

MARY JOY ETHIOPIA

IPSAS FINANCIAL STATEMENTS AND

AUDIT REPORT

31 DECEMBER 2023

Tesfaye Adugna Certified Audit Firm

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Addis Ababa-Ethiopia

**MARRY JOY ETHIOPIA
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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MARRY JOY ETHIOPIA
KEY ENTITY INFORMATION AND MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

Background Information

Mary Joy Ethiopia (MJE) was established in 1994 as a nonpolitical, non-religious and not profit-making organization. Presently Mary Joy works in close partnership with many development partners in six sub-cities of Addis Ababa, Yeka, Gulele, Addis Ketema, Arada, Bole and Kolfe Keraniyo and in 8 Woredas /towns of Southern Nations, Nationalities, and People's Regional State including Hawassa. There is one coordination office in Addis Ababa situated around locally known us "Asko" North -West of Addis Ababa. It has one semi-decentralized and one fully-decentralized program area offices located at Yeka sub city in Addis Ababa and Hawassa town respectively.

Vision:

MJE strives to be a sustainable organization that brings about lasting improvement in the lives of its target groups

Mission:

Mary Joy Ethiopia is an Ethiopian resident charity that works to empower vulnerable and underserved community groups through integrated development programs

Company TIN Number 000 1582679

Registered Office

Kolfe Keraniyo Sub-City
Asko Woreda 14, Near Tiquir Abay Shoe Factory
Addis Ababa
Ethiopia
www.Maryjoy-ethiopia.org
Email:maryjoy@ethionet.et;maryjo@maryjoy-ethiopia.org

Independent Auditor

Tesfaye Adugna Certified Audit Firm
P.O.BOX 22351/1000
Email: tesfayeaudit@gmail.com
1st Floor, Zequala Complex, Kazanchis Bambis
Addis Ababa,
Ethiopia

Principal Bankers

Commercial Bank of Ethiopia
P. O. Box 12638
Addis Ababa, Ethiopia
Buna International Bank Share Company
P. O. Box-33645
Addis Ababa, Ethiopia



MARYJOY ETHIOPIA
MEMBERS OF BOARD OF DIRECTORS AND MANAGEMENT TEAM
FOR THE YEAR ENDED 31 DECEMBER 2023

BOARD OF DIRECTORS

<u>No.</u>	<u>Name</u>	<u>Position</u>
1	Mr. Yismashewa Seyoum	Chairperson
2	Mr. Amare Kassa	V/Chairperson
3	Mrs. Worknesh Daba	Member
4	Mrs. Yemisirach Habitamu	Member
5	Mr. Ayinalem Yigzaw	Member
6	Mrs. Addis Zelekaw	Member
7	Mr. Kassaye Lema	Member

MANAGEMENT TEAM

1	Sr.Zebider Zewdie	Excutive Director
2	Sintaheyu Hailu	Head of Resource
3	Dr. Abdu Dawud	Chief of Party USAID
4	Wondwosen Mesele	Head of Program
5	Habtamu Kitaba	Fanance Head
6	Dr. Zerubabel Adugna	Public Health Head
7	Ketema Tessema	Head of Monitoring& Evalu.
8	Dagnachew Gosaye	Addis Ababa PPP Coordinato



MARYJOY ETHIOPIA
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

Dear Mary Joy Ethiopia families,

In Ethiopia, the society has faced numerous socioeconomic challenges. In addressing these issues, the government has implemented policies and homegrown economic interventions to uplift highly vulnerable target communities from poverty. Mary Joy Ethiopia, as one of the key actor, has implemented integrated development programs that have brought about tangible outcomes and improvements in the lives of target communities. Over the past three decades, Mary Joy has established a legacy and significantly contributed to the attainment of the national goals and further to SDG.

In the period under review, Mary Joy Ethiopia has accomplished planned activities on education, livelihood enhancement, health, public- private partnership, community and institutional capacity building in five regions and one city administration, such as South Ethiopia, Sidama, Central Ethiopia, South West Ethiopia, Oromia, and Addis Ababa respectively.

MJE has focused on the growing vulnerability citizens particularly children, women, mothers, and elders, to street-related issues. The organization has made significant progress in tackling this issue by constructing and establishing two rehabilitation centers in Addis Ababa and one in Hosana dedicated to rehabilitate and empower street mothers with children and street children as well as adults. Apart from day care services, the Hawassa elder center and Hosana Street children and street adult services have provided full boarding comprehensive services encompassing rehabilitation, empowerment and reintegration services for street elders, street children and adults respectively. In addition, elder centers are under construction in Hossaena and Arbaminch towns.

Mary Joy Ethiopia has organized consecutive high-level advocacy meeting platforms with the involvement of government decision-makers, and the private sector, and influential people with the objective of fostering structural, coordinated and collaborated response. The year concluded with the mobilization of ETB 187,182,876.19 (118% of the target) , representing 46% increase from previous year.

Health project with the theme of Social Behavioral Change implementation commenced in the new target area, Gurage Zone Three woredas. The resources mobilized were utilized for program implementation encompassing street children, mothers, ASRH, HIV Prevention Care and Support, and inclusiveness.

The year ended is marked by the conclusion the existing strategic plan. And the development of the new strategic plan for the next five years is underway.

Ensuring the sustainability of the organization is at the core of MJE's vision. During the period being reviewed, MJE initiated two significant projects: the construction of Asko Primary Hospital in Addis Ababa, and training and multi-purpose business center in Hawassa. Preliminary activities, resource mobilization and preparation activities have commenced with construction scheduled to start next year. These projects are expected to significantly contribute to securing Mary Joy's sustainable income.

Additionally, in the upcoming period, the organization intends to expand its programs, reach more target groups, and broaden its geographical coverage. Mary Joy is dedicated to improving the livelihoods of the communities it serves.

Finally, I want to extend my heartfelt gratitude to all members of the Mary Joy family, the general assembly and board members, as well as the volunteers for their contributions, and I urge them to persist in their endeavors. Congratulations to everyone for successfully accomplishing the scheduled activities.

It is my best wishes of peace and unity to our country and its people!

Thank you

Yismashewa Seyoum

Chairperson of the board



MARYJOY ETHIOPIA
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

The governance of the organization has a structure of general assembly with members of over 64 (of which 19 are females and the rest are males) is the highest governing body of the organization, which is followed by board of directors with a member of 7 (3 females and 4 males) persons and the secretariat. The Board is followed by a Management Committee. This comprises of the Executive Director, Program and Operational Director, Finance Head, Medical Directors and Area Program Managers, who are responsible for undertaking the day to day activities of the organization. A system of monitoring tools is in place and the board formally communicates with the General Assembly once a year, whilst the Executive Director and the Management reports quarterly to the board.

• **Number of Volunteers:**

4500 (that include leadership, peer mothers groups, individual volunteers, child support committee members, youth & child-led clubs, professional volunteers like artists, modelists, journalists, DJs, architects, fashion designers and so on).

• **Monitoring and Evaluation**

The monitoring and evaluation is part and parcel of the project cycle management process. in line with this, the organization has put in place monitoring and evaluation guideline and system. The indicators in the Performance Monitoring Plan (PMP) used to monitor the progress of the projects. Target indicators have been set for each output. These indicators will enable the Project Coordinator and the Monitoring and Evaluation Group to see how far the project has gone towards meeting its targets at every interval. The following monitoring activities have been conducted to ensure the project reaches its targets.

- a) Develop and distribute monitoring and evaluation tools, checklist and reporting formats
- b) Project staff are responsible to develop deep implementation /gaunt-chart to oversee the day-to-day activities of the project
- c) Every month the field activities of the project reviewed during staff meetings.
- d) Project activities reports presented to Donor agencies
- e) The performance status of the projects reported to government signatory offices and local stakeholders every quarter
- f) The Monitoring and Evaluation Group which consist of representative of targeted women, stakeholders and staff and donor agency meet regularly to discuss the progress of the projects
- g) There are bi-annual review meetings with all stakeholders and program personnel to identify strength, weakness, promising practices and lessons learned, and better strategies for improved performance of the project, and future interventions within the project life period.
- h) Mary Joy Ethiopia monitoring and evaluation unit develops checklists to measure the progress of the project in terms of the given output and outcome indicators, and conduct quarter base mentoring and supportive supervision



MARYJOY ETHIOPIA
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

Dear Families,

I couldn't be more excited to share with you the 2023 annual report of MJE. What a year it has been! The devastating pandemic, the internal conflict here and there, and the full-blown war which resulted in social, financial, and political crises nationwide which directly reflected on MJE's effort and exacerbated the poverty situations that we intend to eliminate.

Despite all the challenges, MJE's management and staff exerted extraordinary effort to achieve what we had planned at the beginning of the year. As a result, our programs reached 205 thousand Orphan and Vulnerable Children, Care Givers, vulnerable youth, People Living with HIV, elders, and socio-economically vulnerable women with various services directly, wherein MJE operates, while millions were also reached indirectly. These figures show the increasing trend of our beneficiaries over the years.

2023 has also been a year of great resource mobilization. 90.1 million Birr was mobilized from international and local supporters, exceeding the plan. The local children and elders sponsorship increased by 14% compared to the preceding year. In partnership with the Ministry of Women and Social Affairs, we have launched Children's sponsorship opportunities among ministry offices. Thus 60 children benefited from the initiative so far. In addition, we have also launched an urban destitute project in partnership with the same ministry offices. The project is linked with Hawassa elder center which provides comprehensive services for 120 street elders.

MJE's management has made a relentless effort in maximizing the program implementations as well as capacities of the staff through capacity-building interventions. The Private-Public-Partnership project with the theme "Ethiopian-to-Ethiopian" has been growing remarkably; as a result, we are replicating it to other regions and towns. Consequently, it has resulted in the expansion of MJE's accessibility to several community groups.

As the report reveals, MJE's interventions are moving ahead and increasing our reach both programmatically and geographically, we have to keep our focus on measuring, monitoring, and ensuring our impact is long lasting and improves the lives of our beneficiaries for years to come. Delivering quality programs to our beneficiaries and maximizing and diversifying the sources of resources must always be our priority.

Finally, I want to thank all our supporters and our staff for bringing our work on the ground and making it possible. Thanks to our board members for full engagement and heightened leadership. And most importantly, I would like to extend my sincere gratitude to the people we help.

Sr. Zebider Zewdie,
Founder and Executive Director



MARRY JOY ETHIOPIA
STATEMENT OF MANAGEMENT RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with the Proclamation No. 847/2014, 'Financial Reporting Proclamation', the Accounting and Auditing Board of Ethiopia (AABE) has made a mandatory requirement for Public Interest Entities to prepare their financial statements in compliance with International Public Sector Accounting Standards (IPSAS). As Mary Joy Ethiopia categorised under the PIE, per the requirement of AABE, its Management is responsible for the preparation and fair presentation of the association's financial reports in full conformity with the requirements of the International Public sector Standard issued by the International Public Sector Accounting Standards Board (IPSASB) which provide information about the financial position, financial performance and cash flows of an entity that is useful to a wide range of users in making economic decisions.

The Charities and Societies Agency also requires the Management to prepare financial statements that represent the state of affairs of the association at the end of the financial year and the operating results of the charity for that year. It also requires the Management to ensure that the association keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Development Association.

Thus, the management is responsible to keep records that may be relied upon and to design, implement and maintain such internal control to enable the preparation of financial statements that are free from material omissions or misstatement, whether due to fraud or error.

The management is also responsible to:

- i) select and apply accounting policies in accordance with IPSAS 3 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- ii) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- iii) provide additional disclosures when compliance with the specific requirements in IPSAS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Management certify that, to the best of their knowledge, the financial report comply with IPSAS in that it involves a fair presentation of the effects of transactions, other events and conditions in accordance with the definitions, recognition, presentation and disclosure requirements.

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

At the end of reporting period, the Management has assessed whether there is any indication that an asset may be impaired and confirmed that no any such indication exists.

Signed on behalf of the Management by:

Sr.Zebider Zewdie Yitayew



Executive Director





**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF
MARRY JOY ETHIOPIA
FOR THE YEAR ENDED 31 DECEMBER 2023**

Section One: Report on the Financial Statements

We have audited the financial statements of Marry Joy Ethiopia, set out on Page 11 to 35, which comprise the statement of financial position as at 31 December 2023, statement of financial performance, statement of changes in net assets, a statement of cash flow, a statement of comparison of budget and actual amounts and a summary of significant accounting policies and other explanatory information for the year then ended, and notes to the financial statements, specified on page 15 to 35.

Unqualified Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Marry Joy Ethiopia as at 31 December 2023 and its financial performance, for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Unqualified 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 Accounts (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 and those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies of the organization, and for such internal control as management determines is necessary to enable the preparation of the audit report that is 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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the audit 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 to review compliance with Civil Society Organization Proclamation No. 1113/2019;

1) Income: -

- a. The Organization has pre-numbered cash receipt vouchers.
- b. All income of the year has been supported by Cash Receipt voucher.
- c. As per the documents presented for us source of income are clearly identified.
- d. All income directly remitted to Bank account of the organization.
- e. All foreign income collected by the organization are legal.

2) Expenditures: -

- a. Expenses were supported by appropriate documents.
- b. The Organization has pre-numbered payment and journal vouchers.
- c. Payments were effected following payment procedures designed by the organization.
- d. Payments were approved by the management.
- e. Original documents were used as supporting evidence for expenditures.
- f. As shown on income and expenditure statement, the organization expends 83% for program and 17% for administrative costs.



3) Property, plant and equipment: -

- a. Property, plant and equipment register is maintained with necessary details.
- b. Property, plant and equipment identification number are given to each asset and cross-referenced with the register book.
- c. Property, plant and equipment counted by the management at year end.
- d. Property, plant and equipment register maintained by the management.

4) Advances to partners organization

- a. Advances to partners organization are a consequence of such transfer of cash funds, less reported disbursements
- b. The balance represents unutilized grant transferred to local partners.

5) Cash and bank balances

- a. The details of banks used by the organization are known.
- b. Bank reconciliation is prepared on monthly basis.
- c. Bank statements of each bank accounts operated by the organization are made available.

6) Creditors

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

7) Compliance with the project agreement

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

In our opinion, the attached financial statements of Mary Joy Ethiopia as at 31 December 2023, in all material respect, complies with Civil Society Organization Proclamation No. 1113/2019 issued by the FDRE Agency for Civil Society Organizations.

(Handwritten signature)



Tesfaye Adugna Certified Audit Firm
Chartered Certified Accountants (UK)
Authorized Auditors (Eth)

Addis Ababa
21 March 2024



**MARY JOY ETHIOPIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

Currency :- Ethiopian Birr

ASSETS	Note	2023	2022
NON CURRENT ASSETS			
Property, plant and equipment	2.1b, 6	27,494,633.51	28,066,340
Investment	7	2,670,000.00	-
		30,164,633.51	28,066,340
CURRENT ASSETS			
Cash and cash equivalents	2.1m, 8	16,968,704.92	19,182,382
Sundry and other receivable	8	9,346,910.75	1,738,483
Inventories	2.1f, 14	975,940.16	912,641
		27,291,555.83	21,833,506
TOTAL ASSETS		57,456,189.34	49,899,846
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Trade and other payables	2.1e ii, 10	1,895,389.01	3,768,686
Employee benefit	11	257,909.91	456,150
Leave obligation	12.1	597,118.40	597,118
		2,750,417.32	4,821,954
NON CURRENT LIABILITIES			
Employee benefit obligation	3, 12.2	1,727,926.35	1,314,766
TOTAL LIABILITIES		4,478,343.67	6,136,720
NET ASSETS		52,977,845.67	43,763,126
REPRESENTED BY:			
Fund Balance		26,427,290.15	16,205,796
IPSAS Translation Reserves		24,943,754.86	28,081,118
Accumulated surplus		1,606,800.66	(523,788)
TOTAL EQUITY		52,977,845.67	43,763,126



**MARY JOY ETHIOPIA
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2023**

Currency :- Ethiopian Birr

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Revenue from non-exchange transactions			
Foreign Donation	2.2a, 4	109,649,083.46	89,213,576
Local Donation	2.2a, 4	46,946,639.04	28,698,350
Elders center Construction Hossana and Arba Minch	2.2a, 4	1,682,979.60	2,050,784
Medical Center Income	2.2a, 4	15,676,106.14	7,701,483
Charity Run	2.2a, 4	2,499,743.33	-
Other income		428,324.62	-
Total revenue		176,882,876.19	127,664,193
Expenses			
Program Cost (83%)	5.1	138,292,254.13	115,139,853
Administrative Expense (17%)	5.2	28,718,989.08	20,584,704
Total Program and administrative expense		167,011,243.21	135,724,557
Depreciation expense		1,140,045.04	1,046,395
Total Expense		168,151,288.24	136,770,952
Surplus/ deficit for the Year end		8,731,587.95	(9,106,759)



MARY JOY ETHIOPIA
CHANGE IN NET ASSETS/ EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency:- Ethiopian Birr

	Fund Balance	Translation reserve	Accumulated surplus/ Deficit	Total Net Asset/ Equity
Balance as at 01 January 2023	16,205,796	28,081,118	(523,788)	43,763,126
Prior year adjustment **		(2,490,657)	2,480,450	(10,207)
Reestimated balance	16,205,796	25,590,461	1,956,662.18	43,752,919
PPE Accumulated Depreciation		(1,140,045)		(1,140,045.04)
PPE Recognition cost IPSAS		493,339	-	493,338.87
Surplus for the period	10,221,495		(349,861.52)	9,871,633
Balance as at 31 December 202	26,427,290	24,943,755	1,606,801	52,977,846

** From the Total Prior year adjustment fund balance on IPSAS Translation effect amounting Birr 2,490,657.35 Shows Accumulated depreciation of PPE on 01 January 2023.



MARRY JOY ETHIOPIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency: Ethiopian Birr

Cash flow from operating activities

Surplus/Deficit for the year	8,731,587.95
Less: Adjustment- opening balance difference	483,131.91
	<u>9,214,719.86</u>

Adjustment for non- cash income and expenses

Deprecation	1,140,045.04
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Change in working capital:

(Increase)/decrease in sundry receivable	(7,608,427.35)
(Increase)/decrease in Inventory	(63,299.10)
Increase/(decrease) in creditors (other current liabilities)	(1,873,296.76)
Increase/(decrease) in Employee benefit severance liability	214,920.46

Cash (used in)/ generated from operating activities

1,024,662.15

Net cash flow from operating activities

1,024,662.15

Cash flow from investing activities

Acquisition of investment	(2,670,000.00)
Purchase of plant, property and equipment	(568,338.87)
Net cash flow from investing activities	<u>(3,238,338.87)</u>

Cash flow from financing activities

Net cash in flow from finance activities

-

Net increase /decrease in cash and cash equivalents

(2,213,676.72)

Cash and cash equivalent at the beginning of the year

19,182,381.64

Cash and cash equivalent at the end of the year

16,968,704.92

Components of cash and cash equivalents

Cash at bank

16,968,704.92

16,968,704.92



MARYJOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Company information

Mary Joy Ethiopia was established in 1994 as a non-political, non religious and not profit making organization. Presently Mary Joy works in close partnership with many development partners in Addis Ababa, Yeka, Gulele and Kolfe Kraniyo Sub Cities and In Southern Nations, Nationalities, People’s Regional State, Hawassa City, Dilla Aleta Wondo, Yirgalem and, , Tula, Shebedino, Bule and towns.

The Association was re-registered on May 23, 2019 as an Ethiopian Resident Association by the Federal democratic republic of Ethiopia Agency for civil society organizations in accordance with Proclamation No. 1113/2019, and obtained a Registration Certificate No. 0060.

The Association has a mission to work towards empowering children, women, families and other underserved community groups through integrated community development programs which focus on capacity building and encourage genuine participation of beneficiaries to the effect that target communities become HIV and AIDS competent and their livelihood improved.

The Association has one coordination office in Addis Ababa and two semi –decentralized and one fully decentralized program area offices located at Kolfe Keraniyo and Yeka sub cities in Addis Ababa and Hawassa town, respectively.

2. Significant accounting Policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB).

The financial statements prepared on a historical cost basis, except for two owned Lands located in addisababa and hawasa city and Building located in addisababa, which has not yet been revalued and taken as deemed cost in its opening IPSAS statement of financial position dated 1 January 2018 . The Association take the exemption of IPSAS 33 Paragraph 36 relief and subsequently will measure the remaining land and buildings and take as deemed cost before the relief period elapse which is within three years from the adoption date of the transitional IPSAS accrual Financial statement.

Items included in the financial statements are measured using the currency of the primary economic environment in which the organization operates (‘the functional currency’). The financial statements are presented in Ethiopian Birr (“ETB”) which is the Charity’s functional currency.



MARYJOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

2.1 Basis of preparation - Continued

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 Governing Bodies of the Organization have not communicated any intention to terminate the Organization or to cease its operations.

In accordance with IPSAS 1, a complete set of financial statements has been prepared as follows:

- a. Statement of Financial Position
- b. Statement of Financial Performance
- c. Statement of Changes in Net Assets
- d. Cash Flow Statement
- f. Notes, comprising a summary of significant accounting policies and other relevant information.

In compliance with IPSAS 1, paragraph 28, Except for Property plant and equipment(Land and Building) in which the revaluation process not yet finalized for opening deemed cost ,the Association has fully adopted IPSAS. Other Categories of property plant and equipment that have been aquired before 2018,and aquired and expensed in both 2019,2020,2021and 2022 included in this transitional IPSAS financial statement.

2.2 Summary of significant accounting policies

The following are the significant accounting policies applied by the Association in preparing its financial statements:

a) Revenue from non-exchange transactions

The Association recognizes revenues from Donation, Contribution and membership fees when the event occurs and the asset recognition criteria are met. 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. Other non- exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Association and the fair value of the asset can be measured reliably.

b) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses after recognizing the PPE in the financial position as deemed cost and aquired and capitalized in the period of relief. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Association recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non- exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.The Company commences depreciation when the asset is available for use. Free hold Land is not depreciated. Capital work-in-progress is not depreciated as these assets are not yet available for use. They are disclosed when reclassified during the year. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use.



MARYJOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

b) Property, plant and equipment

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets including those Property, plant and equipment which are stated at Revalued amounts and used as a deemed cost at opening IPSAS Financial Position date (30 JUNE 2019). For those items that are not revalued and assets that are acquired after translation date, their useful life is determined by management based on the pattern and the manner in which it has intended to use those assets. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus/deficit statement when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The useful lives of items of property, plant and equipment have been assessed as follows:

	Average useful life:
Leasehold improvements	10 Years
Buildings	50 Years
Plant and machinery	15 Years
Motor vehicles	20 Years
Sanitary equipment	10 years
Office equipment	10 Years
Computer equipment	10 Years



C) Leases –

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Association . Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Association also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Association will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Association . Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.



MARYJOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

d) Intangible assets – IPSAS 31

i) Research and development costs

The Association expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Association can demonstrate:

- Ø The technical feasibility of completing the asset so that the asset will be available for use or sale
- Ø Its intention to complete and its ability to use or sell the asset
- Ø How the asset will generate future economic benefits or service potential
- Ø The availability of resources to complete the asset
- Ø The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit

e) Financial instruments

i) Financial Assets

Initial recognition and measurement

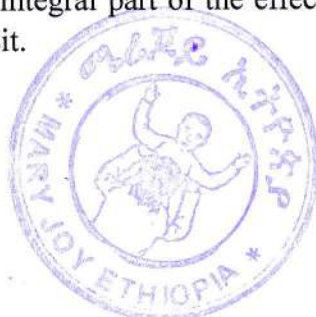
Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Association determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Association has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.



MARYJOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

Impairment of financial assets

The Association assesses at each reporting date whether there is objective evidence that a financial asset or Association of financial assets is impaired. A financial asset or a Association of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Association of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Ø Default or delinquency in interest or principal payments

Ø The probability that debtors will enter bankruptcy or other financial reorganization

Ø Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Association determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Trade and Other Payables

Trade and other payables are liabilities that arise in the ordinary course of business and accounted at the transaction date value and Subsequently measured at transaction price and derecognized if concession, fulfillment or cancellation of liabilities occur

f) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Fair value of donated Inventory have been ignored because of immateriality



MARYJOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- * Raw materials and Medical Supplies: purchase cost using the weighted average cost method
- * Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Society.

g) Provisions

Provisions are recognized when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Association expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Association does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Association does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.



MARYJOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

h) Changes in accounting policies and estimates

The Association recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Employee benefits

The Association provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which a Association pays fixed contributions into a separate Association (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued annually on the projected unit credit method basis or other applicable simplified methods depend on the Association materiality. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

k) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the spot rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l) Related parties

The Association regards a related party as a person or a Association with the ability to exert control individually or jointly, or to exercise significant influence over the Society, or vice versa. Members of key management are regarded as related parties and comprise the board members, manager and senior managers.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amount of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Association bank account and at various commercial banks at the end of the financial year. For the purpose of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.



MARYJOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

n) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

o) Significant judgments and sources of estimation uncertainty

The preparation of the Charity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

p) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Charity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

q) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- Ø The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- Ø The nature of the processes in which the asset is deployed
- Ø Availability of funding to replace the asset Changes in the market in relation to the asset

r) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions .

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

s) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended December 31, 2023.



MARYJOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Significant accounting judgements, estimates and assumptions

The preparation of the Association's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Judgements

In the process of applying the Associations' accounting policies, management has not encountered any situation that calls for any a significant judgements, which have significant effect on the amounts recognized in the financial statements:

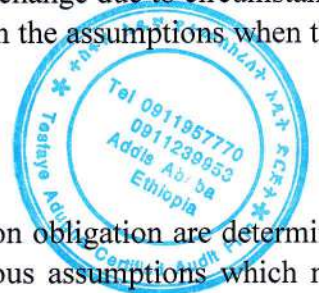
Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to circumstances arising beyond the control of the Association. Such changes are reflected in the assumptions when they occur.

Employee termination benefit

The cost of post employment benefit and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and employee turnover rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a post employment benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the salary increment rate and date of employee termination. In determining the appropriate salary increment rate, management has taken historical data and estimated rate of salary increment using growth rate calculation formula.



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency:- Ethiopian Birr

4 Revenue

The following are analysis of the Charitys' revenue for the year

	<u>2023</u>	<u>2022</u>
Foreign Donation		
IOM	1,723,573.05	4,154,258.02
USAID	100,145,799.06	75,830,841.60
Lung Cancer Prevention (Matios Wendu Cancer Society)	-	2,204,843.00
Urban Distitute Support Elders	2,182,960.00	2,323,125.00
Urban Distitute Support Elders (Hosaena)	3,048,282.50	
Oxfam-UK		2,098,046.45
SOS	1,213,125.85	2,602,462.00
FHI 360	1,335,343.00	-
	109,649,083.46	89,213,576
Local Donation		
Local donation & Diaspora	23,721,718.33	2,975,486.08
Sponsorship Income	17,719,756.41	22,824,295.97
Ethio Telecom SMS 9600 Support	5,505,164.30	2,898,567.73
Local Donation total	46,946,639.04	28,698,349.78
Elders center Construction Hossana and Arba Minch	1,682,979.60	2,050,784.32
Income generating Medical Center Income	15,676,106.14	7,701,483.00
Membership income	309,127.76	-
Interest Income	119,196.86	-
Charity Run	2,499,743.33	-
TOTAL INCOME	176,882,876.19	127,664,193.17



4.1 Source of Revenue from non exchange transaction

Income from Bank service charge other revenue from voluntories contribution in Kind and in cash to support the association objective. The revenue was not stipulated any condition so that, it was recognised as asset and as a revenue.



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency:- Ethiopian Birr

5 Expenses

5.1 Program Expenses

	<u>2023</u>	<u>2022</u>
Support for Beneficiaries (Cash& InKind)	35,359,337.28	31,031,671
Training for Beneficiaries	2,741,113.95	6,678,780
Construction	8,604,995.04	3,698,722
Investment (IGA and Other)	2,103,656.60	-
Cost of Sales (Drug, Chemicals ...)	3,110,046.03	1,437,289
Equipment& Furniture for MJE Offices	289,921.15	1,329,812
Salary& Benefits	21,728,446.13	20,493,723
Local Travel (Perdiem& Accomodation)	1,585,048.39	2,113,015
Vehicle	5,258.40	-
Office Rent	90,000.00	-
Communication (Internet, Voice etc)	82,821.36	-
Office Maintenance	213,991.20	-
Supplies, Stationaries, Copy, Print& Binding	1,435,475.55	109,309
Staff Development	-	-
Organizational Devlopment (Website, Software, System, .	-	-
Meetings (Review, Monitoring,...)	-	892,882
Refreshment (Cofee, tea, ...)	21,175.00	-
Governance Expense (Board, General Assemly and SPM)	-	-
Membership expense (CRDA& Others)	-	-
Bank Charges& Other Miscellaneous	139,708.00	-
MJE (Mary joy Ethiopia) Program	77,510,994	67,785,204
LIPs (Local Implimenting Partners) Program	60,781,260	47,354,649
	138,292,254.13	115,139,853



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency:- Ethiopian Birr

5.2 Administrative expense

	<u>2023</u>	<u>2022</u>
Support for Beneficiaries (Cash & InKind)	96,769.52	-
Equipment& Furniture for MJE Offices	211,210.00	-
Salary& Benefits	6,022,119.98	5,501,034
International Travel (Perdiem, Accomodation& AirTicket	258,092.30	-
Local Travel (Perdiem& Accomodation)	327,533.84	184,048
Vehicle	2,389,730.04	2,070,324
Office Rent	1,389,140.31	1,158,433
Communication (Internet, Voice etc)	449,802.52	769,461
Office Maintenance	81,495.41	200,069
Supplies, Stationaries, Copy, Print& Binding	1,105,322.25	861,028
Meetings (Review, Monitoring,...)	884,886.34	-
Refreshement (Cofee, tea, ...)	1,469.87	164,381
Governance Expense (Board, General Assemly and SPM)	147,196.36	157,156
Bank Charges& Other Miscellaneous	156,882.32	440,183
MJE (Mary joy Ethiopia) Admin	13,523,674.07	11,506,117
LIPs (Local Implimenting Partners) Admin	15,195,315.01	9,078,588
Total Adminstration expenses	28,718,989.08	20,584,704



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency:- Ethiopian Birr

6. PROPERTY, PLANT AND EQUIPMENT

COST	As at	Addition	As at
	01.01.2023		31.12.2023
Building	23,770,341	-	23,770,341
Machinery	672,641	-	672,641
Furniture and fixture	1,239,950	119,440	1,359,390
Computer and accessories	2,387,480	373,899	2,761,379
Office equipment	483,663	-	483,663
Musical Instrument	537,454	-	537,454
Medical equipment	981,268	-	981,268
Kitchen equipment	103,874	-	103,874
Motor Vehicle	160,000	-	160,000
GYM equipment	204,527	-	204,527
Sanitary equipment	15,800	-	15,800
Electronics	-	75,000	75,000
	<u>30,556,997</u>	<u>568,339</u>	<u>31,125,336</u>
DEPRECIATION			
Building	927,043.32	475,406.83	1,402,450.15
Machinery	70,957.79	44,842.71	115,800.50
Furniture and fixture	280,968.55	124,990.29	405,958.85
Computer and accessories	617,848.94	253,521.67	871,370.60
Office equipment	78,208.14	48,366.30	126,574.44
Musical Instrument	89,197.47	53,745.40	142,942.87
Medical equipment	314,162.64	98,126.82	412,289.46
Kitchen equipment	32,624.36	10,387.36	43,011.71
Motor Vehicle	5,333.33	8,000.00	13,333.33
GYM equipment	74,181.15	20,452.66	94,633.81
Sanitary equipment	131.67	1,580.00	1,711.67
Electronics	-	625.00	625.00
	<u>2,490,657</u>	<u>1,140,045</u>	<u>3,630,702</u>
BOOK VALUE	<u>28,066,340</u>		<u>27,494,634</u>



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

6.1 Disclosures Of PPE

Except computer, office equipment machine and furniture purchased during 2019, 2020 and 2021 financial year And two own building elders day care center located in hawasa All property, plant and equipment that was expensed when purchased before January 2019 financial year not identified revalued and recognized in this final transitional IPSAS Financial statement. The Charity elect to use the three year transitional provisional relief. The assets that was not included in the association register (land and building) are material and significant with an estimated amount at the historical acquisition cost amount around 15 million birr. This will affect the fair presentation of the financial statement of the charity.

This asset will be revalued or historical cost will be collected from acquisition source documents and restated in accordance with the IPSAS 17 requirement and will be finalized and accounted in the next financial years before the relief period elapsed. If the management decided to revalue the asset at current fair value the charity will take the revalued amount as deemed cost in its financial statement.

We have Presented Items Donated in Kind both in Addis Ababa and regional offices with an estimated price of Birr **6,064,704.65** Food School and Sanitary materials, health support cloths, etc



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency:- Ethiopian Birr

	<u>2023</u>	<u>2022</u>
7 Investment		
Ayu Flour factory S.C	2,670,000.00	-
	<u>2,670,000.00</u>	<u>-</u>

An investment balance shows purchase of Share from Ayu Flour Factory S.C

	<u>2023</u>	<u>2022</u>
8 Cash and cash equivalents		
Cash in hand (Note # 8.1)	109,070.00	100,627.52
Cash at Bank (Note # 8.2)	16,859,634.92	19,081,754.12
Cash and cash equivalents	<u>16,968,704.92</u>	<u>19,182,381.64</u>

	<u>2023</u>	<u>2022</u>
8.1 Cash in hand		
Main cash .	29,070.00	7,300.92
Main Cash ETEM Awassa	5,000.00	9,530.32
Main Cash Birhan Megenegna	-	959.03
Petty Cash Yeka Project	5,000.00	5,000.00
Petty Cash of main office	20,000.00	10,000.00
Petty cash Awassa	5,000.00	5,000.00
Petty cash Asko M center	20,000.00	10,000.00
Petty Cash - Fund Raising Offi	10,000.00	15,000.00
Petty cash Hadiya	10,000.00	10,000.00
Main Cash Hadiya	-	17,514.41
Petty cash Wolayta/Arbaminch	5,000.00	5,000.00
Petty cash Arbaminch	-	5,000.00
Payrol Fund Worke(HO)	-	322.84
	<u>109,070.00</u>	<u>100,627.52</u>



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency:- Ethiopian Birr

8.2 Cash at Bank	<u>2023</u>	<u>2022</u>
Cash at Bank by Abysinia	201,218.28	689,559.65
Cash at Bank by A/C 841	680,152.34	-
Cash at bank 1130	-	17,049.80
Cash at bank Enat bank	27,548.51	194,687.90
Cash at Bank - 1534 Kolfe	2,540,969.58	2,823,132.87
cash at bank 1442 (Dilla)	304,899.59	304,899.59
cash at bank Megenagh 1599	3,228,974.15	4,103,403.98
Cash at bank Wolayete	34,516.95	34,516.95
Cash at Bank Etem AWs	646,080.47	155,934.43
Cash at Bank Arat kilo	461,775.36	1,327,954.52
Cash at Bank Buna Kotebe	17,879.43	1,101,000.53
Cash at Bank Buna Megenagna	121,821.03	835,484.30
Cash at Bank Arbaminch	1,136,792.44	2,169,481.95
Cash at Bank Bunna Awassa	129,332.18	353,803.49
Cash at Bank Birhan Megenaga	294,665.59	993,954.92
Cash at Dashen Bank	59,113.04	1,176,228.78
Cash at Bank Hadiya	468,897.95	58,447.41
Cash at Bank Abysina	3,697,479.47	1,592,747.79
Cash at Bank Abysina Hawasa	1,996.95	1,996.95
Cash at Bank United Bank	317,186.95	320,974.55
Cash at Bank Awash bank	826,493.76	826,493.76
Cash At Bank Buna Hosaena	74,356.94	-
NIB International Bank	1,335,343.00	-
Cash at bank Abyssina Charity Run	252,140.96	-
	<u>16,859,634.92</u>	<u>19,081,754.12</u>



9 Sundry and other receivable

	<u>2023</u>	<u>2022</u>
Tax recievables VAT (Note 9.1)	808,618.68	690,709.74
Advance and other recievables (Note 9.2)	8,484,749.48	982,930.69
Staff receivable (Note 9.3)	53,542.59	64,842.97
	<u>9,346,910.75</u>	<u>1,738,483.40</u>

They are non-derivatives financial assets carried at amortized cost which do not generate a fixed or variable interest income for the Charity. The carrying value may be affected by changes in the credit risk of the counterparties. The Charity has no any past due yet not impaired receivable.



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency:- Ethiopian Birr

9.1 Tax recievable

	<u>2023</u>	<u>2022</u>
VAT recivables	808,618.68	690,709.74
	<u>808,618.68</u>	<u>690,709.74</u>

9.2 Advance and Other Recievables

	<u>2023</u>	<u>2022</u>
EKHC	63,075.14	63,075.14
Pur. Ad - Worknesh	-	65,097.86
Pur. Advance - Mulugeta Eshetu PLC	8,200.00	-
Purchase advance Progynist	39,040.96	144,809.08
Paymnet advance CVDA	1,233,947.96	-
Payment advance Dilla	743,393.70	-
Purchase adva. Shimelis Mersha	-	51,500.00
Payment advance MJE PLC	-	558,000.00
Purchase advance Betlehem Afrassa	2,420.00	-
Purchase Adva. Banchiamlake C.	90.00	-
Purchase Adva. Yednekachew Tigistu	41,630.00	-
Purchase adv Meron Endeshaw	-	39,190.36
Receivable from ETEM Addis	1,671,700.00	-
Progynist	724,944.20	39,040.96
Sundry	3,956,307.52	-
	<u>8,484,749.48</u>	<u>982,930.69</u>



9.3 Staff receivable

	<u>2023</u>	<u>2022</u>
Short Term Loan Habtamu Kitaba	17,499.98	-
Short Term Loan Edom Gatachew	22,500.00	-
Loan Wondwosen Mesele	13,542.61	36,758.65
Short term loan for displaced	-	28,084.32
	<u>53,542.59</u>	<u>64,842.97</u>

10 Net asset/ Equity

The Net asset/ Equity balance represents the amount available for future operation of the Charity.



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency:- Ethiopian Birr

11 Trade and other payables

	<u>2023</u>	<u>2022</u>
Sundry and other payables (Note 11.1)	1,317,475.79	3,382,221.91
With holding tax payable	75,806.07	-
Employee income tax payable	502,107.15	456,150.09
	<u><u>1,895,389.01</u></u>	<u><u>3,838,372.00</u></u>

11.1 Sundry and other Payable

	<u>2023</u>	<u>2022</u>
Payment advance EKHC	-	848,943.38
Paymnet advance CVDA	-	679,688.85
Payment advance Dilla	-	383,765.56
Staff loan	-	10,850.44
Cost sharing	-	4,598.00
Audit fee	-	82,666.45
Sundry payable	367,896.89	293.23
Accruals	949,578.90	1,371,416.00
	<u><u>1,317,475.79</u></u>	<u><u>3,382,221.91</u></u>



11 Employee Benefit Obligation

	<u>2023</u>	<u>2022</u>
Pension contribution	257,909.91	25,189.05
Other Long term termination be	-	430,588.29
Provident fund Arbaminch	-	372.75
	<u><u>257,909.91</u></u>	<u><u>456,150.09</u></u>



MARY JOY ETHIOPIA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

12 Termination benefit obligation (Severance payment)

The Charity is obliged by law to pay severance payment for eligible employees who served the Charity for more than 5 years when the employment is terminated. The amount payable is one month final salary for the first year of service and one third of the final salary for the remaining year of services. Accordingly the present value of post employment benefit obligation (severance) and the related current service cost were measured using the projected unit credit method. And as per the requirement of Ethiopian labor law, we have accrued annual leave liability for annual leave balance carried forward for two years of each employee and showed the movement below. The eventual settlement of the severance is determined by reference to years of service to the company and based on the final monthly salary of the employee (30 days salary for the first year of service and one-third of the final salary for the remaining period the employee is entitled the benefit- and we ignored the mortality rate and other variables because of undue cost and effort and unavailability of reliable information in Ethiopia. The key financial assumptions are the discount rate and the rate of salary increases.

12.1 Employee Obligations Long term	<u>2023</u>	<u>2022</u>
Other Long term termination benefit		
Leave Obligation	597,118.40	597,118.40
Total	<u>597,118.40</u>	<u>597,118.40</u>
12.2 Employee benefit obligation		
Opening employee benefit obligation	1,314,765.71	1,079,055.29
Current service cost	413,160.64	235,710.42
Closing employee benefit obligation	<u><u>1,727,926.35</u></u>	<u><u>1,314,765.71</u></u>

13 Accrued leave salary

This represents cumulative annual leave accrued at the reporting date. Each employee is entitled to an annual leave of 14 days for the first year of employment and keeps on increasing one day per additional year of service until it reaches the maximum amount allowed per year. However, the leave can only be carried forward for one more year.

14 Inventory

A breakdown of the items included within inventory were as follows:

	<u>2023</u>	<u>2022</u>
Pharmaceuticals	975,940.16	912,641.06
	<u><u>975,940.16</u></u>	<u><u>912,641.06</u></u>



ROY ETI
 DONOR BASED INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDING ON 31 DECEMBER 2023

	01A01 USAID - Family Focused HIV Prevention, Care and Treatment Services	02A02 BRISTOL-MYEROS FOUNDATION (Malaria, Warts, Ye/Ethiopia cancer Society)	03A03 SOS	04A04 Hawassa URBAN DUSTITUT SUPPORT ELDBERS (UDS)	05A05 Hosana URBAN DUSTITUT SUPPORT ELDBERS (UDS)	06A06 International Organization for Migration (IOM)	07A07 PH1560	08B01 A.A PublicHealth	09B02 Hawassa PublicHealth	10C01 Addis Ababa ETEM	11C02 Hawassa ETEM	12C03 ArbaMinch ETEM	13C04 Hosana ETEM	14C05 DoloDafanasa ETEM	15C06 HO Unrestricted ETEM+	16C07 IGA- Charity Run	TOTAL
INCOME																	
Grants	100,145,799	-	1,213,126	2,182,960	3,048,283	1,723,573	1,335,343	-	-	-	-	-	-	-	-	-	109,649,083
Local donation	-	-	-	-	-	-	-	790,000	-	9,312,242	6,830,857	5,750	-	-	6,782,870	-	23,721,718
Sponsorship income	-	-	-	-	-	-	-	-	-	16,815,951	176,351	722,455	5,000	-	-	-	17,719,756
Membership Income	-	-	-	-	-	-	-	-	-	203,005	106,123	-	-	-	-	-	309,128
Medical center income	-	-	-	-	-	-	-	14,235,728	1,440,378	-	-	-	-	-	-	-	15,676,106
Construction (Elder Center,...)	-	-	-	-	-	-	-	-	-	-	-	-	1,496,740	-	-	-	1,682,980
Ethio Telecom 9600 SMS	-	-	-	-	-	-	-	-	-	-	-	-	-	5,505,164	-	-	5,505,164
CharityRun	104,754	-	-	-	-	-	-	-	-	13,974	-	-	-	-	469	-	119,197
Interest Income	100,250,553	-	1,213,126	2,182,960	3,048,283	1,723,573	1,335,343	15,025,728	1,440,378	26,345,172	7,113,330	914,445	1,501,740	-	12,288,503	2,499,743	176,882,876
EXPENDITURE -																	
Support for Beneficiaries (Cash & Ink	-	76,565	872,368	958,293	1,805,770	907,876	-	983,095	1,667	20,644,976	7,356,152	175,448	23,400	273,845	1,376,652	-	35,456,107
Training for Beneficiaries	2,105,238	264,246	136,879	-	16,907	217,845	-	6,293,412	-	-	9,826	1,301,702	-	-	-	-	2,741,114
Construction	-	-	-	-	-	-	-	2,898,539	274,806	-	-	-	-	-	-	2,103,657	8,604,995
Cost of Sales (Drug, Chemicals ...)	-	-	-	-	-	-	-	-	-	142,110	33,616	-	-	-	47,150	-	501,131
Equipment & Furniture for MJE Office	278,256	-	-	-	-	-	-	-	-	1,895,277	1,061,681	423,811	6,261	254,644	2,845,839	-	27,337,405
Salary & Benefits	11,239,329	737,702	156,542	532,675	560,574	572,632	86,772	6,147,563	816,103	1,895,277	1,061,681	423,811	6,261	254,644	2,845,839	-	27,337,405
International Travel (Perdiem, Accom	-	-	-	-	-	-	-	-	-	-	-	-	-	-	258,092	-	258,092
Local Travel (Perdiem & Accommodatio	1,319,698	430	3,748	370	28,800	75,100	13,278	77,440	-	128,814	11,504	4,266	18,760	-	230,374	-	1,912,582
Vehicle	909,872	76,017	9,899	24,092	101,322	107,774	3,525	179,099	12,358	419,183	67,493	11,080	-	-	473,275	-	2,394,988
Office Rent	601,717	-	-	-	90,000	-	4,500	-	-	347,568	-	-	-	-	435,355	-	1,479,140
Communication (Internet, Voice etc)	155,350	49,111	14,900	10,508	6,949	20,791	2,060	-	22,790	154,524	10,450	8,302	-	99,679	-	532,624	
Office Maintenance	280	-	-	7,870	-	-	-	197,817	16,174	50,555	16,174	-	-	-	-	-	295,487
Supplies, Stationaries, Copy, Print & B	258,615	25,436	19,339	43,395	12,040	27,663	3,750	372,280	14,567	1,020,488	128,434	69,150	43,261	-	502,382	-	2,540,798
Meetings (Review, Monitoring,...)	650,344	63,080	-	-	-	171,463	-	-	-	21,175	-	-	-	-	-	-	884,886
Refreshment (Coffee, tea, ...)	-	-	-	-	-	-	-	-	-	-	-	1,470	-	-	-	-	22,645
Governance Expense (Board, General	-	-	-	-	-	-	-	2,089	-	-	-	-	-	-	-	-	2,089
Assembly and SPM meetings)	119,493	611	-	-	-	4,100	-	1,266	130	137,082	17,015	-	-	23,309	-	147,196	
Bank Charges & Other Miscellaneous	20,826	2,500	3,000	3,500	2,960	-	-	-	-	-	-	-	40	104,381	-	-	298,613
Supplal expenditure	17,659,016	1,295,697	1,216,675	1,580,703	2,625,322	2,106,939	113,885	17,152,600	1,142,421	24,961,752	8,712,344	1,997,042	91,722	528,489	7,396,544	2,103,657	90,684,807
EXPENDITURE - MJE																	
Personnel	20,773,852	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,773,852
Office	22,170,464	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,170,464
Travel	17,685,282	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,685,282
Other	15,346,977	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,346,977
subtotal expenditure 2	75,976,575	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,976,575
Total Expenditure	93,635,591	1,295,697	1,216,675	1,580,703	2,625,322	2,106,939	113,885	17,152,600	1,142,421	24,961,752	8,712,344	1,997,042	91,722	528,489	7,396,544	2,103,657	166,661,382
Excess(deficit) of Income Over Expe	6,614,962	(1,295,697)	(3,549)	(602,257)	(422,961)	(383,366)	1,221,458	(2,126,872)	297,957	1,383,420	(1,599,014)	(1,082,597)	1,410,018	(528,489)	4,891,959	396,087	10,221,495
OPENING FUND BALANCE begin	895,517	1,344,825	787	-	-	(1,090,699)	3,289,017	1,162,145	297,957	5,943,643	(1,599,014)	-	2,794,500	(528,489)	3,027,999	396,087	16,205,589
ENDING FUND BALANCE- endin	7,510,479	49,128	(2,762)	602,257	422,961	(1,474,065)	1,221,458	1,162,145	297,957	7,327,063	(1,599,014)	(1,082,597)	4,204,518	(528,489)	7,919,958	396,087	26,427,084

