

**INDEPENDENT AUDITORS' REPORT
ON THE ACCOUNTS OF
SIDDARTHA DEVELOPMENT ETHIOPIA
FOR THE YEAR ENDED 31 DECEMBER 2021**



**Wudu &
Hussien**

Audit
Partnership

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

**SIDDARTHA DEVELOPMENT ETHIOPIA
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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**SIDDARTHA DEVELOPMENT ETHIOPIA
REPORTS AND ANNUAL FINANCIAL STATEMENTS
KEY ORGANIZATION INFORMATION AND MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Organization TIN number
0001594063

Executive management *(as of 31 December 2021)*

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

Independent auditor

Wudu & Hussien Audit Partnership
Dembel City center, 12 th floor, Room no.
P.O. Box. 1614Code1250
Addis Ababa
Ethiopia

Central Office

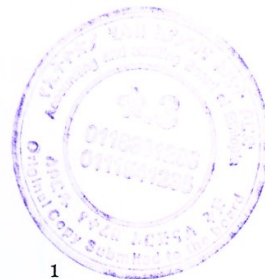
SIDDARTHA

Address: located on the road from St. Mary Church of 5 killo 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 S.C.
Awash Bank S.C.



**SIDDARTHA DEVELOPMENT ETHIOPIA
REPORT OF THE MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Management submit their report together with the financial statements for the year ended December 31, 2021 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 22 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

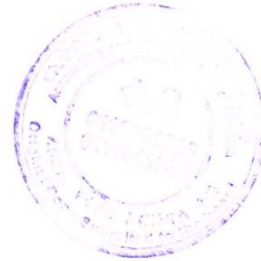
Results

The results (Financial Position and Progress of the organization) for the year ended December 31, 2021 are set out from page 6 & 7 respectively.

Management

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

Country Representative
Addis Ababa, Ethiopia



SIDDARTHA DEVELOPMENT ETHIOPIA
STATEMENT OF MANAGEMENT RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

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, 2021.

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, 2021, 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 31/2021 and signed on its behalf by:



Country Representative
Firehun Gebreyohanes



Finance Manager
Beneber Teshome



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 2021, 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.

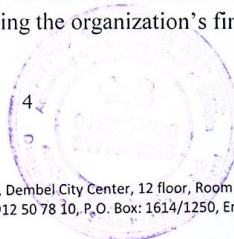
In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organization as at 31 December 2021, and of its income received and expenditures incurred and its cash flows for the year then ended in accordance with International Public Sector Accounting 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.

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

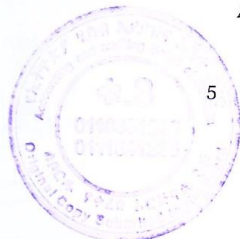
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

21 March 2022
Addis Ababa, Ethiopia



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



SIDDARTHA DEVELOPMENT ETHIOPIA
STATEMENT OF FINANCIAL POSITION
AS AT OF 31 DECEMBER 2021

ASSETS	Notes	2021 ETB	2020 ETB
Current assets			
Cash and bank balances	5	19,038,893	11,441,179
Inter Project receivable	6	229,632	164,159
Prepayments and Deposits	7	1,474,914	493,750
Inventories	8	2,589,551	776,705
Total Current Assets		23,332,990	12,875,793
Non-Current assets			
Property, plant and equipment	9	11,412,593	10,950,943
Leasehold land	10	934,130	944,353
Total Non-current Assets		12,346,722	11,895,296
TOTAL ASSETS		35,679,712	24,771,090
LIABILITIES AND EQUITY			
Liabilities			
Accounts Payable	11	16,207	630,000
Salary Payable	13	-	352,752
Government Payable	12	417,922	99,267
Finance lease obligation	16	16,577	16,577
Other current liabilities	15	-	4,920
Total current liabilities		450,706	1,103,516
Non-current liability			
Finance lease obligation	16	845,405	861,981
Accrued staff benefits	14	1,064,104	887,532
Total non-current liability		1,909,509	1,749,513
Total liability		2,360,214	2,853,029
EQUITY			
Fund Balance		21,918,061	14,774,410
Accumulated Surplus or Deficit		11,401,437	7,143,651
Total Equity		33,319,498	21,918,061
Total equity and liabilities		35,679,713	24,771,090

The financial statements on pages 6 to 32 were approved and authorized for issue by the Entity management on 21 March 2022 and were signed on its behalf by:


 Country Representative
 Firehun Gebreyohanes


 Finance Manager
 Beneber Teshome



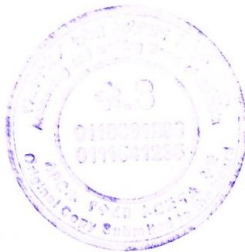

SIDDARTHA DEVELOPMENT ETHIOPIA
 STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 ETB	2020 ETB
Revenue from non-exchange transactions	17		
Contributions and donations		32,335,255	21,294,072
Gifts and services-in-kind		455,456	785,322
		<u>32,790,711</u>	<u>22,079,394</u>
Revenue from exchange transactions			
Finance income			
Other income		1,560	10,572
		<u>1,560</u>	<u>10,572</u>
Total revenue		<u>32,792,271</u>	<u>22,089,966</u>
Expenditure	18		
Program Expenditure		17,292,610	11,911,823
Administrative expenditure		3,555,769	2,612,259
		<u>20,848,380</u>	<u>14,524,082</u>
Depreciation and amortization	9	542,454	481,676
Total expenses		<u>21,390,833</u>	<u>15,005,758</u>
Surplus for the period		<u>11,401,437</u>	<u>7,084,208</u>



**SIDDARTHA DEVELOPMENT ETHIOPIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>Fund</u> <u>Balance</u>	<u>Accumulated</u> <u>surplus</u>	<u>Total net</u> <u>Asset/equity</u>
	<u>ETB</u>	<u>ETB</u>	<u>ETB</u>
Balance at 01 January 2020 As previously reported	12,432,784	2,341,626	14,774,410
Prior Year adjustment (Note 20)	-	59,443	59,443
Surplus for the period	-	7,084,208	7,084,208
Transfers to/from accumulated surplus	2,341,626	(2,341,626)	-
Balance at 31 December 2020 as re instated	<u>14,774,410</u>	<u>7,143,651</u>	<u>21,918,061</u>
Balance at 01 January 2021	14,774,410	7,143,651	21,918,061
Prior Year adjustment	-	-	-
Surplus for the period	-	11,401,437	11,401,437
Transfers to/from accumulated surplus	7,143,651	(7,143,651)	-
Balance at 31 December 2021	<u>21,918,061</u>	<u>11,401,437</u>	<u>33,319,498</u>



**SIDDARTHA DEVELOPMENT ETHIOPIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	ETB	ETB
Cash flows from operating activities		
Surplus For the year	11,401,437	7,094,432
<i>Adjustments to reconcile deficit for the year to net cash flows :</i>		-
Depreciation and amortization	542,454	471,452
<i>Changes in assets</i>		
<i>(Increase)/decrease in assets</i>		
Receivable -Partners project advance	-	150,000
Inter Project receivable UPSNP	(65,473)	(164,159)
Prepayments and Deposits	(981,163)	530,880
Inventories	(1,812,846)	(596,111)
<i>(Decrease)/Increase in accounts payable and accrued liabilities</i>		
Accounts Payable	(613,793)	(100,000)
Salary Payable	(352,752)	313,818
Government Payable	318,655	(23,620)
Accrued staff benefits	176,572	(60,526)
Finance leas payable	(16,577)	-
Other current liabilities	(4,920)	(3,331)
Net cash flows (used in) operating activities	<u>8,591,594</u>	<u>7,612,835</u>
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(993,880)	(125,310)
Net cash flows from investing activities	<u>(993,880)</u>	<u>(125,310)</u>
Cash flows from financing activities		
None	-	-
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>7,597,714</u>	<u>7,487,525</u>
Other movements in net assets		
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents — beginning of year	<u>11,441,179</u>	<u>3,953,654</u>
Cash and cash equivalents— end of year	<u><u>19,038,893</u></u>	<u><u>11,441,179</u></u>



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 1 Reporting Entity

Sidarta 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.

Sidarta 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.

Sidarta 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.

Note 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).

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: Recognition and Measurement.

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 2021

ii) IPSAS 42, Social Benefits

ii) 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.

Note 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

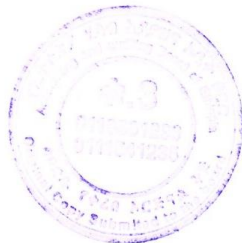
Which highlights the sources of changes in the overall financial position.

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.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3.1 Going concern

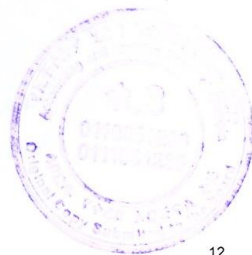
These financial statements were prepared on the assumption that the Organization is a going concern and will continue in operation and will meet its mandate for the foreseeable future (IPSAS 1). The Management of Sidartha Development Ethiopia have not communicated any intention to terminate the Organization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

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 31/2021



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 maintainance of liquid cash and deposit that are available on demand.

As at the year-end, SDE's cash and cash equivalents amount to ETB 19.68 million which is substantially more than the current liabilities equaling ETB 1.89 million. Therefore, the Entity is not exposed to a significant liquidity risk.

ii) Market Risk

Foreign exchange currency risk

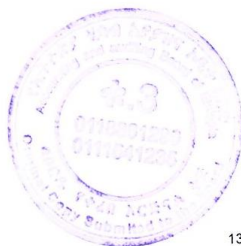
The Entity receives contributions in currencies other than the Ethiopian Birr and it is exposed to foreign exchange currency risk arising from fluctuations in currency exchange rates. Translation into Ethiopian Birr of transactions expressed in other currencies is done at the prevailing rates of Exchange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



SIDDARTHA DEVELOPMENT ETHIOPIA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 is made up as follows:

SIDDARTHA Ethiopia	31-Dec-21	31-Dec-20
Cash and bank balance	19,038,893	11,441,179
Balance	19,038,893	11,441,179

No collateral is held for any of the above assets.

Note 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.

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.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

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.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 amortization.

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
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

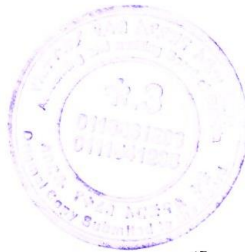
Defined contribution plan/pension & provident fund contribution

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 they are due.



SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
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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 entitlement.

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.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
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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.

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

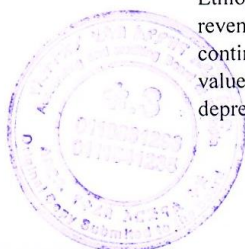
Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the statement of financial performance on a straight-line basis over the lease term.

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



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
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recognized at the same amount as the asset, except to the extent that a liability is also

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.

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.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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
FOR THE YEAR ENDED 31 DECEMBER 2021

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 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	2021	2020
	ETB	ETB
Cash at bank	19,036,241	11,441,179
Cash in Hand	2,653	-
Sub Total	19,038,893	11,441,179

Detailed analysis of the cash and bank balances

Name of Bank	CU	2021	2020
		ETB	ETB
Cash at Bank NIB INT. BANK	ETB	15,821,760	8,093,235
Cash at Bank-Finifina Branch	ETB	713,104	641,738
Cash at Bank-IBD Branch	ETB	16,754	16,754
Cash at Bank-Arada	ETB	5,720	47,380
Cash at Bank-Enkual Fab	ETB	108,569	2,642,073
Cash in Bank - Awash Bank ERCS		2,370,334	-
Sub Total		19,036,241	11,441,180

Note 6 #REF!

The receivable balance include the outstanding amount from CA2 Project

SIDDARTHA	2021	2020
Current	ETB	ETB
Inter Project receivable UPSNP	229,632.00	164,159.00
Total Receivables-Project advance	229,632.00	164,159.00

As at 31 December 2021, SIDDARTHA did not have any impairment on Receivables-Partners project advance



SIDDARTHA DEVELOPMENT ETHIOPIA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

Note 7	Prepayments and Deposits SIDDARTHA	2021	2020
		ETB	ETB
	Other Receivables	1,474,914	493,750
	Total other current assets	1,474,914	493,750

Note 8	Inventories SIDDARTHA	2021	2020
		ETB	ETB
	Food for Beneficiaries-Program	2,061,363	458,826
	Cleaning and Sanitation for s	125,281	144,556
	Stationer and Printing benef	176,129	69,647
	Cloth & Shoes for Benefiaries	10,642	54,115
	Traning Material for Beneficie	121,140	40,662
	Medical Supply	24,995	-
	Fuel cupon	70,000	8,900
	Gross Amount	2,589,551	776,705
	Goods in Transit	-	-
	Total Inventories	2,589,551	776,705

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
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

Note 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	Machinerie s	Office Equipment	Office Furniture	Total
As at 1 Jan 2021	9,000,000	3,770,000	811,674.00	197,340	15,000	13,794,014
Additions	-	-	114,470	820,070	59,340	993,880
Transfer/Disposal	-	-	-	-	-	-
As at 31 Dec 2021	9,000,000	3,770,000	926,144	1,017,410	74,340	14,787,894

Accumulated depreciation

As at 1 Jan 2021	1,108,110	1,422,541	266,755	44,966	699	2,843,071
Charge for the year	180,000	188,500	91,871	62,068	9,791	532,230
Transfer/Disposal	-	-	-	-	-	-
As at 31 Dec 2021	1,288,110	1,611,041	358,626	107,034	10,490	3,375,301

Net book value

As at 1 Jan 2021	7,891,890	2,347,459	544,919	152,374	14,301	10,950,943
As at 31 Dec 2021	7,711,890	2,158,959	567,518	910,376	63,850	11,412,592

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 2021, SIDDARTHA did not have any impairment on property, plant and equipment.



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
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Note 10 Leasehold land

COST	Lease 1	Lease 2	Total
As previously reported	-	-	-
Leasehold land Adjustment	661,500	350,625	1,012,125
	-	-	-
As re-instated	661,500	350,625	1,012,125
AMORTIZATION			
As previously reported	-	-	-
Beginning amortization till 2019	34,416	23,132	57,548
Add: Amortization - 2020	6,682	3,542	10,223
As re-instated	41,098	26,674	67,772
Add: Amortization - 2021	6,682	3,542	10,223
	47,780	30,216	77,995
Net book value - 2021	613,720	320,409	934,130
Net book value - 2020	620,402	320,409	944,353

Leas 1

The Company has leased 375m2 land under 60 years period of land lease agreement from the Addis Ababa City Government Land Development Management Bureau 10/10/2006 E.C at a total cost of ETB 350,625. For the total lease period 99 years. The company paid a down payment of ETB 17,531.25 and first year lease payment 5,551.56 at the date of lease signed.

Leas 2

The Company has leased 500m2 land under 60 years period of land lease agreement from the Addis Ababa City Government Land Development Management Bureau 26/02/2007 E.C at a total cost of ETB 661,500. For the total lease period 99 years. The company paid first year lease payment ETB 11,025 at the date of lease signed.



SIDDARTHA DEVELOPMENT ETHIOPIA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

Note		<i>2021</i>	<i>2021</i>
		<i>ETB</i>	<i>ETB</i>
Note 11	Accounts Payable	16,207	630,000
	Total Accounts Payable	16,207	630,000
Note 12		<i>2021</i>	<i>2021</i>
		<i>ETB</i>	<i>ETB</i>
	Income Tax payable and pension contribution payable	357,541	98,089
	Withholding tax (2%) Payable	60,382	1,177
	Total Government Payable	417,922	99,267
Note 13		<i>2021</i>	<i>2021</i>
		<i>ETB</i>	<i>ETB</i>
	A/P-Provident Fund 22% Payable	-	-
	Salary Payable	-	352,752
	Total Staff Payable	-	352,752
Note 14		<i>2021</i>	<i>2021</i>
		<i>ETB</i>	<i>ETB</i>
	Severance Payable	1,064,104	887,533
	Annual Leave Payable	-	-
	Total Employee Benefits liabilities	1,064,104	887,533

* 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 DEVELOPMENT ETHIOPIA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

	<i>2021</i> <i>ETB</i>	<i>2021</i> <i>ETB</i>
A liability recognized in statement of Financial	1,064,104	887,533

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

Note 15 Other current liabilities

	<i>2021</i> <i>ETB</i>	<i>2021</i> <i>ETB</i>
Other Liabilities	-	4,920
Total other current liabilities	-	4,920

Note 16 Finance Leas obligation

For each leas obligation annual interest is calculated on the outstanding balance by an interest rate 11.5% p

	Lease 1	Lease 2	Total
Balance as previously reported	-	-	-
Adjustment	661,500	350,625	1,012,125
	661,500	350,625	1,012,125
Less : Repayment until the year end :	(66,150)	(50,841)	(116,991)
Repayment during 2020	(11,025)	(5,552)	(16,577)
	(77,175)	(56,392)	(133,567)
Balance as re-instated - 2020	584,325	294,233	878,558
Repayment during 2021	(11,025)	(5,552)	(16,577)
Balance at 31 December 2021	573,300	288,681	861,981
maturity	(11,025)	(5,552)	(16,577)
Non current obligation	562,275	283,130	845,405



SIDDARTHA DEVELOPMENT ETHIOPIA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

Note 17 Revenue

	2021	2020
Revenue from non-exchange transactions	ETB	ETB
Contributions and donations	32,335,255	21,294,072
Gifts and services-in-kind	455,456	785,322
Total revenue from non-exchange transaction	32,790,711	22,079,394
Other/Miscellaneous income		
Other income	1,560	10,572
Total revenue from other/Miscellaneous income	1,560	10,572
Total revenue	32,792,271	22,089,966

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 represent actual revenue related to the contribution from Local and foreign donation of inkind

Other Income

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

Note 18 Expenses

	2021	2020
<i>Administrative expenses</i>	ETB	ETB
Admin Salary and benefit	2,718,090	1,983,393
Severance Payment	100,418	100,131
Insurance	67,908	92,069
Repair& Maintenance	130,269	124,104
Office Furniture and equipment	141,419	-
Staff Training and Education	32,615	1,530
Communication-Int., Tell & Fax	51,815	52,699
Advertising and Networking	7,139	1,974
Utility (Water & Electricity)	15,684	9,807
Cleaning & Sanitation Material	20,139	24,108
Stationary and Office Suplies	36,223	20,101
Annual Audit Service Fee	28,000	20,000
	3,349,719	2,429,917



SIDDARTHA DEVELOPMENT ETHIOPIA
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BBF	3,349,719	2,429,917
Annual Membership Fee	7,500	7,500
Fuel and Lubrication- Admin.	40,565	25,539
Transport and Perdiem Payment	95,638	-
Entertainment and Meeting	21,173	6,426
Bank Service Charge	15,694	1,541
Annual Staff Meeting	-	8,938
Postal Service Expense	4,889	690
Printing & Publication Expense	11,960	2,151
Staff Refreshment Expense	2,575	8,394
Miscellaneous Office Expense	6,055	7,255
Rent (Lease Payment)	-	113,908
Total Administrative Expense	3,555,769	2,612,259

Note 19 Expenses (Continued)

	2021	2020
<i>Program expenses</i>	ETB	ETB
Salary and benefit for Program Staff	3,928,105	3,080,382
Volunteers Transport Payment	567,235	128,148
Part time workers Incentive	31,080	25,560
Severance Payment	298,878	47,266
Annual Medical Insurance	13,070	47,467
Shelter Rent For Beneficiaries	2,190,775	2,290,820
Shelter Facilities	1,049,219	128,112
Food Stuff For Beneficiaries	2,315,322	2,239,530
Educational Materials and Fees	324,618	189,321
Cloth & Shooe for Beneficiaries	366,004	432,661
Medical cost for Beneficiaries	177,613	77,713
Pocket Money for Beneficiaries	29,665	23,950
Training	442,001	330,263
Repair & Maintenance	992,745	425,723
Communication (Internet & Tell)	37,576	7,894
Utility (Water & Electricity)	210,752	199,951
Kitchen and Dining Materials	159,651	44,290
Stationary and Office Supplies	33,085	20,904
Psychosocial Support	85,695	24,990
Cleaning & Sanitation Material	202,314	236,935
Fuel & Lubrication For Program	78,125	52,390
Rent Support for Beneficiaries	57,000	32,400
Individual Life Support	55,000	21,976
	13,705,527	10,108,647



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

BBF	13,705,527	10,108,647
Local Community Support	581,834	478,914
Benefeciaries Selection and Welcoming	53,878	117,885
Life Skill Training for Benefi	22,128	-
Staff Training and Education	27,275	2,495
Children With Special Support	3,000	-
Recreation, Sport and Celebration	136,176	91,669
Benefeciaries Graduation and Reunification	2,293,240	981,766
Apparent ship and COC Expense	19,724	24,576
Travel and Perdiem Payment	221,370	3,741
Transport Support to Beneficia	21,817	32,346
Award For Benefeciaries	3,870	-
Pocket Money for Old & Sick Be	52,000	56,700
Basic Business Skill Taining	3,000	-
Staff Uniform and Gown	35,264	1,495
Extra Investment	8,645	11,589
Rent (Lease Payment)	103,863	-
Total Program Expense	17,292,610	11,911,823
<i>Depreciation & Amortization</i>		
Depreciation Charge for the year	532,230	471,453
Amortization	10,223	10,223
Total expenditure	21,390,833	14,995,535

Expenses in the Program and Admin are reported on an accrual basis, recognizing expense when goods are received and services are rendered.

	2021		2020	
	ETB	%	ETB	%
Program expense	17,292,610	83%	11,911,823	82%
Administrative expenses	3,555,769	17%	2,612,259	18%
Total	20,848,380	100%	14,524,082	####



**SIDDARTHA DEVELOPMENT ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Note 20 Related Party and Other Senior Management Disclosure

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:

	2021	2020
	ETB	ETB
Contribution from the Donors/HQ	32,335,255	21,139,889
Transfers from other Entities (List significant transactions)	457,016	950,078
	<u>32,792,271</u>	<u>22,089,967</u>

Key management personnel are the Country Representative, Program Manager and Finance Manager 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	2021	2020
	ETB	ETB
Number of Positions	3	3
Salaries and other short-term employee benefits	1,885,767	1,355,182
Transport allowance	44,400	60,400
Telephone allowance	9,000	3,750
Other expenses (Provident fund and Pension contribution)	226,292	162,622
Total Remuneration	<u>2,165,460</u>	<u>1,581,954</u>

Note 20 Prior year adjustments

Represents adjustment to recognize leasehold land and related lease obligation in the financial statements as reinstatement to 2020 figures.

Note 21 Provisions

As at 31 December 2021, the Organization had not recognized any provisions.

Note 22 Events after the reporting date

SDE's reporting date is 31 December 2021. 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.

