



Chartered Certified Accountants (UK) and Certified Audit Firm (ETH)
Audit, Accountancy, Consultancy, Tax

AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

OF

HEALING HANDS OF JOY

AS AT AND FOR YEAR ENDED 31 DECEMBER 2024

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HEALING HANDS OF JOY
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FOR THE YEAR ENDED 31 DECEMBER 2024

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HEALING HANDS OF JOY
KEY ORGANIZATION INFORMATION AND MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

1 KEY ENTITY INFORMATION

1.1 BACK GROUND

Healing Hands of Joy was established in US on 12 May 2009 with the objectives of Mobilizing the community to reduce maternal mortality and morbidities in Ethiopia by creating an innovative maternal health promotion and fistula prevention model. Head Office is located at Addis Ababa and operating in , Amhara and SNNPR,Sidam, Oromiya and Tigray regions.

It has been duly registered with Ministry of Justice.Charities and Societies Agency in accordance with Proc. No. 621/2009 as Ethiopia resident charity with Certificate No.3225. Its License has been renewed on 05 September 2019 as Foreign Organization in accordance with the Civil Society Organization (CSO) Proclamation No.1113/2019.

1.2 MANAGEMENT REPORT

In our annually audit Report the audit firm gives management report besides to the financial report

a) **PRINCIPAL LEGAL ADVISER**

Healing Hands of Joy have Legal advisor who serves in any lagal advisory cases and he is a monthly fixed fee peyee. Ato Mehari Alemayehu Adress Bole Sub City Woreda 03 Tell. 0911200456.

b) **MANAGEMENT AND STAFF INFORMATION**

No.	NAME	POSITION/TITLE
1	Meselech Seyoum	Country Director
2	Temesgen Asmare	Head Finance & Admin.
3	Elsabet Getachew	Head Program M & E
4	Lidet Kassie	Program Coordinator -Amhara
5	Zerihun Bayabil	Program Coordinator -Oromia
6	Shimelis Mitiku	Program Coordinator -SNNPR
7	Senait Tarekegn	Program Coordinator -Tigray

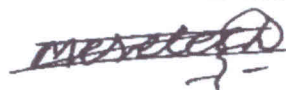
c) **BANK INFORMATION**

HHoJ at Head Office have One foreign Currency (USD) to receive Grantss from Donors and its USA Home Office and three current bank accounts at Addis Ababa Awash Bank Airport Branch and Seven current Accounts in Amhara Bahir Dar,Hawassa and Jimma branch offices used to facilitate the day to day activities of

- 1.Healing Hands of Joy Acc.No. 02307520388300 Foreign Currency (USD)
2. Healing Hands of Joy Acc.No. 01308520388300
3. Healing Hands of Joy Acc.No. 01308520388301

d) **INDEPENDENT AUDITOR**

Currently our organization have made new contract of Audit agreement with Haileyesus Chekol Chartered Certifies Accountant (UK) and Certified Audit Firm/now Transformed to "FAHH Audit Service LLP" . Adress A.A Tell +251-911-871788 Office P.O.Box 4444



Country Director



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Head Finance & Administration



HEALING HANDS OF JOY

STATEMENT OF MANAGEMENT RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The Financial Reporting Proclamation No. 847/2014 requires the organization to prepare its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS).

The Management to prepare financial statements in respect of that organization, which give a true and fair view of the state of affairs of the organization at the end of the financial year/period and the operating results of the organization for that year/period. The Management is also required to ensure that the organization keeps proper accounting records which disclose with reasonable accuracy the financial position of the organization. The Management is also responsible for safeguarding the assets of the organization.

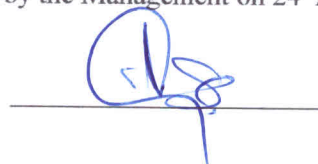
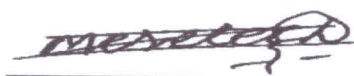
The Management is responsible for the preparation and presentation of the organization's financial statements, which give a true and fair view of the state of affairs of the organization for and as at the end of the financial year (period) ended on December 31, 2024.

The Management accepts the responsibility for the organization's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS). The Management is of the opinion that the organization's financial statements give a true and fair view of the state of organization's transactions during the financial year ended December 31, 2024, and of the organization's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the organization, which have been relied upon in the preparation of the organization's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The organization's financial statements were approved by the Management on 24 April 2025 and signed on its behalf by:



Head Finance & Administration



Independent auditor's report**To the management of Healing Hands of Joy(HHOJ)****Unqualified Opinion**

We have audited the financial statements of Healing Hands of Joy(HHOJ) which comprise the statement of the financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the attached financial statements present fairly, the financial position of the Healing Hands of Joy(HHOJ) as at 31 December 2024 and its financial performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards(IPSAS) as issued by the International Accounting Standards Board (IASB).

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 Company 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 qualified 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 International Public Sector Accounting Standards(IPSAS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of a Company report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the project 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.



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

Haileyesus Chekol,FCCA

23-Apr-25



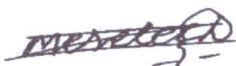
FAHH Audit Service LLP
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HEALING HANDS OF JOY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

Currency: Ethiopia Birr

	Note		2023 Birr
CURRENT ASSETS			
Cash and cash equivalents	6	10,318,093	2,255,855
Debtors	5	76,879	396,260
		<u>10,394,972</u>	<u>2,652,115</u>
NON CURRENT ASSETS			
Property, plant and equipment	8	<u>8,012,862</u>	10,399,401
TOTAL ASETETS		<u>18,407,833</u>	<u>13,051,516</u>
LIABILITIES			
CURRENT LIABILITIES	7		
Creaditors		-	-
NON- CURRENT LIABILITIES			
Severance payable		<u>5,380,663</u>	1,772,398
TOTAL LIABILITIES		<u>5,380,663</u>	<u>1,772,398</u>
NET ASSETS			
Reserve for Property plant and Equipment/PPE		8,012,863	10,399,400
Accumulated surplus		<u>5,014,307</u>	879,718
NET ASSET/EQUITY/FUND BALANCE		<u>13,027,170</u>	<u>11,279,118</u>
TOTAL LIABILITY AND EQUITY		<u>18,407,833</u>	<u>13,051,516</u>



Country Director



Finance & Administration Head



HEALING HANDS OF JOY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2024

Currency: Ethiopia Birr

	Note		2023
REVENUE			
Donation	9	99,224,722	62,262,693
		-	-
Total Revenue		99,224,722	62,262,693
General Operating Expenses	10	83,391,023	52,761,771
Administrative and General Expense	11	14,263,763	9,303,904
TOTAL EXPENDITURE		97,654,785	62,065,674
TOTAL SURPLUS/DEFICIT/ FOR THE PERIOD		1,569,936	197,019

Administrative and General Expense as percentage of income

15%



Country Director





Finance & Administration Head



HEALING HANDS OF JOY
STATEMENT OF CHANGES IN NET ASSETS /EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

Currency:Ethiopia Birr

	<u>Surplus</u>	<u>Reserve PPE</u>	<u>TOTAL</u>
BALANCE AS AT 01 JNUARY 2023	879,718	10,399,401	11,279,119
Openining Balance Adjustment	-	-	-
Restated net Assets as at 1 January 2023 (IPSAS)	-	-	-
Surplus/(deficit) for the period	-	-	-
BALANCE AS AT 31 DECEMBER 2023	879,718	10,399,401	11,279,119
Openining Balance Adjustment	238,300	-	238,300
Openining Balance Adjustment	(37)	(60,148)	(60,185)
Current Year Depreciation Charge	2,326,390	(2,326,390)	-
Surplus/(deficit) for the period	1,569,936	-	1,569,936
BALANCE AS AT 31 DECEMBER 2024	5,014,307	8,012,863	13,027,170



Country Director



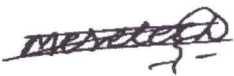
Finance & Administration Head



HEALING HANDS OF JOY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

Currency: Ethiopia Birr

	Birr	2023 Birr
CASH FLOWS FROM OPERATING ACITIVITIES		
Surplus/(deficit) for the period	1,569,936	197,019
Less: Adjustment- opening balance difference	238,265	2,243,188
Less: Adjustment- opening balance difference	-	(510,000)
Depreciation and amortization	2,326,390	1,900,977
Change in working capital:	4,134,591	3,831,184
(Increase)/decrease in advances to partners	-	1,798,000
(Increase)/decrease in debtors	319,381	-
Increase/(decrease) in creditors (other current liabilities)	3,608,265	443,100
	-	-
Net cash flows from operating activities	8,062,238	6,072,284
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(5,407,301)
	-	-
Net cash flows from investing activities	-	(5,407,301)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities		-
Net increase/(decrease) in cash and cash equivalents	8,062,238	664,984
Cash and cash equivalents at the beginning of the financial year	2,255,855	1,590,871
Cash and cash equivalents at the end of the financial year	10,318,093	2,255,855


Country Director




Finance & Administration Head



HEALING HANDS OF JOY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Currency: Ethiopia Birr

	DESCRIPTION	Original Budget	Adjustments	Final budget	Actual on comparable basis	Performance % Over (Under)	Performance %	Remark
	Revenue							
	Donation	99,224,722		99,224,722				
	Total Revenue	99,224,722		99,224,722				
	Operational Expense							
1	Employees Salary and Benefits	22,369,465	403,182	22,772,646	22,369,465	403,182	98	The adjustment is made in average by 2% due to the exchange devaluation after mid year of the budget changing the annual budget
2	Income Generating Activity	5,904,485	118,096	6,022,581	5,904,485	118,090	98	
3	Awareness Creation	7,863,820	157,276	8,021,096	7,863,820	157,276	98	
4	Transportation	891,000	17,820	908,820	891,000	17,820	98	
5	Training and Food	9,042,212	180,877	9,223,089	9,042,212	180,844	98	
6	Printing and Stationary	1,664,746	33,295	1,698,041	1,664,746	33,295	98	
7	Medical	179,305	3,586	182,891	179,305	3,586	98	

HEALING HANDS OF JOY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Currency: Ethiopia Birr

	DESCRIPTION	Original Budget	Adjustments	Final budget	Actual on comparable basis	Performance % Over	Performance %	Remark
8	Training Center Rent	2,305,759	46,115	2,351,875	2,305,759	46,115	98	The adjustment is made in average by 2% due to the exchange devaluation after mid year of the budget changing the annual budget
9	Communication	211,617	4,232	215,849	211,617	4,232	98	
10	Mum Ambassadors Kit	3,403,878	68,078	3,471,955	3,403,878	68,078	98	
11	Mum Ambassadors Clothing	1,458,954	29,179	1,488,133	1,458,954	29,179	98	
12	Utilities (Water and Electricity)	678,578	13,572	692,150	678,578	13,572	98	
13	SMA's Followup	2,038,001	40,760	2,078,761	2,038,001	40,760	98	
14	Monitoring & Evaluation	3,444,617	21,266	3,465,883	3,444,617	21,266	99	
15	Staff Life & Medical Insurance	300,000	6,000	306,000	300,000	6,000	98	
16	Cleaning and Sanitation	2,106,915	42,138	2,149,053	2,106,915	42,138	98	
17	New case Identification	981,216	19,624	1,000,840	981,216	19,624	98	
18	SMA's Emergency food Support	3,726,452	74,529	3,800,981	3,726,452	74,529	98	
19	Health Center Support	10,393,101	204,843	10,597,944	10,393,101	204,843	98	
20	Maintenance	1,901,753	38,035	1,939,788	1,901,753	38,035	98	
21	Field Accommodation	262,943	5,259	268,202	262,943	5,259	98	
22	Depreciation Expense	2,262,206.84	48,881.50	2,311,088	2,262,207	48,881	98	
	Total Operational	83,391,023	1,576,644	84,967,667	83,391,023	1,576,644	98	85
	Administration							
1	Salary and Benefits	11,274,639	197,535	11,472,174	11,274,639	197,535	98	The adjustment is made in average by 2% due to the exchange devaluation after mid year of the budget changing the annual budget
2	Communication	110,600	2,212	112,812	110,600	2,212	98	
3	Stationary and Supplies	1,123,726	22,148	1,145,874	1,123,726	22,148	98	
5	Field trip Accommodation	269,340	5,387	274,727	269,340	5,387	98	
6	Office Rent	426,960	8,539	435,499	426,960	8,539	98	
7	Professional Fee	144,000	2,880	146,880	144,000	2,880	98	
8	Medical and life insurance	145,418	2,908	148,327	145,418	2,908	98	
9	Transportation	314,766	6,295	321,062	314,766	6,295	98	
11	Utilities (Water, Electricity)	177,292	3,546	180,838	177,292	3,546	98	
12	Cleaning and Sanitation	103,145	2,482	105,627	103,145	2,482	98	
13	Audit Fee	55,169	1,103	56,273	55,169	1,103	98	
14	Bank Service Charge	54,524	1,090	55,614	54,524	1,090	98	
15	Depreciation Expense	64,184	2,141	66,324	64,184	2,141	97	
	Total Administrative	14,263,763	258,268	14,522,030	14,263,763	258,268	98	
	Grand Total Expense	97,654,786	1,834,911	99,489,697	97,654,785	1,834,912	98	15

Country Director

Finance & Administration Head

HEALING HANDS OF JOY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2024

DESCRIPTION INCOME	Currency:Ethiopian Birr						TOTAL Birr
	Head Office Birr	AMHARA Birr	SNNPR Birr	Sidama Birr	OROMIA Birr	Tigray Birr	
Fund Income Healing	17,276,185	9,006,800	17,022,000		15,346,081	12,194,951	70,846,017
Fund Income Helmsley	1,875,000	5,625,000	-	-	-	7,500,000	15,000,000
Fund Income Ethiopaid Canada	-	-	-	-	-	-	-
Fund Income Ethiopaid Australia	-	-	-	6,509,504.71	-	-	6,509,505
Fund Income Ethiopaid UK	-	6,869,200	-	-	-	-	6,869,200
	<u>19,151,185</u>	<u>21,501,000</u>	<u>17,022,000</u>	<u>6,509,504.71</u>	<u>15,346,081</u>	<u>19,694,951</u>	<u>99,224,722</u>
EXPENDITURES							-
OPERATIONAL							-
Employees Salaries and Related Benefits	1,801,481	5,361,084	4,978,499	780,688.00	4,430,879	5,016,834	22,369,465
Income Generating Activity	-	2,094,183	1,111,100	494,200.00	570,000	1,635,002	5,904,485
Awerness Creation	321,576	2,622,605	1,535,210	943,100.00	797,706	1,643,624	7,863,820
Transportation	18,000	216,000	162,000	49,500.00	225,000	220,500	891,000
Training and Food		2,289,701	2,390,417	718,516.19	1,462,385	2,181,194	9,042,212
Printing and Stationary	1,364,244	37,139	93,300	30,000.00	27,471	112,593	1,664,746
Medical		41,678	23,492	2,119.30	88,863	23,153	179,305
Training Center Rent		588,000	252,000	297,809.33	537,950	630,000	2,305,759
Communication	14,400	38,400	36,000	12,000.00	69,617	41,200	211,617
Mum Ambassadors Kit		658,802	742,029	289,304.89	1,196,291	517,450	3,403,878
Mum Ambassadors Clothing		451,698	227,400	134,600.00	269,006	376,250	1,458,954
Utilities (Water and Electricity)		142,071	154,082	52,111.48	199,652	130,662	678,578
SMAs Followup		590,050	597,400	260,171	485,780	104,600	2,038,001
Monitoring and Evaluation	2,636,157	267,988	275,000	125,000.00	140,472		3,444,617
New Case Identification		534,736	200,125	40,525.00	183,780	22,050	981,216
Staff Life & Medical Insurance	300,000						300,000
Cleaning and Sanitation		537,777	440,800	160,619.66	430,504	537,215	2,106,915
Vehicle Insurance & Maintenance		260,363	493,711	148,350.00	638,693	360,637	1,901,753
Health center Support		2,166,300	2,384,612	1,712,096.00	1,208,722	2,921,371	10,393,101
SMAs Emergency Food		1,673,850				2,052,602	3,726,452
Field Accommodation	262,943						262,943
Depreciation Expense		641,263	532,445	42,849.00	771,199.79	274,450	2,262,207
Total Operational Expense	<u>6,718,800</u>	<u>21,213,686</u>	<u>16,629,622</u>	<u>6,293,559.35</u>	<u>13,733,970</u>	<u>18,801,385</u>	<u>83,391,023</u>

HEALING HANDS OF JOY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2024

Currency:Ethiopia Birr							
Salary and benefit	6,777,316	1,209,471	1,185,943	182,326.00	998,219	921,365	11,274,639
Communication	42,800	18,000	13,500	4,500.00	18,000	13,800	110,600
Transportation	179,766	36,000	27,000	9,000.00	36,000	27,000	314,766
Stationary and Supplies	473,999	41,640	295,650	39,724.98	15,712	257,000	1,123,726
Field trip Accomodiation	269,340						269,340
Professional Fee	144,000						144,000
Office Rent	426,960						426,960
Audit Fee	55,169						55,169
Medical and life insurance	145,418						145,418
Utilities (Internet ,Water & Electricity)	121,182		11,027	9,364.98	25,918	9,800	177,292
Cleaning and Sanitation	14,346	7,260	40,000	25,000.00	10,539	6,000	103,145
Bank Service Charge	5,352	39,121	4,903	1,497.75	600	3,050	54,524
Depreciation	64,184	-	-	-	-	-	64,184
Total Administration Expense	<u>8,719,833</u>	<u>1,351,492</u>	<u>1,578,023</u>	<u>271,413.71</u>	<u>1,104,987</u>	<u>1,238,015</u>	<u>14,263,763</u>
Grand Total Expense	<u>15,438,633</u>	<u>22,565,178</u>	<u>18,207,645</u>	<u>6,564,973.06</u>	<u>14,838,956</u>	<u>20,039,400</u>	<u>97,654,785</u>
EXCESS OF INCOME OVER EXPENDITURE	<u>3,712,552</u>	<u>(1,064,178)</u>	<u>(1,185,645)</u>	<u>(55,468.35)</u>	<u>507,125</u>	<u>(344,449)</u>	<u>1,569,936</u>
FUND BALANCE BROUGHT FORWARD	957,333	3,211,314	1,067,205	235,990.47	4,776,988	1,030,289	11,279,119
PRIOR YEAR ADJUSTMENT	-		(60,183)				(60,183)
PRIOR YEAR ADJUSTMENT	(100)	1	-	3,034.10	-	235,365	238,300
FUND BALANCE CARRIED FORWARD	<u>4,669,785</u>	<u>2,147,137</u>	<u>(178,623)</u>	<u>183,556.22</u>	<u>5,284,112</u>	<u>921,204</u>	<u>13,027,171</u>



**HEALING HANDS OF JOY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Currency: Ethiopia Birr

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Financial Statements are presented in Ethiopian Birr which is the functional currency of HHoJ. In accordance with the requirements of IPSAS, these financial statements, which present fairly the assets, liabilities, revenue and expenses of HHoJ, and the cash flows over the financial year, consist of the following:

- (a) Statement I: statement of financial position;
- (b) Statement II: statement of financial performance;
- (c) Statement III: statement of changes in net assets;
- (d) Statement IV: statement of cash flows using the indirect method;
- (e) Statement V: statement of comparison of budgets and actual amounts;
- (f) A summary of significant accounting policies and other explanatory notes.

The financial statements have been prepared on a going concern basis and the accounting policies, as summarized in note 2, have been applied consistently throughout the period (i.e. in the preparation and presentation of these financial statements). This financial statements is prepared in compliance with IPSAS. The adoption of IPSAS has required changes to be made to the accounting policies previously followed by HHoJ, including the preparation of of all standard financial statements on an annual basis.

The regular budget of HHoJ is approved and assessed in Ethiopian Birr.

Non monetary items that are measured in terms of historical cost or fair value in a foreign currency are translated using the country rates of exchange prevailing at the date of the transaction or when the fair value was determined. Foreign currency transactions are translated into Ethiopian Birr using the exchange rate prevailing at the date of the transaction.

The cash flow statetment is prepared using the indirect method. The financial statements are prepared on IPSAS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Cash and cash equivalents

Cash and cash equivalents are held at nominal value and comprise cash on hand and cash at bank, collateral deposits, commercial paper, money market funds and short-term bills and notes.

2.2 Account Receivables

Accounts receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Current receivables are for amounts due within twelve months of the reporting date, while non-current receivables are those that are due more than twelve months from the reporting date of the financial statements.

The Centre's receivables comprise contributions receivable and other accounts receivable recognized in the statement of financial position. Receivables are measured at amortized cost, taking into account a provision for impairment.



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Receivables from exchange transactions are recognized when the Organization is owed assets or services (usually in the form of cash) arising from a transaction that directly gives approximately equal value to another entity in exchange (IPSAS 9). Receivables from non-exchange transactions are established when the Organization is owed assets or services (usually in the form of cash) that arise from a transaction that does not directly give approximately equal value in exchange; or the Organization has given value to another entity without directly receiving approximately equal value in exchange (IPSAS 23).

2.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale, exchange, or distribution (i.e. selling expenses). Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the HHOJ.

The cost of inventories includes costs incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. For inventories acquired through a non-exchange transaction (e.g., donated goods), cost shall be measured at its fair value at the date of acquisition.

2.4 Advances or prepayments

Advances are recognized as an asset until goods are delivered or services are rendered in accordance with binding agreements with suppliers or in accordance with the Staff Regulations and Rules of the HHOJ for staff advances. HHOJ recognizes an expense once it has received proof of delivery of goods or the rendering of services.

Prepayments relate to amounts paid to suppliers for goods or services not yet received. Prepayments are recorded at cost.

2.5 Property, plant and equipment

All property, plant and equipment is stated at historical cost, less accumulated depreciation. This includes costs that are directly attributable to the acquisition of the asset. Where an asset is acquired for nil or nominal consideration, the fair value at the date of acquisition is deemed to be its cost. The threshold for recognition of property, plant and equipment as an asset is $\geq$ Birr 150,000 or more per unit, and for leasehold improvements it is \$50,000.

Assets, which fall under the category of property, plant and equipment, but are not under the direct control of HHOJ, are expensed when acquired. HHOJ is deemed to control an asset if it can use or otherwise benefit from its use in the pursuit of its objectives and can exclude or regulate the access of third parties to the asset.

Depreciation is charged on property, plant, and equipment (except for land) to write-down the cost/fair value of the asset, to its residual value, over the estimated useful life using the straight line method with a full year's depreciation charged in the year of acquisition.



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Depreciation is recognized for property, plant and equipment over their estimated useful life using the straight line method, except for land, which is not subject to depreciation. When parts of an item of property, plant and equipment have different useful lives and zero residual value, they are accounted for as separate items, i.e., major components of property, plant and equipment. Assets under construction are not depreciated, as they are not yet available for use. The estimated useful life for property, plant and equipment classes is as shown below.

Assets Class and Description	Depreciation Rate
Permanent Buildings 20 years useful life	5%
Computer and information technology equipment 5 years ueful life	20%
Motor Vehicles 7 years useful life	15%
Machinery and Equipment 7 years useful life	15%
Furniture and fixtures 7 years useful life	15%
Leasehold improvements 5 years ueful life	20%

Transitional provisions were applied in the initial recognition of Property, Plant, and Equipment (PP&E) which were purchased or donated before 1 January 2019. Except for land and buildings, assets acquired prior to 1 January 2019 were expensed at the date of purchase and were not recognized as assets.

2.6 Intangible assets

Intangible assets are carried at cost, less accumulated amortization. Acquired computer software licences are capitalized based on costs incurred to acquire and bring to use the specific software. Development costs that are directly associated with the development of software for use by HHOJ are capitalized as an intangible asset. HHOJ has recognized the cost of intangible assets acquired or developed as an expense, prior to the adoption of IPSAS at 1 January 2019. The threshold for recognition of internally developed software is \$50,000 and \$5,000 for externally developed software.

Amortization of intangible assets is recognized over the estimated useful life using the straight line method. The estimated useful lives for intangible asset classes are as shown below.

Intangible assets Class	Estimated usefullife (Years)
Software acquired externally	6
Internally developed software	6
Licenses and rights, copyrights and other intangible assets	6



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2.7 Accounts Payable

Accounts Payables are financial liabilities in respect of goods or services that have been received by the HHOJ and are recognized at amortized cost, which for payables is equal to cost. Accounts payable include the following: Amounts due to donors, partners, and stakeholders representing the unspent Voluntary Contributions for expired agreements; Invoices received and approved for payment but not yet paid.

2.8 Accrued Liabilities

Accrued liabilities are financial liabilities in respect of goods or services that have been received or provided to the HHOJ during the reporting period and which have not yet been invoiced or invoices have been received but not approved for payment. They are recognized at amortized cost, which for accruals is equal to cost.

2.9 Employee Benefits

HHoJ recognizes expenses and liabilities in respect of the following employee benefits:

- 1) Employee benefits earned in the current financial period are current liabilities recognized at an undiscounted cost.
- 2) Post-employment benefits are recognized at present value of the liability.
- 3) Other separation-related employee benefits are recognized at present value of the liability.

HHoJ provides end of services benefits for its expatriate employees. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period stated by the Federal Labour Law. The expected costs of these benefits are accrued over the period of employment and the settlement will be covered presenting the request for the amount of the debt settlement to get the approval of senior management. The end of service benefits are not part of a funded pension plan. Termination benefits settled within 12 months are reported at the amount expected to be paid.

2.10 Provisions

Provisions are recognized for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of past event and it is probable that HHOJ will be required to settle the obligation, and the value can be reliably measured. The amount of the provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the Notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the Organization or the value cannot be reliably estimated.



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2.11 Contingent liabilities and contingent assets

a) Contingent liabilities

Any possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events, not wholly within the control of HHoJ or where value cannot be reliably estimated, are disclosed as contingent liabilities. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of resources embodying economic benefits or service potential will be required, a provision is recognized in the financial statements of the year in which change of probability occurs.

b) Contingent assets

Any probable assets that arise from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of HHoJ are disclosed as contingent assets. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable. If it has become virtually certain that an asset is no longer contingent and that its value can be measured reliably, the asset and the related revenue are recognized in the year in which the change occurs.

2.12 Deferred Revenue

Deferred revenue derives from legally binding agreements between the HHoJ and its contributors, including international organizations and private and public institutions, where the contributors provide funding to HHoJ to support technical cooperation initiatives (voluntary contributions).

Deferred revenue is recognized when a contractual agreement is confirmed in writing by both parties-i.e., the HHoJ and the donors, partners, or stakeholders, and the funds are earmarked and due in the future period. Deferred revenue also includes any advances from exchange transactions. Deferred revenue is presented as non-current if the revenue is due one year or more after the reporting date.

2.13 Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the HHoJ during the year, which represents an increase in net assets (IPSAS 23). The HHoJ recognizes revenue following the established criteria by IPSAS 23, "Revenue from Non-Exchange Transactions."

Revenue is recognized when an agreement to provide unconditional funding is signed, even prior to the receipt of cash. HHoJ has also recognized for the first time, revenue for donated right to use property arrangements in accordance with IPSAS. The main sources of revenue for the HHoJ include but are not limited to: Assessed Contributions, Voluntary Contributions, and Other Revenue. Currently HHoJ receives funding allocations from Donors (Ethiopiaid UK, Ethiopiaid Australia & Helmsley) for the implementation of technical cooperation activities.



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2.14 Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets/equity. Expenses are recognized only when goods and/or services have been received. Expenses are recorded and recognized in the financial statements of the periods to which they relate.

2.15 Statement of Cash Flow

The cash flow statement is prepared using the indirect method.

2.16 Net Assets/Equity

The Statement of Changes in Net Assets/Equity provides information on the fund balances for all funds as at 31 December 2023, the movement during 2022, 2021 and the opening balances as at 31 December 2020.

2.17 Budget comparison

The HHOJ budget is prepared on a cash accounting basis and the financial statements are prepared on a full accrual basis in accordance with IPSAS. Comparison of budget and actual amounts compares the final budget with actual amounts calculated on the same basis as the corresponding budgetary amounts. The comparison is only made in respect of the available regular budget.

As required under IPSAS 24, the annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

2.18 Note on Implementation of IPSAS.

The financial statements for the 2024 financial period are financial statements that comply with the requirements of IPSAS. The HHOJ's financial statements prior to 1st January 2024 were prepared and were presented on IPSAS basis.

Property, plant and equipment are capitalized when their cost is greater or equal to Birr 150,000 for equipment and \$50,000 for leasehold improvements. In accordance with IPSAS 17: Property, plant and equipment, which allows a transitional period of up to five years prior to full recognition of capitalized tangible assets, HHOJ has not recognized the cost of leasehold improvements expensed prior to the adoption of IPSAS at 1 January 2019.



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IPSAS transitional provisions: As permitted for first time adoption of IPSAS, the following transitional provisions have been applied:

- (a) IPSAS 1: Presentation of financial statements comparative information is provided only for the statement of financial position;
- (b) IPSAS 31: Intangible assets is applied prospectively to intangible assets;
- (c) IPSAS 17: Property, plant and equipment, which allows a transitional period of up to five years prior to full recognition of capitalized tangible assets. HHoJ has not recognized the cost of leasehold improvements expensed prior to the adoption of IPSAS at 1 January 2019 and ebssequently.

2.19 Transaction with regional centers

a) Documentation

HHoJ implements its projects at regional centers and transfers cash funds to these regional centers who provide monthly expenditure reports. Based on these reports HHoJ records expenditure incurred by the regional centers. The original expenditure documents are retained by the respective regional centers.

b) Subsidy and Designated Fund Contribution

The subsidy and Decsignated Fund Contributions (DFC) are transferred to regional centers through the bank. The income is recognized at the time of receipt from head office and expenditure are incurred at the time when the cash is transferred to the regional centers.

2.20 Related party and other senior management disclosures

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

Related parties that have the ability to control, or exercise significant influence over HHoJ in making financial and operating decisions, as well as transactions with such parties, unless occurring within or consistent with a normal relationship and on arms length terms between such parties, are disclosed in the notes to the financial statements. In addition, HHoJ discloses specific transactions with key management personnel and their family members.

Staff members considred to be "senior management personnel" are the Country Director, Finance & Human Resource Admin Head, Grants & Regional Programs Coordinator, three Regional Program Coordinators. Through out the past years and during the current year, no loans were granted to Senior management personnel.

2.21 Events after reporting date

The reporting date for these financial statements is 31 December 2021. There have been no material events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.



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2.22 Transactions with related party entities

Except otherwise noted in these statements for revenue from non exchange transactions, including contributions in kind, all transactions made with third parties occur within a normal supplier or client/recipient relationship or at arm's length terms and conditions. the Centre's cash are managed by the head office as part of the main cash pool.

2.23 Foreign Exchange currency, functional currency and translation of foreign currencies

a) Functional currency and trtnslation of foreign currencies

The functional and reporting currency of the HHoJ is the Ethiopian Birr. Foreign Currency transactions are translated into Birr at the exchange rates prevailing at the date of the transactions. The Operational Rates of exchange to United States dollar are set once at the time of preparation of the budget by the Intemational office Board of HHoJ in USA at the time of approval of the annual budget.

b) Foreign exchange currency risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in foreign exchange rates. HHoJ receives grants in foreign currencies other than Ethiopian Birr and it is exposed to Foreign exchange currency risk arising from fluctualions in curenncy exchange rates. Exchange rate gains and losses on the date of transfer (purchase and sale of currencies) for grant projects arc handled as per the terms and conditions of the grand. The translation of transfers expressed in other currenencies into Birr is performed at the exchange rate prevailing at the date of transfer/transaction.

2.24 Changes in accounting policies and estimates – IPSAS 3

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



HEALING HANDS OF JOY

NOTES TO THE FINANCIAL STATEMENTS

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3 Accounts receivable

Current voluntary contributions receivable are for confirmed contributions that are due within 12 months, while non current contributions receivable are those that are due after 12 months from the date of the financial statements.

4 Contingent assets and contingent liabilities

In accordance with IPSAS 19, contingent assets will be disclosed for cases where an event will give rise to a probable inflow of economic benefits or service potential. As at December 31, there are no material contingent assets to disclose. As at 31 December 2024, HHOJ had no pending legal cases. As a result, there are no material contingent liabilities to disclose or to recognize.

5 ACCOUNT RECEIVABLE

Trade Debtors
Prepayments
Working Advance

14,260

-

62,619

76,879

2023

14,260.00

330,000.00

52,000.00

396,260



6 CASH

Petty Cash
Cash at bank

10,318,093

10,318,093

2023

2,255,855

2,255,855



7 ACCOUNT PAYABLE

Staff Severance Payable

5,380,663

5,380,663

2023

1,772,398

1,772,398



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8.Property, Plant and Equipment

	Furniture and Fixture	Computer and Accessories	Machinery	Vehicles	Total
	ETB	ETB	ETB	ETB	ETB
Cost					
At 1 January 2023	209,897	513,697	120,185	8,930,660	9,774,439
Additions	255,141	507,800	144,360	4,500,000	5,407,301
Disposals	-	-	-	-	-
At 31 December 2023	465,038	1,021,497	264,545	13,430,660	15,181,740
At 1 January 2024	465,038	1,021,497	264,545	13,430,660	15,181,740
Additions	-	-	-	-	-
Disposals(Adjustment)	-	-	-	-	-
At 31 December 2024	465,038	1,021,497	264,545	13,430,660	15,181,740
Accumulated Depreciation					
At 1 January 2023	29,062	100,507	24,971	3,238,797	3,393,338
Charge for the year	52,677	140,530	30,672	1,677,099	1,900,978
Disposals	-	-	-	(511,976)	(511,976)
At 31 December 2023	81,739	241,037	55,643	4,403,920	4,782,340
At 1 January 2024	81,739	241,037	55,643	4,403,920	4,782,340
Charge for the year	69,756	202,355	39,681	2,014,599	2,326,390
Disposals	-	23,423	36,725	-	60,148
At 31 December 2024	151,495	466,815	132,050	6,418,519	7,168,878
Carrying value					
At 31 December 2023	383,299	780,460	208,901	9,026,740	10,399,401
At 31 December 2024	313,543	554,683	132,495	7,012,141	8,012,862

9 DONATION

Fund Income Healing (HHoJ)	70,846,017	50,011,446
Fund Income Ethiopaid Australia	6,509,505	5,392,250
Fund Income Ethiopaid UK	6,869,200	6,268,000
Fund Income Ethiopaid Canada	-	590,997
Fund Income Helmsley	15,000,000	-
Total Donation Income	99,224,722	62,262,693
Estimated tax Benefit on acquisition of Vehicle	-	-
Total Income	99,224,722	62,262,693

2023



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10 GENERAL OPERATING EXPENSES

		<u>2023</u>
Employees Salaries and Related Benefits	22,369,465	12,104,626
Awerness Creation	7,863,820	11,166,362
Income Generating Activity	5,904,485	2,916,370
Transportation	891,000	1,090,952
Training and Food	9,042,212	6,645,117
Printing and Stationary	1,664,746	226,682
Medical	179,305	1,976,725
Training Center Rent	2,305,759	1,940,228
Communication	211,617	-
Mum Ambassadors Kit	3,403,878	2,596,474
Mum Ambassadors Clothing	1,458,954	334,826
Utilities (Water and Electricity)	678,578	224,433
SMAs Followup	2,038,001	2,778,161
Monitoring & Evaluation	3,444,617	448,057
Medical and life insurance	300,000	-
Cleaning and Sanitation	2,106,915	1,162,522
Vehicle Insurance & Maintenance	1,901,753	1,034,910
Health center Support	10,393,101	4,267,576
New Case Identification	981,215.78	-
SMAs Emergency Food	3,726,452	-
Field Accommodation	262,943	-
Depreciation Expense	2,262,207	1,847,749
Total Operating Expense	83,391,023	52,761,771

11 ADMINISTRATIVE AND GENERAL EXPENSES

		<u>2023</u>
Employees Salaries and Related Benefits	11,274,639	6,204,235
Communication	110,600	-
Severance	-	216,398
Medical and life insurance	145,418	-
Printing and Stationary	1,123,726	1,104,013
Field Trip Accomodiation	269,340	369,897
Professional Fee	144,000	236,154
Office Rent	426,960.00	319,075
Audit Fee	55,169	110,046
Transportation	314,766	-
Annual review Meeting		519,178
Utilities (Water and Electricity)	177,292	58,688
Cleaning and Sanitation	103,145	100,676
Bank Charge	54,524	12,315
Depreciation Expense	64,184	53,229
Total Administrative Expense	14,263,763	9,303,904



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12 Related party disclosure

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

Transactions with related parties included in the financial statements are as follows:

	31-Dec-22 ETB	31-Dec-23 ETB
Contribution from the donors	99,224,721.67	62,262,693.01
Estimated tax Benefit on acquisition of Vehicle	-	-
	<u>99,224,721.67</u>	<u>62,262,693.01</u>

Key Management Personnel

Key management personnel are the Country Director, Head Finance & Administration, Head Program, Monitoring & Evaluation, Regional Program Coordinators, as they have the authority and responsibility for planning, directing and controlling the activities of the Organization. Key management personnel are also qualified for post-employment benefits at the same level as other employees.

Key Management Personnel	31-Dec-24 ETB	31-Dec-23 ETB
Number of positions	7	7
Salaries and employee benefits	22,030,806	5,271,178

13 Provisions

As at 31 December 2024, the Organization had not recognized any provisions.

14 Net assets/Fund balance

HHOJ has opted to recognize the effect of IPSAS adjustments against Net assets/Fund balance.

15 Events after the reporting period

On the date of the signing of these accounts, no material events, favourable or unfavourable, had been incurred between the balance sheet date and the date when the financial statements were authorized for issue that would have had an impact on the financial statements.

