intangible assets

Intangible assets are carried at cost, less accumulated amortization and accumulated impairment loss.

Acquired intangible assets are capitalized based on costs incurred to acquire and bring to use the specific assets. The threshold for recognition of intangible asset is ETB 50,000.00 per unit.

Amortization

Amortization is recognized in surplus or deficit in the statement of financial performance provided on a straight-line basis on all intangible assets as per the life of the license/agreement from the service provider.

Given the expected pattern of usage of intangible assets, there are no residual values following full

4.6 Foreign currency translation

a) ***Functional and presentation currency***

Items included in the financial statements are measured using the currency of the primary economic environment in which the Entity operates ('the functional currency'). The functional currency and presentation currency of the SIDDARTHA is the Ethiopian Birr (ETB).

b) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Entity's functional currency are recognized in statement of financial performance. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date.

Year end balances of monetary assets and liabilities denominated in foreign currencies are converted into ETB on the basis of the exchange rate applying as at the year end.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
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(Currency In ETB)

4.7 Employee benefits

I, Short-term employee benefits

Short-term employee benefits are those that are expected to be settled within 12 months after the end of the year in which employees render the related service. Those benefits include assignment benefits, regular monthly benefits (e.g. wages and salaries), compensated absences (e.g. paid leave, such as annual leave), other short-term and non-monetary benefits, and the current portion of long-term benefits provided to current employees. An expense is recognized when a staff member provides services in exchange for employee benefits. A liability is reported for any entitlement that has not been settled at the reporting date and represents the amount paid or expected to be paid to settle the liability. Owing to the short-term nature of those entitlements, the liabilities are not discounted for the time value of money and are presented as current liabilities.

Defined contribution plan/pension & provident fund contribution

Sidartha Development Ethiopia has two defined contribution plans;

- i) pension scheme in line with the provisions of Ethiopian pension of private organization employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Company respectively;
- ii) As regards those fall under the Provident fund scheme, the SIDDARTHA contribution of up to a maximum of twelve (12%) percent and the employee contributes ten (10%) of his/her salary.

Employer's contributions to this scheme are charged to statement of financial performance in the period in which it relates.

The contributions are treated as payments to a defined contribution plan. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate pension entity fund. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The contributions are recognized as employee benefit expense when

II, Other long-term employee benefits

Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service. Those benefits include the non-current portions of paid annual leave and severance benefits. These are recognized as non-current liabilities and are measured based on management estimate of severance pay to those employees who have served SIDDARTHA at the reporting dates. The current salary has been used to determine the entitlementment.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
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(Currency In ETB)

1, Paid Annual Leave

The estimated monetary liability for employees' accrued annual leave entitlement at the statement of financial position date is recognised as an expense accrual. SIDDARTHA recognises and accrues leave based on the number of outstanding leave days as at the financial year end. The payment is based on an employees gross salary prorated to the average number of working days in the last financial year end month.

Employees are entitled for leave based on year of service as follows:

<i>Duration of work</i>	<i>Annual leave entitlement</i>
1 st Year	14
2 nd Year	15
3 rd Year	16
Increased by 1 day for additional year up to a maximum of 30 days.	

2, Severance benefits

The severance benefits are based on the statutory severance benefit as set out in Labour Proclamation No. 1156/2019 and/or as per entity Human resource policy. The entitlement to this benefit is based upon the employees' length of service.

Severance pay amounts to:

> 30 times the average daily pay of the last week of service for the first year of service. (For less than one year of service, severance pay should be calculated in proportion of the period of service),

> If the worker has served for more than a year, severance pay shall be increased by 1/3 of the previous sum (that is 10 days' wages) for every additional year of service, within a limit of a total amount of 12 months' wages.

The expected costs of these benefits are accrued over the period of employment.

3, Termination benefits

Termination benefits are recognized as an expense only when Sidartha Development Ethiopia is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid. Where termination benefits fall due more than 12 months after the reporting date, they are discounted.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
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(Currency In ETB)

4.8 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the statement of financial performance on a straight-line basis over the lease term.

Company as a lessor

Leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Right-to-use arrangements

Where Sidartha Development Ethiopia has signed an agreement for the right-to-use assets without legal title/ownership of the assets, e.g., through donated use granted to Sidartha Development Ethiopia at no cost, the transaction is a non-exchange transaction. In this case, an asset and revenue is recognized at the point the agreement is entered into. Recognition of an asset is contingent upon satisfying criteria for recognition of an asset. Valuation of the asset will be the fair value of the resource for which the right to use was acquired at the date of acquisition. The asset is depreciated over the shorter of the asset's useful life and the right-to-use term. Revenue is also recognized at the same amount as the asset, except to the extent that a liability is also recognized.

4.9 Provisions and contingencies

Provisions

A provision is recognized if, as a result of a past event, Sidartha Development Ethiopia has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits 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 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.



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(Currency In ETB)

Contingent liabilities

A contingent liability is disclosed unless the possibility that it will be realized is remote. If it becomes probable that a contingent liability will be realized, a provision is recognized in the year in which the change of probability occurs.

4.10 Revenue recognition

Revenue from non-exchange transactions/Contributions

Voluntary contributions are non-exchange transactions which are recognized as revenue when contribution agreements become enforceable, or when cash is received in the absence of contribution agreements. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

In-kind contributions of goods provided are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to SIDDARTHA and the fair value of those assets can be measured reliably. Sidartha Development Ethiopia disclose contributions of services in-kind if services doesn't meet the definition of an asset.

Revenue from exchange transactions

Exchange transactions are those in which Sidartha Development Ethiopia sells goods or provides services. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is shown net of returns and discounts. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria have been met.

Contribution in-kind and in-service

Contributions in-kind and in-service received by Sidartha Development Ethiopia are recorded upon receipt from the contributor at an amount equal to their fair market value as determined at the time of acquisition. Donated PPE and inventories are recognized as an asset with the corresponding entry to revenue. Other in-kind or in-service contributions are recognized as revenue with a corresponding entry to expense.

Miscellaneous Revenue (exchange transactions)

Miscellaneous revenue includes foreign currency revaluation, exchange rate gains and losses, interest earned, realized gains and losses, and gains and losses from the sale of property, plant, and equipment.

4.11 Expense recognition

Under accrual accounting, expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets/equity. Expenses are recognized when the transaction or event causing the expense occurs, and the recognition of the expense is therefore not linked to when cash or its equivalent is received or paid.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
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(Currency In ETB)

4.12 Change in accounting policies and estimates

Sidartha Development Ethiopia recognizes the effect of change in accounting policy and change in accounting estimates retrospectively at the date of adoption and after adoption of IPSAS, change in accounting estimates applied prospectively and change in accounting policy applied retrospectively

4.13 Statement of cash flow

The cash flow statement is prepared using the indirect method permitted under IPSAS 2. This means that the actual result for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cash flows.

The cash flow statement reports cash flows during the period classified by operating and investing activities and the financing activities.

4.14 Related Parties

The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprises country representative, program manager and finance manager.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTE TO THE FINANCIAL STATEMENTS
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5 Cash and bank balances

Cash and bank balances are held for the purpose of meeting the short-term cash requirements of the SIDDARTHA, rather than for longer-term investment purposes. They are held on behalf of the Entity. The figures include cash and cash equivalents held in hand and at various banks in Ethiopia at the end of the financial year.

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Cash at bank	11,441,179	3,953,653
Sub Total	11,441,179	3,953,653

5.1 Detailed analysis of the cash and bank balances

	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Cash at Bank NIB INT. BANK	8,093,235	2,803,583
Cash at Bank-Finifina Branch	641,738	796,869
Cash at Bank-IBD Branch	16,754	16,754
Cash at Bank-Arada	47,380	47,380
Cash at Bank-Enkulal Fab	2,642,073	289,067
Sub Total	11,441,179	3,953,653

6 Receivable -Partners project advance

The receivable balance include the outstanding amount from CA2 Project

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Receivable -Partners project advance	-	150,000
Inter Project receivable UPSNP	164,159	-
Total Receivables-Project advance	164,159	150,000

As at 31 December 2020, SIDDARTHA did not have any impairment on Receivables-Partners project advance

7 Prepayments and Deposits

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Other Receivables	510,327	1,041,207
Total other current assets	510,327	1,041,207



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTE TO THE FINANCIAL STATEMENTS
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(Currency In ETB)

8 Inventories

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Food for Beneficiaries-Program	458,826	47,312
Cleaninig and Sanitation for s	144,556	39,945
Stationer and Prininting benef	69,647	35,867
Cloth & Shoes for Benefiaries	54,115	25,348
Traning Material for Beneficie	40,662	32,123
Other inventories	8,900	-
Total Inventories	776,705	180,595

Cost is calculated using the FIFO cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTE TO THE FINANCIAL STATEMENTS
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9 Property, plant and equipment

SIDDARTHA has four (4) broad categories of property, plant and equipment that fulfil the asset recognition criteria

PPEs are capitalized if their cost is greater or equal to the threshold limit set at ETB 10,000.00. They are depreciated over the asset's estimated useful life using the straight line method. The threshold level is reviewed periodically.

Property, plant and equipment Reconciliation

Cost	Building	Motor Vehicles	Machineries	Office Equipment	Office Furniture	Total
As at 1 Jan 2020	9,000,000	3,770,000	811,674	87,030	-	13,668,704
Additions	-	-	-	110,310	15,000	125,310
Transfer/Disposal	-	-	-	-	-	-
As at 31 Dec 2020	9,000,000	3,770,000	811,674	197,340	15,000	13,794,014
Accumulated depreciation						
As at 1 Jan 2020	928,110	1,234,041	185,588	23,879	-	2,371,618
Charge for the year	180,000	188,500	81,167	21,087	699	471,453
Transfer/Disposal	-	-	-	-	-	-
As at 31 Dec 2020	1,108,110	1,422,541	266,755	44,966	699	2,843,071
Net book value						
As at 1 Jan 2020	8,071,890	2,535,959	626,086	63,151	-	11,297,086
As at 31 Dec 2020	7,891,890	2,347,459	544,919	152,374	14,301	10,950,943

In order to ensure appropriate control and stewardship over property, plant and equipment, existing assets which are below the threshold, i.e. ETB 10,000.00, have been recorded in the asset register offline.

Assets are reviewed annually to determine if there is any indication that assets may be impaired in their value. As at 31 Dec 2020, SIDDARTHA did not have any impairment on property, plant and equipment.

10 Accounts Payable

SIDDARTHA

Accounts Payable

Total Accounts Payable



31-Dec-20	31-Dec-19
630,000	730,000
630,000	730,000



**SIDDARTHA DEVELOPMENT ETHIOPIA
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11 Government Payable

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Income Tax payable and pension contribution payable	98,089	122,548
Withholding tax (2%) Payable	<u>1,177</u>	<u>339</u>
Total Government Payable	99,267	122,887

12 Staff payable

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
A/P-Provident Fund 22% Payable	-	38,935
Salary Payable	<u>352,752</u>	<u>-</u>
Total Staff Payable	352,752	38,935

13 Employee Benefits

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Severance Payable	<u>887,533</u>	<u>948,059</u>
Total Employee Benefits liabilities	887,533	948,059

* SIDDARTHA operates an unfunded severance pay plan for its employees. The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary. (Ethiopian Labour Law -Article 39-40)

Below are the details of movements and amounts recognised in the financial statements:

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
A liability recognized in statement of Financial Position	887,533	948,059

The liabilities arising from post-employment benefits(accrued severance) are established in accordance with the Ethiopian Labour Law -Article 39-40.

14 Other current liabilities

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Other Liabilities	<u>4,920</u>	<u>8,250</u>
Total other current liabilities	4,920	8,250



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTE TO THE FINANCIAL STATEMENTS
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(Currency In ETB)

15

Revenue

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Revenue from non-exchange transactions		
Contributions and donations	21,294,072	14,608,086
Gifts and services-in-kind	785,322	-
Total revenue from non-exchange transaction	<u>22,079,394</u>	<u>14,608,086</u>
Other/Miscellaneous income		
Other income	10,572	37,721
Total revenue from other/Miscellaneous income	<u>10,572</u>	<u>37,721</u>
Total revenue	<u><u>22,089,966</u></u>	<u><u>14,645,806</u></u>

Contribution and Donations

The amounts shown for the contributions and donations represent actual revenue related to the contribution from External Donation-Belgium, International Donation MoLSA and Personal Donation.

Gifts and services-in-kind

The amounts shown for the

Other Income

The amounts shown for the other income represent actual revenue related to the contribution from other incomes.

16

Expenses

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
Administrative expenses		
Salary For Administrative staff	1,655,606	1,256,842
Over time Payment	51,211	39,632
Transport Allowance	81,250	71,700
Pension Contribution	72,712	104,007
Provident Fund	122,614	42,552
Severance Payment	100,131	83,209
	<u>2,083,524</u>	<u>1,597,943</u>



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BBF	2,083,524	1,597,943
Medical Insurance Payment	41,742	59,007
Repair& Maintenance of Office	17,798	16,301
Repair& Maintenance of vehicle	76,715	51,778
Repair& Maintenance- Equipment	29,591	15,326
Staff Training and Education	1,530	21,550
Communication-Int., Tell & Fax	52,699	47,339
Advertising and Networking	1,974	33,816
Utility (Water & Electricity)	9,807	8,050
Cleaning & Sanitation Material	24,108	2,259
Stationary and Office Suplies	20,101	13,304
Insurance renewal for Vehicles	46,356	20,421
Insurance Renewal for House	3,971	4,618
Annual Audit Service Fee	20,000	18,713
Annual Membership Fee	7,500	-
Fuel and Lubrication- Admin.	25,539	23,441
Entertainment and Meeting	6,426	7,812
Bank Service Charge	1,541	2,146
Annual Staff Meeting	8,938	3,069
Consultant Fee	-	190,000
Travel and Perdiem	-	60,670
Rent (Lease payment)	113,908	40,268
Postal Service Expense	690	-
Printing & Publication Expense	2,151	-
Staff Refereshement Expense	8,394	15,847
Mescellaneous Office Expense	7,255	31,000
Total Administrative Expense	2,612,259	2,284,676



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31, DECEMBER 2020**

(Currency In ETB)

17 Expenses (Continued)

SIDDARTHA	<i>31-Dec-20</i>	<i>31-Dec-19</i>
<i>Program expenses</i>		
Salary for Program Staff	2,558,029	2,593,022
Over time Payment	33,632	21,737
Allowance	191,808	141,005
Pension Contribution	202,296	157,760
Provident Fund	94,617	130,443
Final and Leave Project Paymen	-	27,000
Volenteers Transport Payment	128,148	-
Part time workers Incentive	25,560	-
Severance Payment	47,266	57,325
Annual Medical Insurance	47,467	-
Shelter Rent For Beneficiaries	2,290,820	1,400,808
Shelter Facilities - Equipment	2,369	-
Shelter Room Bed and Others	125,743	617,574
Food Stuff For Beneficiaries	2,239,530	1,344,774
Educational Materials and Fees	189,321	379,701
Cloth& Shooe for Beneficiaries	432,661	292,462
Medical cost for Beneficiaries	77,713	76,464
Pocket Money for Beneficiaries	23,950	260,483
Training Materials Purchase	302,363	37,576
Training Machinerie Purchase	27,900	4,500
Repair&Main workshop equipment	425,723	443,520
Comunication (Internet & Tell)	7,894	22,889
Utility (Water & Electricity)	199,951	144,434
Kitchen and Dining Materials	44,290	218,029
Stationary and Office Supplies	20,904	38,586
Psychosocial Support	24,990	71,117
Cleaning & Sanitation Material	236,935	215,673
Fuel & Lubrication For Program	52,390	47,600
Rent Support for Beneficiaries	32,400	33,750
Individual Life Support	21,976	35,000
Local Community Support	478,914	66,346
Benefeciaries Selection	110,087	23,950
Benefeciaries Welcoming	7,798	4,619
	10,705,446	8,908,146



**SIDDARTHA DEVELOPMENT ETHIOPIA
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FOR THE YEAR ENDED 31, DECEMBER 2020**

(Currency In ETB)

BBF	10,705,446	8,908,146
Staff Training and Education	2,495	320
Recreation and Celebration	49,467	109,611
Recreation and Sport	42,202	40,663
Beneficiaries Graduation	42,049	50,500
Beneficiaries Reunification	939,718	156,905
Apparent ship and COC Expense	24,576	34,346
Travel and Perdiem Payment	3,741	-
Transport Support to Beneficia	32,346	183,144
Pocket Money for Old & Sick Be	56,700	79,800
Staff Uniform and Gown	1,495	1,568
Extra Investment	11,589	17,753
Total Program Expense	<u>11,911,823</u>	<u>9,582,755</u>
<i>Depreciation & Amortization</i>		
Depreciation Charge for the year	471,453	436,750
Total expenditure	<u>14,995,535</u>	<u>12,304,180</u>

18 Expenses in the Program and Admin are reported on an accrual basis, recognizing expense when goods are received and services are rendered. Depreciation charge is not included in classification of program / administrative expenditure

	<i>31-Dec-2020</i>		<i>31-Dec-2020</i>	
	<i>ETB</i>	<i>%</i>	<i>ETB</i>	<i>%</i>
Program expense	11,911,823	82%	9,582,755	81%
Administrative expenses	2,612,259	18%	2,284,676	19%
Total	<u>14,524,082</u>		<u>11,867,430</u>	



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTE TO THE FINANCIAL STATEMENTS
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(Currency In ETB)

19 Related Party and Other Senior Management

Related party transactions represent transactions with the senior management of SIDDARTHA and entities in which they are principal owners or over which they exercise significant influence.

Transactions with related parties included in the statement of financial performance are as follows:

	31-Dec-2020	31-Dec-2019
Contribution from the Donors/HQ	21,139,889	12,781,556
Transfers from other Entities (List significant transactions)	<u>950,078</u>	<u>1,864,250</u>
	22,089,966	14,645,806

Key management personnel are the Country Representative, Program Manager and Finance Head as they have the authority and responsibility for planning, directing and controlling the activities of the Organization. Key management personnel are also qualified for post-employment benefits at the same level as other employees.

Key Management Personnel	31-Dec-2020	31-Dec-2019
Number of Positions	3	3
Salaries and other short-term employee benefits	1,355,182	1,050,006
Transport allowance	60,400	-
Telephone allowance	3,750	-
Other expenses (Provident fund and Pension contribution)	<u>162,622</u>	<u>117,793</u>
Total Remuneration	1,581,954	1,167,799

20 Provisions

As at 31 December 2020, the Organization had not recognized any provisions.

21 Events after the reporting date

SDE’s reporting date is 31 December 2020. On the date of the signing of these accounts, no material events, favourable or unfavourable, 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.

