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Amelework Wondimeneh Tamiru Certified Audit Firm

Date:- March 06, 2023

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 2022.

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



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6<sup>st</sup> Floor, Office No. 607.

**AWT**

**AWT**

**AUDITORS' REPORT ON THE FINANCIAL STATEMENTS  
OF**

**GRARBET TEHADISO MAHBER (GTM)**

**AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

**Amelework Wondimeneh Tamiru**

**Certified Audit Firm**

**Addis Ababa, Ethiopia**

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Amelework Wondimeneh Tamiru Certified Audit Firm

**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 Gararbet Tehadiso Mahber (GTM) which comprise statement of financial position as at 31 December 2022, 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 2022 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.

In preparing the financial statements, management is responsible for assessing the Mahber'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 Mahber or to cease operations, or have no realistic alternative but to do so.





### ***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**

- 1) The opinion in this section is given based on the audit procedures we applied in accordance with guidelines issued by the Organization of Civil Societies to review compliance with Organization of Civil Societies proclamation number 1113/2019;
- 2) **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.
- 3) **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 statement of income & expenditure the percentage of administrative cost is 17.24% of total income of the period.
- 4) **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.
- 5) **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.
- 6) **Debtors**
  - a. Subsidiary accounts are maintained for each debtor.
- 7) **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.



**8) 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 Grarbet Tehadiso Mahber (GTM) as at 31 December 2022 complies in all material respect with Organization of Civil Societies proclamation number 1113/2019 issued by the Organization of Civil Societies.

Amelework Wondimeneh Tamiru  
Certified Auditor



March 06, 2023  
Addis Ababa

**GRARBET TEHADISO MAHBER**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

Currency: Ethiopian Birr

	<u>Notes</u>		<u>2021</u>
<b>NON CURRENRT ASSET</b>			
Fixed asset	2.1	1,708	1,516
Construction in progress		-	-
		<u>1,708</u>	<u>1,516</u>
<b>CURRENT ASSETS</b>			
Cash at bank & on hand	3	24,161,839	17,688,159
Deposit and pre-payments	4	<u>1,403,537</u>	<u>785,360</u>
		25,565,376	18,473,519
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	5	<u>5,585,117</u>	<u>2,715,115</u>
<b>NET CURRENT ASSET</b>		<u>19,980,259</u>	<u>15,758,405</u>
		<u>19,981,966</u>	<u>15,759,921</u>
<b>FINANCED BY:</b>			
Earmarked funds	13	2,422,065	4,841,509
Income and expenditure account		17,558,193	10,916,895
Fixed asset reserve fund		<u>1,708</u>	<u>1,516</u>
		<u>19,981,966</u>	<u>15,759,921</u>



**GRARBET TEHADISO MAHBER**  
**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Currency: Ethiopian Birr

<b>INCOME</b>		<b>Notes</b>		<b>2021</b>
Donations received in cash	6	44,461,933		33,106,159
Donations received in kind	6	22,431,482		-
Eye Care		13,533,792		11,675,804
ENT		1,132,575		533,152
Physiotherapy and rehabilitation		447,419		837,590
Optical workshop		5,217,958		4,703,305
Epilepsy		282,968		122,942
X-Ray		5,830		45,929
Laboratory		51,770		28,795
Other income:- Car sales, Guest house and outreach		571,379		198,036
Other income:- Water Maintenance		182,006		67,720
Other income:- Vehicle rent		3,215,000		1,525,380
			<b>91,534,112</b>	<b>52,844,811</b>
<b>EXPENDITURE</b>				
<b>PROGRAM COST</b>				
Eye care	7	53,101,275		25,781,698
Epilepsy	8	2,591,145		1,226,935
ENT	9	2,753,367		3,475,764
Rehabilitation and Physiotherapy	10	2,278,915		1,665,975
WASH	11	10,806,045		4,564,090
Vocational skill training	12	-		-
<b>TOTAL PROGRAM COST</b>			<b>71,530,747</b>	<b>36,714,461</b>
<b>ADMINISTRATION COST</b>				
	14	15,781,510		7,451,609
<b>TOTAL ADMINISTRATION COST</b>			<b>15,781,510</b>	<b>7,451,609</b>
<b>TOTAL PROGRAM AND ADMINISTRATION COST</b>			<b>87,312,257</b>	<b>44,166,070</b>
Excess of expenditure over income			4,221,855	8,678,740
Transfer to earmarked fund	13		(2,421,679)	4,067,748
			<b>6,643,534</b>	<b>4,610,993</b>
Fund balance, beginning		10,916,895		6,250,913
Prior period adjustment		(2,236)		54,990
Re-stated fund balance			10,914,659	6,305,902
<b>Fund balance, ending</b>			<b>17,558,193</b>	<b>10,916,895</b>





**GRARBET TEHADISO MAHBER**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Currency:- Ethiopian Birr

**CASHFLOW FROM OPERATING ACTIVITIES**

		<u>2021</u>
Excess of Expenditure over income	4,221,855	8,678,741
Prior year adjustments	(2,236)	54,990
Restated balance	4,219,619	8,733,731
Decrease in Debtors and prepayments	(618,177)	(785,360)
Increase in Creditors and accruals	2,870,002	550,367
	2,251,825	(234,992)
<b>Net Cash flow from operating activities</b>	<b>6,471,444</b>	<b>8,498,740</b>

**CASHFLOW FROM FINANCING ACTIVITIES**

<b>Net Cash flow from financing activities</b>	<b>2,236</b>	<b>(11,955)</b>
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**CASH FLOW FROM INVESTING ACTIVITIES**

Decrease in construction in progress	-	-
<b>Net Cash flow from Investing activities</b>	<b>-</b>	<b>-</b>
Net Decrease in cash and cash equivalent	6,473,680	8,486,785
Cash and cash equivalent at the beginning of the year	17,688,159	9,201,375
<b>Cash and cash equivalent at the end of the year</b>	<b>24,161,839</b>	<b>17,688,159</b>

**Components of Cash & Cash Equivalents**

Cash on hand	-	-
Cash at bank	24,161,839	17,688,159
	<b>24,161,839</b>	<b>17,688,159</b>





**GRARBET TEHADISO MAHBER**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. GENERAL INFORMATION**

Garbet 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 eleven Woredas (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 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 2022**

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.



**GRARBET TEHADISO MAHBER**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Currency: Ethiopian Birr

**3. CASH ON HAND AND AT BANK**

Cash on hand	-	2021	-
Cash at bank	24,161,839		17,688,159
	<b>24,161,839</b>		<b>17,688,159</b>

**4. DEPOSIT AND PREPAYMENTS**

Staff debtors	1,167,078		785,360
Prepayment	232,257		-
Sundry receivable	4,202		-
	<b>1,403,537</b>		<b>785,360</b>

**5. CREDITORS AND ACCRUALS**

Employee income tax payable	115,462		87,679.79
Pension contribution payable	31,840		18,609.67
Withholding tax payable	20,729		6,699.02
Account payable - other	2,860,708		-
Accounts pay/Severance & Annual Payable	2,556,378		2,602,127
	<b>5,585,117</b>		<b>2,715,114</b>

**6. DONATIONS RECEIVED**

Fair Trade Africa (FTA)	-		158,614
CBM for rehabilitation Project No. 3655/4081	5,212,384		2,710,417
CBM for rehabilitation Project No. 4081 in Kind	22,431,482		-
CBM low vision P3543	-		2,175,237
Light for the world (LFTW)	2,132,770		5,305,695
The Three Aid Foundation :- (TTAF)	-		968,620
CBM trachoma elimination P4183	18,479,635		2,007,194
CBM TT Backlog P4177	6,953,372		2,210,500
Novaritis/XOVA	-		2,744,739
Others various individuals ( Dr Nega Eng Biruk & Dr Lissar	-		30,000
ESSILOR	140,293		1,513,614
SNNPR MOH	94,029		-
SPHMMC	-		1,500,547
SeeYou Foundation	9,955,852		5,825,199
Global Medical Foundation (GMF) Australia	1,016,068		624,089
Rotary Club AA Entoto/Water Filter	225,406		4,771,229
Dr. Alemayehu & Wro Wosenyesh	47,555		300,000
AYENAGE CFDA	204,571.80		260,465.00
	<b>66,893,416</b>		<b>33,106,159</b>





**GRARBET TEHADISO MAHBER**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Currency: Ethiopian Birr

**PROGRAM COSTS**

**7. EYE CARE**

Salary and related for project staff	14,010,527	2021 8,161,073
Vehicle running expense	3,346,671	3,114,656
Outreach related expenses	1,453,115	1,318,614
Sanitary supplies	97,243	81,686
Medicine, consumables equipment and related	13,666,156	9,534,063
Medical Equipment in kind	18,569,216	-
Ward Expense	2,982	401,324
Printing hospital cards, Prescription, receipts pads etc.	940,562	1,476,218
Optometry service/Cost of Spectacles, Optical Devices & rela	968,503.87	1,249,871
Training FPR Prevention measure to reduce blindness	46,299.84	-
Impact Assessment Low Vision	-	287,498
Construction Expense/Laundry	-	156,695.67
	<b>53,101,275</b>	<b>25,781,699</b>

**8. EPILEPSY**

Salary for project staffs	164,558	2021 158,034
Medicine for epilepsy patients	368,977	1,068,901
Medical Equipment for epilepsy patients In kind	2,057,610	-
	<b>2,591,145</b>	<b>1,226,934</b>

**9. ENT**

Salary and peridium for project staffs & related	1,185,493	2021 1,123,878
Printing Clinic cards and receipts pads	171,700	77,792
Medicine for ENT	581,119	2,224,028
Medical Equipment In kind for ENT	735,455	-
Sanitary materials	17,835	13,412
Miscellaneous	3,430	-
Ward food, janitorial and field expense	58,335	36,654
	<b>2,753,367</b>	<b>3,475,764</b>





**GRARBET TEHADISO MAHBER**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Currency: Ethiopian Birr

**10. REHABILITATION AND PHYSIOTHERAPY**

Salary for project staff	729,484	<u>2021</u> 751,206
Janitorial/ Ward supplies & Expense	6,932	607
Printing Patient card and receipt pad	99,400	10,767
Rehabilitation expense for medicine	345,107	831,095
Medical Equipment In kind for Rehabilitation	1,069,202	-
Vehicle running cost	28,790	72,300
	<u>2,278,915</u>	<u>1,665,975</u>

**11. WASH ACTIVITY**

Salary and related for project staff	144,708	<u>2021</u> 62,860
Material Cost/Water Filter Tulip	150,001	4,027,255
Construction of Shallow Wells	9,909,055	-
Transportation cost	-	108,180
Car rent	182,764	357,000
Fuel expense	-	8,794
Construction of latrines	419,518	-
	<u>10,806,045</u>	<u>4,564,090</u>

**12. VOCATIONAL SKILL TRAINING**

Material cost for vocational skill	-	<u>2021</u> -
Salary expense	-	-
Perdeim & Related	-	-
Training	-	-
	<u>-</u>	<u>-</u>



**GRARBET TEHADISO MAHBER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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	36,538	-	36,538	2,132,770	2,169,308	2,166,643	2,664
CBM 3655/4081 (OR)	(4,984)	-	(4,984)	5,212,384	5,207,400	5,207,319	80
CBM 4081 in Kind	-	-	-	22,431,482	22,431,482	22,431,482	-
CBM Low Vision	(2,131)	2,131	-	-	-	-	-
Global Medical Foundation (GMF) Australia	1	-	1	1,016,068	1,016,069	1,016,069	-
The Three Aid Foundation (TTAF)	(30)	30	-	-	-	-	-
CBM 4177 TT Backlog	99,828	-	99,828	6,953,372	7,053,200	6,852,400	200,799
CBM 4183 Trachoma Elimination	-	-	-	18,479,635	18,479,635	17,742,388	737,247
Rotary club AA Entoto/Water Filter	207,139	-	207,139	225,406	432,545	432,545	-
Dr Alemayehu & Wro Wosenyesh	-	-	-	47,555	47,555	47,555	-
Hopewalks	-	-	-	94,029	94,029	94,029	-
Novaritis/Xova	2,744,739	-	2,744,739	-	2,744,739	1,787,782	956,957
ESSILOR	462,449	-	462,449	140,293	602,742	602,742	-
See You Foundation	1,298,034	-	1,298,034	9,955,852	11,253,886	10,729,569	524,317
AYNAGE CFDA	-	-	-	204,572	204,572	204,572	-
St. Paul's Millennium Medical College	(75)	75	-	-	-	-	-
<b>TOTAL</b>	<b>4,841,508</b>	<b>2,236</b>	<b>4,843,744</b>	<b>66,893,416</b>	<b>71,737,160</b>	<b>69,315,095</b>	<b>2,422,065</b>



**GRABET TEHADISO MAHBER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**14. GENERAL AND ADMINISTRATIVE EXPENSE**

Currency: Ethiopian Birr

	Addis Ababa	Butajira	Batu/Zeway	Total	2021
Postage, telephone and telegrams	39,188	88,724	18,085	145,998	125,540
Vehicle running expense/Parking/Rent	23,734	2,090,299	44,864	2,158,898	599,020
Insurance	26,130	80,940	-	107,070	207,296
Printing hospital cards, prescription, receipts	-	-	-	-	604,444
Travel and Perdiem	102,846	941,244	193,431	1,237,521	599,698
Bank Service charge	2,726	3,241	150	6,117	5,408
Electricity and water	40,921	200,631	80,609	322,161	25,332
Miscellaneous (Contribution, membership , ZOO etc.)	45,157	156,442	18,690	220,289	66,680
Audit fee	-	80,000	-	80,000	92,895
Staff salaries and benefits	2,450,987	2,595,142	2,134,232	7,180,361	3,825,731
Licence and tax	-	164,586	17,015	181,601	-
Workers Uniform & related	3,300	174,006	75,624	252,931	180,519
Office rent	555,535	-	-	555,535	481,025
Repair and maintenance	56,137	1,667,077	28,349	1,751,563	55,136
Office equipment, computer, printer etc	68,134	243,839	-	311,973	78,619
Wages , labor & related	120,860	83,900	2,700	207,460	195,365
Professional Fee	-	-	-	-	42,177
Office supplies/refreshment /Guest expense	230,588	672,714	158,730	1,062,033	266,724
	<b>3,766,244</b>	<b>9,242,786</b>	<b>2,772,480</b>	<b>15,781,510</b>	<b>7,451,609</b>

