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AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

OF

GRARBET TEHADISO MAHBER (GTM)

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021

Amelework Wondimeneh Tamiru

Certified Audit Firm

Addis Ababa, Ethiopia

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Date:- March 04 2022

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF
GRARBET TEHADISO MAHBER (GTM)**

Section One: Report on the Financial Statements

Opinion

We have audited the financial statements of Garabet Tehadiso Mahber (GTM) which comprise statement of financial position as at 31 December 2021, the statement of income and expenditures and the cash flow statement 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 present fairly, in all material respects, the financial position of the Mahber as at 31 December 2021 and its financial performance for the year then ended in accordance with the Generally Accepted Accounting Principles (GAAP).

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 Association in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants (IESBA Code) together with the 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 and the IESBA Code. 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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Accepted Accounting Principles (GAAP), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Mahber report as a whole is 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.



Section Two: Report on Other Legal and Regulatory Requirements

The opinion in this section is given based on the audit procedures we applied in accordance with guideline 8/2004 issued by the Organization of Civil Societies to review compliance with Organization of Civil Societies proclamation number 1113/2019;

1) Income:-

- a. All income is collected by raising cash receipt vouchers and correctly recorded.
- b. Income is collected through legal means and by the person delegated for the purpose.
- c. Income obtained from local and foreign sources are properly classified.

2) Expenditures :-

- a. Expenditures are accounted for when evidenced by legal and original invoices, relevant, reliable and sufficient for the purposes.
- b. Expenditures and purchases of goods and services are incurred as per the relevant regulations and authenticated by the officials of the organization.
- c. Operational costs and administrative costs are separated properly. As it is reported in the attached income and expenditures the percentage of operational cost is 83.13% of the total expenditures and administrative cost is 16.87% of the total expenditure.

3) Property administration

- a. Purchases of properties are received by raising Goods Receiving Voucher (GRV), and are issued by raising Issue Vouchers but expensed upon purchases.
- b. The organization maintains fixed asset register.

4) Cash and bank balances

- a. Separate ledger accounts are maintained for cash on hand in the name of each cashier and counted at certain intervals and at the end of the fiscal year to strengthen internal control over it and to ascertain its physical existence.
- b. Separate ledger accounts are maintained for each bank accounts of the Mahber and reconciled with the respective bank statements monthly.

5) Debtors

- a. Subsidiary accounts are maintained for each debtor.

6) Creditors

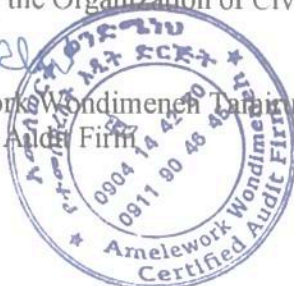
- a. Taxes are deducted and paid over to the tax authority within the time set for settlements.
- b. Subsidiary accounts are maintained for each payable accounts.
- c. Creditors are classified into short and long term properly.

7) Compliances with the project agreements

- a. The project agreement has been adhered to and the related project funds have been used exclusively for the purpose of the project in accordance with the project agreement.

The attached financial statements of Garabet Tehadiso Mahber (GTM) as at 31 December 2021 complies in all material respect with Organization of Civil Societies proclamation number 1113/2019 issued by the Organization of Civil Societies.

Amelework Wondimeneh Tahiru
Certified Audit Firm



GRARBET TEHADISO MAHBER
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021

Currency: Ethiopian Birr

				<u>2020</u>
NON CURRENRT ASSET	<u>Notes</u>			
Fixed asset	2.1	1,516		1,516
Construction in progress		-		-
		<u>1,516</u>		<u>1,516</u>
CURRENT ASSETS				
Cash at bank	3	17,688,159		9,201,375
Deposit and pre-payments	4	785,360		-
		<u>18,473,519</u>		<u>9,201,375</u>
CURRENT LIABILITIES				
Creditors and accruals	5	<u>2,715,115</u>		<u>2,164,748</u>
NET CURRENT ASSET		<u>15,758,404</u>		<u>7,036,628</u>
		<u>15,759,920</u>		<u>7,038,144</u>
FINANCED BY:				
Earmarked funds	13	4,841,509		785,714
Income and expenditure account		10,916,895		6,250,913
Fixed asset reserve fund		1,516		1,516
		<u>15,759,920</u>		<u>7,038,144</u>



GRARBET TEHADISO MAHBER
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Currency: Ethiopian Birr

INCOME	Notes		2020
Donations received	6	33,106,159	14,803,307
Eye Care		11,675,804	7,281,658
ENT		533,152	515,031
Physiotherapy and rehabilitation		837,590	122,876
Optical workshop		4,703,305	3,222,184
Epilepsy		122,942	89,056
X-Ray		45,929	55,876
Laboratory		28,795	39,321
Other income:- Car sales, Guest house and outreach		198,036	1,970,642
Other income:- Water Maintenance		67,720	68,821
Other income:- Vehicle rent		1,525,380	-
		52,844,811	28,168,772
EXPENDITURE			
PROGRAM COST			
Eye care	7	25,781,698	13,248,431
Epilepsy	8	1,226,935	532,550
ENT	9	3,475,764	2,119,190
Rehabilitation and Physiotherapy	10	1,665,975	1,235,137
WASH	11	4,564,090	64,151
Vocational skill training	12	-	1,053,104
TOTAL PROGRAM COST (83.13%)		36,714,461	18,252,563
ADMINISTRATION COST			
General and administration cost (16.87%)	14	7,451,609	4,374,881
TOTAL ADMINISTRATION COST		7,451,609	4,374,881
TOTAL PROGRAM AND ADMINISTRATION COST		44,166,070	22,627,444
Excess of expenditure over income		8,678,741	5,541,327
Transfer to earmarked fund	13	4,067,748	539,307
		4,610,993	5,002,021
Fund balance, beginning		6,250,913	1,318,092
Prior period adjustment		54,990	(69,199)
Re-stated fund balance		6,305,902	1,248,892
Fund balance, ending		10,916,895	6,250,913



GRARBET TEHADISO MAHBER
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Currency:- Ethiopian Birr

CASHFLOW FROM OPERATING ACTIVITIES

		2020
Excess of Expenditure over income	8,678,741	5,541,327
Prior year adjustments	54,990	190,385
Restated balance	8,733,731	5,731,712
Decrease in Debtors and prepayments	(785,360)	199,685
Increase in Creditors and accruals	550,367	1,050,885
	(234,993)	1,250,571
Net Cash flow from operating activities	8,498,739	6,982,283

CASHFLOW FROM FINANCING ACTIVITIES

Net Cash flow from financing activities	(11,955)	-
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CASH FLOW FROM INVESTING ACTIVITIES

Decrease in construction in progress	-	-
Net Cash flow from Investing activities	-	-
Net Decrease in cash and cash equivalent	8,486,784	6,982,283
Cash and cash equivalent at the beginning of the year	9,201,375	2,219,093
Cash and cash equivalent at the end of the year	17,688,159	9,201,375

Components of Cash & Cash Equivalents

Cash on hand	-	-
Cash at bank	17,688,159	9,201,375
	17,688,159	9,201,375



GRARBET TEHADISO MAHBER

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

Grarbet Tehadiso Mahber is an indigenous non-governmental organization (NGO) established in 1993, in collaboration with Vesterbotten Association for the Neurologically Disabled (VAND) of Northern Sweden, the Swedish Organization of the Handicapped International Aid Foundation (SHIAF) and the Ministry of Health of the Government of Ethiopia. It has been operational since 1996 beginning with rehabilitation of polio victims and treatment of Epilepsy patients. Subsequently, Eye Care, Optometry, ENT services, water and sanitation development for person with disabilities have been included and have become key activities.

GTM has been re-registered and accorded legal personality with registry No.0277 on 10/07/2019 as local Organization in accordance with Civil Society Organization Proclamation No 1113/2019.

Eye care is now a major part of GTM's work and as such, has become the only high volume eye care provider in its operational area involving ten Woreda (sub-districts). As part of eye care service, GTM is undertaking effective trachoma control activities using the WHO recommended SAFE strategy; S-Surgery, A-Antibiotics, F-Face washing and E-Environmental sanitation. To implement this strategy, GTM has organized an effective water and sanitation team to develop water schemes and improve sanitary conditions.

GTM currently serves a population of 2 million through the centers (Butajira center which has been opened in 1996 and upgraded to Garbet Eye Hospital in 2009 and Batu/Zeway center which has been opened in 2005) and outreach camps held within eleven sub-districts in the service area of Oromia and Southern Nation Nationalities and Peoples Regional States. Butajira offers all the intervention program whilst Batu /Zeway focus on eye care.

GTM Visions is "to see an Ethiopia where avoidable -blindness is eliminated and people with disabilities rehabilitated to become productive citizens with an improved quality of life ". This vision is part of a larger national effort to prevent and reduce the prevalence of blindness and deafness and to improve the provision of rehabilitation services to those people with disabilities.



GRARBET TEHADISO MAHBER
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

GTM's operation values are:-

- Actively participate in the national effort to eliminate preventable blindness
- Work for self-reliance of disabled
- Work to change negative attitudes towards the disabled
- Support inclusive action
- Deliver ethical services for all without discrimination
- Provide an affordable and quality service
- Cooperative with likeminded partners to eliminate preventable blindness and other physical disabilities
- Value the input of our stakeholders
- Be committed to help the disabled to use their potential to be productive
- Work for the benefit of the users of our services
- Be gender sensitive and give emphasis to women and children.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

- 2.1 Expenditure for fixed assets and office equipment are expensed in period in which it occurs, leaving a nominal value of Birr 1.00 for each Item. The fixed assets account does not include buildings.
- 2.2 Expenditures on stock for building materials is expensed in the year in which it occurs.
- 2.3 Hospital equipment, store, furniture and fixture are expensed as when they are purchased.
- 2.4 Donation in cash are recorded upon receipt.
- 2.5 Donation received in foreign currencies are translated into Ethiopian Birr using exchange rate ruling at date of transaction.
- 2.6 Donation received in kind are translated into Ethiopian Birr by using exchange rate prevailing at date of donor's invoice.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Currency: Ethiopian Birr

3. CASH ON HAND AND AT BANK

Cash on hand	-	2020	-
Cash at bank	17,688,159		9,201,375
	17,688,159		9,201,375

4. DEPOSIT AND PREPAYMENTS

Staff Debtors	785,360		-
Sundry receivable	-		-
	785,360		-

5. CREDITORS AND ACCRUALS

Employee income tax payable	87,680		214,338.00
Pension contribution payable	18,610		48,980.00
Withholding tax payable	6,699		20,871.00
Accounts pay/Severance & Annual Payable	2,602,127		1,880,560
	2,715,115		2,164,748

6. DONATIONS RECEIVED

Fair Trade Africa (FTA)	158,614		-
CBM for rehabilitation Project No. 3655/4081	2,710,417		2,725,708
CBM Italy P3296	-		390,956
CBM low vision P3543	2,175,237		2,258,010
Vision Aid Overseas donation in kind	-		569,613
Light for the world (LFTW)	5,305,695		2,362,000
The Three Aid Foundation :- (TTAF)	968,620		-
CBM trachoma elimination P4183	2,007,194		-
CBM TT Backlog P4177	2,210,500		-
Novartis/XOVA	2,744,739		-
Others various individuals (Dr Nega Eng Biruk & Dr Lissar	30,000		114,917
ESSILOR	1,513,614		177,472
SNNPR MOH	-		5,332,364
Gurage Zone/Wolkite BOFED	-		398,457
SPHMMC	1,500,547		382,310
Prof. Redda T/Haimanot	-		91,500
SeeYou Foundation	5,825,199		-
Global Medical Foundation (GMF) Australia	624,089		-
Rotary Club AA Entoto/Water Filter	4,771,229		-
Dr. Alemayehu & Wro Wosenyesh	300,000		-
AYENAGE CFDA	260,465.00		-
	33,106,159		14,803,307



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Currency: Ethiopian Birr

PROGRAM COSTS

7. EYE CARE

		<u>2020</u>
Salary and related for project staff	8,161,073	8,096,507
Vehicle running expense	3,114,656	834,647
Outreach related expenses	1,318,614	-
Sanitary supplies	81,686	63,443
Medicine, consumables equipment and related	9,534,063	2,813,069
Ward Expense	401,324	278,670
Printing hospital cards, Prescription, receipts pads etc.	1,476,218	597,620
Zithromax distribution	-	-
Optometry service/Cost of Spectacles, Optical Devices & relat	1,249,871	308,338
Training FPR Prevention measure to reduce blindness	-	-
Impact Assessment Low Vision	287,498	-
Construction Expense/Laundry	156,695.67	256,136.00
	<u>25,781,698</u>	<u>13,248,431</u>

8. EPILEPSY

Salary for project staffs	158,034	239,007
Medicine for epilepsy patients	1,068,901	280,567
Printing hospital cards, prescription & receipt pads	-	7,501
Miscellaneous (janitorial, repair and maintenance etc)	-	5,476.00
	<u>1,226,935</u>	<u>532,550</u>

9. ENT

Salary and perdium for project staffs	1,123,878	1,549,067
Printing Clinic cards and receipts pads	77,792	72,579
Medicine for ENT	2,224,028	432,377
ENT surgery expense	-	-
Sanitary materials	13,412	15,310
Miscellaneous	-	15,583
Ward food, janitorial and field expense	36,654	34,274
Construction Expense	-	-
	<u>3,475,764</u>	<u>2,119,190</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Currency: Ethiopian Birr

10. REHABILITATION AND PHYSIOTHERAPY

		2020
Salary for project staff	751,206	605,965
Janitorial supplies	607	4,426
Printing Patient card and receipt pad	10,767	7,501
Rehabilitation expense for medicine	831,095	612,620
Vehicle running cost	72,300.00	4,625.00
	1,665,975	1,235,137

11. WASH ACTIVITY

Salary and related for project staff	62,860	-
Material Cost/Water Filter Tulip	4,027,255	-
Maintenance of failed hand pumps	-	-
Training water care takers	-	-
Construction of rain water harvest	-	39,791
Transportation cost	108,180	17,639
Car rent	357,000	4,000
Fuel expense	8,794	2,720
Construction of latrines	-	-
	4,564,090	64,151

12. VOCATIONAL SKILL TRAINING

Material cost for vocational skill	-	322,162
Salary expense	-	491,617
Perdiem & Related	-	174,495
Training	-	64,830.00
	-	1,053,104



GRARBET TEHADISO MAHBER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Currency:- Ethiopian Birr

13. EARMARKED FUND

	Opening balance	Prior year Adjustment	Adjusted Beginning Balance	Current year Transfer	TOTAL	Current year Expenditure	Ending Balance
Light for the World	-		-	5,305,695	5,305,695	5,269,157	36,538
CBM 3655/4081 (OR)	(665)		(665)	2,710,417	2,709,752	2,714,736	(4,984)
CBM Low vision	134,813		134,813	2,175,237	2,310,050	2,312,181	(2,131)
Global Medical Foundation (GMF) Australia	-		-	624,089	624,089	624,089	1
The three Aid Foundation (TTAF)	-		-	968,620	968,620	968,650	(30)
CBM 4177 TT Backlog	-		-	2,210,500	2,210,500	2,110,672	99,828
CBM 4183 Trachoma Elimination	-		-	2,007,194	2,007,194	2,007,194	-
Rotary club AA Entoto/Water Filter	-		-	4,771,229	4,771,229	4,564,090	207,139
Dr Alemayehu & Wro Wosenyesh	-		-	300,000	300,000	300,000	-
Fair Trade Africa (FTA)	-		-	158,614	158,614	158,614	-
Various individuals (Dr. Nega, Eng. Biruk & Dr. Lirssam)	12,000	(12,000)	-	30,000	30,000	30,000	-
Novaritis/Xova	(45)	45	-	2,744,739	2,744,739	-	2,744,739
ESSILOR	-		-	1,513,614	1,513,614	1,051,165	462,449
See You Foundation	-		-	5,825,199	5,825,199	4,527,165	1,298,034
SNNPR MOH	407,146		407,146	-	407,146	407,146	-
AYNAGE CFDA			-	260,465	260,465	260,465	-
St. Paul's Millennium Medical College	232,465		232,465	1,500,547	1,733,012	1,733,087	(75)
TOTAL	785,714	(11,955)	773,759	33,106,159	33,879,918	29,038,410	4,841,507



**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Currency: Ethiopian Birr

14. GENERAL AND ADMINISTRATIVE EXPENSE

	Addis Ababa	Butajira	Batu/Zeway	Total	2020
Postage, telephone and telegrams	107,114	4,724	13,703	125,540	75,057
Vehicle running expense/Parking/Rent	33,946	533,532	31,542	599,020	264,216
Insurance		207,296		207,296	51,126
Printing hospital cards, prescription, receipts	57,148	384,884	162,412	604,444	-
Travel and Perdiem	175,485	304,112	120,101	599,698	37,280
Bank Service charge	2,490	2,918		5,408	5,241
Electricity and water	23,656	20	1,657	25,332	12,185
Miscellaneous (Contribution, membership, ZOO etc.)	52,354	9,971	4,355	66,680	127,819
Audit fee	3,795	89,100		92,895	103,500
Staff salaries and benefits	2,537,142	976,022	312,567	3,825,731	2,895,041
Licence and tax				-	17,132
Workers Uniform & related	3,000	143,019	34,500	180,519	-
Office rent	481,025			481,025	426,900
Repair and maintenance	23,002	4,950	27,184	55,136	111,680
Office equipment, computer, printer etc	59,136	19,328	155	78,619	7,275
Wages, labor & related	156,561	28,554	10,250	195,365	117,686
Professional Fee	25,630	16,547		42,177	-
Office supplies/refreshment /Guest expense	158,659	106,581	1,485	266,724	122,743
	3,900,143	2,831,556	719,910	7,451,609	4,374,881





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Amelework Wondimeneh Tamiru Certified Audit Firm

Date:- march 09 2022

To: Grarbet Tehadiso Mahber (GTM)
Addis Ababa

Dear Sir,

Subject: Management Letter

We have audited the financial statements of the Organization for the year ended 31 December 2021.

We are not issuing a report on the audit findings in respect of this audit, since no material reportable instances have come to our notice.

However, it must be appreciated that our normal audit procedures are designed with a view to the expression of our independent audit opinion on the financial statements.

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

Sincerely yours,

Amelework Wondimeneh Tamiru
Certified Audit Firm

