

**The Sustainable Natural  
Resource Management  
Association (UK)**

**Unaudited Financial  
Statements**

**31 December 2020**

**Charity number:  
1093680**

# **The Sustainable Natural Resource Management Association (UK)**

## **Financial Statements**

**Year ended 31 December 2020**

---

	<b>Pages</b>
Trustees' annual report	<b>1 to 8</b>
Independent examiner's report to the trustees	<b>9</b>
Statement of financial activities	<b>10</b>
Statement of financial position	<b>11</b>
Notes to the financial statements	<b>12 to 20</b>

---

# The Sustainable Natural Resource Management Association (UK)

## Trustees' Annual Report

### Year ended 31 December 2020

---

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

#### Reference and administrative details

<b>Registered charity name</b>	The Sustainable Natural Resource Management Association (UK)
<b>Working name</b>	SUNARMA UK Action Ethiopia
<b>Charity registration number</b>	1093680
<b>Principal office</b>	4 Broadway Fore Street Hemyock Devon EX15 3RF
<b>The trustees</b>	P von Lany B Kassayie C Birchall R Snook M Langdon
<b>Executive officer</b>	P Langdon
<b>Independent examiner</b>	N Smy ACA Thomas Westcott Chartered Accountants 26-28 Southernhay East Exeter Devon EX1 1NS
<b>Bankers</b>	Lloyds Bank plc 17 Cross Street Barnstaple Devon EX31 1BE

# **The Sustainable Natural Resource Management Association (UK)**

## **Trustees' Annual Report (*continued*)**

### **Year ended 31 December 2020**

---

#### **Structure, governance and management**

##### **Governing document**

The charity was formed and is governed by a declaration of Trust dated 10 June 2002. The charity is registered with the Charity Commission (No. 1093680) and its principal address is 4 Broadway, Fore Street, Hemyock, Devon, EX15 3RF.

The charity registered with the Charities Commission on 3 September 2002.

Action Ethiopia is the working name for SUNARMA UK. The charity offers technical and financial support to our sister organisation (SUNARMA Ethiopia) in Ethiopia. This document will refer to the working name Action Ethiopia.

##### **Recruitment and appointment of management committee**

The charity is managed by a management committee who shall be Charity Trustees within the meaning of the Charities Act. The charity shall always have at least three trustees.

In selecting persons to be appointed as trustees, the trustees shall take into account the benefits of appointing a person who is able by virtue of his or her personal or professional qualifications is able to make a contribution to the pursuit of the objects or the management of the charity.

No person shall be appointed as a trustee who is under 18 years of age or in such circumstances that if he or she is already a trustee, he or she would be disqualified from office under the provision of the following clause. No persons shall be entitled to act as a trustee until after signing a declaration of acceptance and willingness to act in the trusts of the charity.

A trustee shall cease to hold office if he or she is disqualified from acting as a trustee by virtue of the Charities Act; becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs; is absent without the permission of the trustees from all their meetings held within a period of six months and the trustees resolve that he or her office be vacated; or if the trustee notifies the remaining trustees of the wish to resign.

##### **Objectives and activities**

The principal objective of the charity is the advancement of education, the protection of health and the relief of poverty of the people of Africa. Action Ethiopia offers technical and financial support to our sister organisation in Ethiopia. The funds raised by Action Ethiopia are used to support programmes managed by SUNARMA Ethiopia. The project works with rural communities in Ethiopia to help them manage natural resources and build sustainable livelihoods more effectively. In planning our activities for the year, we kept in mind the charity commission guidance on public benefit.

Action Ethiopia has a large group of individual supporters that it communicates with digitally and by letter. In addition, information and progress is available on two websites, [www.actionethiopia.org](http://www.actionethiopia.org) and [www.sunarma.org](http://www.sunarma.org).

Action Ethiopia also keeps in touch with supporters and the general public through Facebook and Twitter accounts.

# The Sustainable Natural Resource Management Association (UK)

## Trustees' Annual Report (*continued*)

### Year ended 31 December 2020

---

#### Achievements and performance

The calendar year 2020 will forever be etched in our mind as the year of lockdown. Everyone of us will have a memory of this year. It will become a period from which other events are measured, pre pandemic or post pandemic. The most startling initial fall out in the UK was the stock market crash during March 2020. This was then followed by speculation of how this would impact on the economy and how the worlds governments would react. For Action Ethiopia this meant uncertainty. How serious would Covid 19 be in Ethiopia? How dangerous would it be for Ethiopian colleagues. What could be done by Action Ethiopia to help the SUNARMA staff and the farmers and forest dwellers that we work with. Continuing political and ethnic conflict in Ethiopia was also impacting on our work. It is a credit to the team in Ethiopia that they found ways of working through this and for the most part completing the work on time and to budget.

The Frankincense and Myrrh project working in the Boswellia forests in Northwest Ethiopia was in its final year in 2020. Harvesting Frankincense involves cutting a teacup saucer - shaped incision in the trunk of the Boswellia tree about a meter from the ground. The white gum oozes from the tree and sets hard in about three weeks and looks a bit like dried up chewing gum. This work is done deep in the forests with workers living in the forest for days at a time. The environment is harsh and made more difficult by militia hiding from government forces.



There are several significant achievements: -

- Establishing six forest management cooperatives (FMC) as a legal entity to manage their section of the forest is a huge achievement. The process was achieved by training, workshops and joint planning with local government which has meant that mutual respect and understanding has been created, reducing the encroachment of outsiders into the forest and creating a feeling of ownership as the forest is managed better.
- This has also contributed towards improvements in forest fire control and reduction. Much remains to be done but the trend is moving in the right direction.
- Improved incomes from non timber forest products (NTFP) on the back of training has improved the food security situation. Attitudes are changing as the forest is being seen as a resource worth looking after.
- As a result of improved income by forest dwellers some households have been able to afford agricultural inputs as well as goats, chicken and cattle. One farmer, as a result of income gained from the sale of frankincense, purchased a house on the edge of a village by the main road for 80,000 ETB. His aim is to rent this out to increase his income.
- There has been an increase of up to 100% in the number of people engaged in frankincense production. Improving management and harvesting techniques yields in one FMC rose from 200 quintal to just over 400 quintals (100kg).
- The annual production of Frankincense in the total project area has risen from 948 quintals (1 quintal = 100kg) at the start of the project to 2,181.95 quintals an increase of 130%.

# The Sustainable Natural Resource Management Association (UK)

## Trustees' Annual Report (*continued*)

### Year ended 31 December 2020

---

#### Achievements and performance (*continued*)

- The project inherited four forest management cooperatives (FMC's) from a previous project that were on the brink of collapse. These together with six other new cooperatives have in the words of one of our senior staff become 'morally, technically and financially strong institutions'.
- The original four FMC's were regarded as 'toothless and non-functioning organisations' put in place by outsiders. The 8 FMC's are now seen as benefiting members and FMC communities protecting their forest from incursions and exploitations from neighbouring populations. They see the FMC as protecting and managing their forest resource.
- A warehouse has been built in each of the six of FMC areas. These are seen as a huge asset allowing proper office space, the safe storage of tools and a place to sort and store frankincense for sale when the price is higher. The warehouses have enhanced the desire and motivation to make this work.
- There has been a decrease in the agricultural farm land expansion and settlement in the forest, reducing deforestation and illegal activities there.
- Reintroduction of endangered native species such as lowland Bamboo plays important role in ecosystem restoration, ensuring ecologic and economic benefits. Nine tree nursery groups planted 179,872 indigenous treed in the forest.
- New honey groups produced sales of Birr 163,000 (circa £5K)

**Covid 19.** Metema is the main town in the area and on the Sudanese boarder. As such there are many people flowing to and fro across the check points and through the town. It quickly became an epicentre for covid 19 with the local authorities inadequately prepared. The local health service asked SUNARMA, our Ethiopia partner, for help. Action Ethiopia together with our many individual supporters, The Halcrow Foundation and SHEPE raised £20k. As you can imagine procuring PPE and other inputs in a developing country was extremely difficult. However, this project aims to train 18 health workers to operate from three health centres and reach some 2000 forest community members. The work has started in 2020 and will be completed in 2021.

**Fuel Saving Stoves.** Every project will throw up challenges that were not foreseen and for this one it was the participation of women in the collection and sorting of Frankincense. The problem was the hostile forest environment, the fact that this was traditionally men's work and the ethnic tension that meant there was a danger of coming across militia hiding in the forest. The project overcame this by working with the FMC's to introduce twelve women's fuel saving stoves groups. Each group was made up of smaller enterprise groups with a total of 210 women in 29 enterprise groups. Thus, increasing women's participation and benefit. The project was further hampered by covid and political and ethnic trouble with the local Qemant peoples and regionally with war in Tigray. The organisation of groups was started and training on how to make the concrete stoves will be completed in 2021.

# The Sustainable Natural Resource Management Association (UK)

## Trustees' Annual Report *(continued)*

Year ended 31 December 2020

---

### Achievements and performance *(continued)*

It is interesting to hear directly from the project people themselves and below is the transcript from an interview with a young women called Birtukan in her own words:

#### Case study interview questions

**Name:** Birtukan Gebeyehu (Executive committee member of Forest Management Cooperative)

**From:** West Gonder Zone, Metema Woreda, Das Gundo Kebele, Ketena-1

**Age:** 26

**Gender:** Female

**Names/age/gender of children:** Mehuba, girl, 9 years of age, Akbar, boy, 18 months

**1. What are the difficulties you faced when trying to earn an income before the project? (i.e. drought, climate change, lack of trees, lack of tools, lack of knowledge)**

*'People's attitude including women themselves towards role of women is a key challenge added to lack of alternative option to get income, limited activities that suits for women to engage with are the main difficulties. I can tell of one or two cases. We formed a group to work on frankincense production and sell with men. The group had eight women member including me. The original agreement was women to work at the store in sieving, sorting, putting in sack etc. However, men members insisted us to do the actual tapping in the desert. Actually, we tried a couple times but could not be able to continue due to a number of reasons and left the group. Similar case happened in beekeeping groups. They wanted us to do some difficult tasks at difficult time like honey harvesting in the night'.*

**2. How did those difficulties (when earning an income) make you feel?**

*'As I told you, I did not obtain much in terms of cash income but the level of confidence I am now is above that. I hope number of women in leadership position increased, power of influence gradually grows, and the social and cultural practice pulling us removed in the future'*

**3. What is the environment like here? Has it changed from when you were a child?**

*'Yes. The only thing I have not seen changed is the time sunrise and set. I remember we used to play different games in school during break time. Now student sit under tree because of the burning sun. The change in the environment greatly affect the effective active working hour. One can perform field work only early and late hours of the day'*

**4. Have you seen the impact of climate change here? How?**

*'Yes I do. Things are changing and do not have regular pattern. We may challenge by shortage or late onset of rain this year and our crops affected by excess rain the next. It is now difficult to forecast the weather and adjust the cropping calendar. Is it not what you people say change in climate?'*

**5. Have you seen any changes to the trees/forest here?**

*Of course, forest and trees has been wiping out at a rapid rate. Thanks to recent initiative by government and non-government actors to save or reduce rate of destruction. Otherwise, the situation would have been worst. You can imagine, as tree being source for so many things in our rural livelihoods activities, rate of destruction is far higher than recovery or regeneration. I am afraid the worst will come unless coordinated and integrated actions taken now.*

# The Sustainable Natural Resource Management Association (UK)

## Trustees' Annual Report *(continued)*

Year ended 31 December 2020

---

### Achievements and performance *(continued)*

**6. Why are trees important to you in this region? (prompt: soil fertility, farming, food, income)**

*'I can say people living in middle and highland areas somewhere might survive without forest/trees. When you come to our area, it is the beginning and the end. That is to say, the whole system existed because there are trees and collapsed, if destroyed. I think that fully explain what tree mean to we people living here. The issue is we do not take time analyse role of trees and study the trend. It is where projects and government regular extension activity need to focus. Help our society to think and act differently'.*

**7. What are frankincense trees in particular important to you and your community?**

*'I consider frankincense as off farm income that support families. Production does not need much input except time and labour. Life of many families changed because of the additional income from selling of frankincense. This has also changed people's attitude and practice positively towards protection of the forest. Before, nobody was concerned about when trees and other forest resources exploited by people from other locality'.*

**8. Before the project, what were the particular challenges with frankincense trees/tapping and your natural resources?**

*'The forest used to be no man's property. Anyone could cut tree, tap frankincense, collect fuelwood and wild honey, allow animals to graze etc. Now each PFM has well demarcated block of forestland to conserve, develop, and utilize. Everyone developed belongingness and cooperate in the protection and controlling wildfire, which was not the case before'.*

**9. Can you describe the project you have been involved in with SUNARMA?**

*'I involved in various cooperative management and leadership related trainings conducted by the project. Although not been able to benefit from income-generating activities like production of frankincense, my self-esteem is very much developed. I am leading the Das PFM as the only women executive member and board member of the union'.*

**10. What tools and training have you now got because of the project?**

*'As women group member organized to produce and sell improved firewood saving stove, I have got training on the production and shade (from sun) construction is going on. I also attended cooperative management and leadership training'.*

**11. How has the project helped you and your family?**

*'The project helped me in increasing awareness on environment, conservation of natural resource. My understanding on organization management and leadership is improved. This also worked in the family and we do things in organized manner much better than before'.*



# The Sustainable Natural Resource Management Association (UK)

## Trustees' Annual Report *(continued)*

**Year ended 31 December 2020**

---

### **Achievements and performance *(continued)***

**12. Has your income increased from frankincense? By how much? What does that mean for you and your family e.g. more money for food and clothes?**

*'To be honest not. This is because of the cultural, psychological, religious etc. factors that influence we women. Listen to me carefully. The group I joined related with was a mixed, men and women, and we initially, agreed women members, to do the sieving, sorting and related activities at the store. Nonetheless, men wanted as to do the actual tapping walking about two hours. Imagine some of us have suckling kids difficult to left them at home. I know there is good experience in other kebeles on gender sensitive segregation of duties'.*

**13. How has the project helped the environment here (e.g. trees, soil fertility)**

*'Unquestionably, the project helped a lot in protecting the forest and sensitizing we people on sustainable farming. The issues is its scope, area of coverage, and number of people reached is not big. Because of that, some of us who are gradually adopting new techniques, approach and methods will slide back due to lack follow up and monitoring after projects finished or in some cases project terminated before the required change in attitude attained be targeted beneficiaries'*

The head office team in Addis Ababa led by Tekle Jirhane and the team in Metema led by Zemenu Wolde are to be commended for adapting to the needs and challenges of 2020. The interview with Birtukan above gives a glimpse of the cultural and environmental background of the people with whom we work. The team in Ethiopia has also to deal with impact of national and regional politics and local ethnic tensions. They have done this with skill and dedication.

None of this would be possible without the support of the many individuals, trusts and international development organisations who have helped Action Ethiopia for so long. To them we give our heartfelt thanks.

### **Financial review**

Our flagship project 'Frankincense and Myrrh and protecting the last green belt against the Sahara', supported by Comic Relief and a family trust based in Scotland came to an end in December 2020 (bar tidying up and submitting reports). Although funding has been secured for a second phase starting in November 2021 and against some of the most difficult financial and political conditions in a generation our income was always going to drop. The reduction in total income by £81,142 (from £217,421 in 2019 to £136,279 in 2020) was expected and planned for. The generosity of individual supporters who donated through Direct Mail increased by 18% (from £43,952 in 2019 to £51,976 in 2020) and for this, again in a difficult year for everyone, we are very thankful.

There is always a time lag between the end of a project and the last payment tranche from a donor who awaits final reports and clarification (around 2- 5% of total grant) Comic Relief, our main donor, were no exception. However, the field activity for this project still needed to be completed by the end of the financial year. Comic Relief have been excellent in their support and encouragement of this project. In anticipation of the final tranche and on the back of historically strong income from the general public, Action Ethiopia used part of its unrestricted reserve to fund the income gap, which has resulted in a negative balance for the year end of £1,048.

# The Sustainable Natural Resource Management Association (UK)

## Trustees' Annual Report (*continued*)

**Year ended 31 December 2020**

---

### **Reserves' policy**

The levels of reserves are important to help with the continued funding of projects undertaken by the charity and are continually monitored by the Trustees.

The Action Ethiopia board agree and administer the disbursement of funds against a work programme agreed with field staff in Ethiopia. Occasional challenges on the ground such as environmental factors (drought, excessive rain etc) or delays in response of local stake holders can mean the project runs behind schedule. In this event the Action Ethiopia board will renegotiate the activities to bring the project back on track and this can result in the fluctuation of the level of restricted project reserves.

This year in a bid to complete our flagship project by the end of the year and before the final tranche of funding was received from the donor, Action Ethiopia used its reserves to complete field activity (see Financial Review above).

The Trustees acknowledge their responsibility to ensure that the charity, at all times, retains unrestricted reserves to ensure that it is able to fulfil its ongoing obligations. Targets for these unrestricted reserves are set at a level to overcome any short-term funding loss. Current unrestricted reserves levels are too low with action being taken to improve the position in the current challenging fund-raising environment

### **Trustees' responsibilities statement**

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

1. select suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the applicable Charities SORP;
3. make judgments and accounting estimates that are reasonable and prudent;
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on ...8/9/21..... and signed on behalf of the board of trustees by:

**B Kassayie**  
Trustee



# **The Sustainable Natural Resource Management Association (UK)**

## **Independent Examiner's Report to the Trustees of The Sustainable Natural Resource Management Association (UK)**

**Year ended 31 December 2020**

---

I report to the trustees on my examination of the financial statements of The Sustainable Natural Resource Management Association (UK) ('the charity') for the year ended 31 December 2020.

### **Responsibilities and basis of report**

As the trustees of the charity, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

**N Smy ACA**  
**Independent Examiner**  
**For and on behalf of Thomas Westcott**  
**Chartered Accountants**  
**26-28 Southernhay East**  
**Exeter**  
**Devon**  
**EX1 1NS**

**Date:**

# The Sustainable Natural Resource Management Association (UK)

## Statement of Financial Activities

Year ended 31 December 2020

		Unrestricted funds £	2020 Restricted funds £	Total funds £	2019 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	4	63,184	73,088	136,272	217,410
Investment income	5	7	—	7	11
<b>Total income</b>		<u>63,191</u>	<u>73,088</u>	<u>136,279</u>	<u>217,421</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of raising donations and legacies	6	33,702	—	33,702	35,427
Expenditure on charitable activities	7,8	24,113	105,764	129,877	193,661
<b>Total expenditure</b>		<u>57,815</u>	<u>105,764</u>	<u>163,579</u>	<u>229,088</u>
<b>Net expenditure</b>		<u>5,376</u>	<u>(32,676)</u>	<u>(27,300)</u>	<u>(11,667)</u>
Transfers between funds		(12,553)	12,553	—	—
<b>Net movement in funds</b>		<u>(7,177)</u>	<u>(20,123)</u>	<u>(27,300)</u>	<u>(11,667)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		6,129	25,588	31,717	43,384
<b>Total funds carried forward</b>		<u>(1,048)</u>	<u>5,465</u>	<u>4,417</u>	<u>31,717</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 12 to 20 form part of these financial statements.

# The Sustainable Natural Resource Management Association (UK)

## Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors	12	3,295	1,941
Cash at bank and in hand		5,248	37,153
		<u>8,543</u>	<u>39,094</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>4,126</u>	<u>7,377</u>
<b>Net current liabilities</b>		<u>4,417</u>	<u>31,717</u>
<b>Total assets less current liabilities</b>		<u>4,417</u>	<u>31,717</u>
<b>Net liabilities</b>		<u>4,417</u>	<u>31,717</u>
<b>Funds of the charity</b>			
Restricted funds		5,465	25,588
Unrestricted funds		(1,048)	6,129
<b>Total charity funds</b>	14	<u>4,417</u>	<u>31,717</u>

These financial statements were approved by the board of trustees and authorised for issue on 8/9/21, and are signed on behalf of the board by:



B Kassayie  
Trustee

The notes on pages 12 to 20 form part of these financial statements.

# **The Sustainable Natural Resource Management Association (UK)**

## **Notes to the Financial Statements**

**Year ended 31 December 2020**

---

### **1. General information**

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is Court Farm, Clovelly, Bideford, Devon, EX39 5TA.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

There are no material uncertainties about the charity's ability to continue.

#### **Cashflow statement**

The charity has taken advantage of the exemption in FRS102 from the requirement to produce a cashflow statement because it is a small charity.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# The Sustainable Natural Resource Management Association (UK)

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

---

#### 3. Accounting policies *(continued)*

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

# The Sustainable Natural Resource Management Association (UK)

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

---

#### 3. Accounting policies *(continued)*

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

#### 4. Donations and legacies

2020	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations</b>			
Individuals and Trusts	11,208	–	11,208
Frankincense and Myrrh	–	43,668	43,668
Metema Covid 19	–	15,260	15,260
Metema Fuel saving stoves	–	14,160	14,160
<b>Other donations and legacies</b>			
Donations generated by Direct Mail	51,976	–	51,976
	<u>63,184</u>	<u>73,088</u>	<u>136,272</u>
<b>2019</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2019 £</b>
<b>Donations</b>			
Individuals and Trusts	5,649	–	5,649
Frankincense and Myrrh	–	150,478	150,478
Other funding	12,000	5,320	17,320
Just Giving (General)	11	–	11
<b>Other donations and legacies</b>			
Donations generated by Direct Mail	43,952	–	43,952
	<u>61,612</u>	<u>155,798</u>	<u>217,410</u>



# The Sustainable Natural Resource Management Association (UK)

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

#### 5. Investment income

	Unrestricted Funds £	<b>Total Funds 2020 £</b>	Unrestricted Funds £	Total Funds 2019 £
Bank interest	<u>7</u>	<u>7</u>	<u>11</u>	<u>11</u>

#### 6. Costs of raising donations and legacies

	Unrestricted Funds £	<b>Total Funds 2020 £</b>	Unrestricted Funds £	Total Funds 2019 £
Cost of public appeals	25,466	25,466	24,287	24,287
Other costs of generating funds	<u>8,236</u>	<u>8,236</u>	<u>11,140</u>	<u>11,140</u>
	<u>33,702</u>	<u>33,702</u>	<u>35,427</u>	<u>35,427</u>

	Unrestricted Funds £	<b>Total Funds 2020 £</b>	Unrestricted Funds £	Total Funds 2019 £
<b>Cost of public appeals -</b>				
Direct Mail campaign	<u>25,466</u>	<u>25,466</u>	<u>24,287</u>	<u>24,287</u>

	Unrestricted Funds £	<b>Total Funds 2020 £</b>	Unrestricted Funds £	Total Funds 2019 £
<b>Other costs of generating funds -</b>				
Fundraising/marketing	30	30	240	240
UK travel	235	235	3,612	3,612
Consultancy	3,008	3,008	2,760	2,760
Donors and grant reporting	4,517	4,517	4,140	4,140
Just Giving expenses	216	216	198	198
Miscellaneous costs	<u>230</u>	<u>230</u>	<u>190</u>	<u>190</u>
	<u>8,236</u>	<u>8,236</u>	<u>11,140</u>	<u>11,140</u>

# The Sustainable Natural Resource Management Association (UK)

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

#### 7. Expenditure on charitable activities by fund type

<b>2020</b>	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2020 £</b>
<b>Field activity in Ethiopia -</b>			
Frankincense and Myrrh	–	70,764	70,764
Metema - Covid 19	30	19,000	19,030
Metema - Fuel saving stoves	39	10,000	10,039
 <b>Training and support in Ethiopia -</b>			
SET staff training and operational support	5,769	–	5,769
Technical and policy advice	4,948	–	4,948
Proposal and report writing	1,219	–	1,219
 Public awareness	1,518	–	1,518
Project development	750	–	750
 Support costs	9,840	6,000	15,840
	<u>24,113</u>	<u>105,764</u>	<u>129,877</u>
 <b>2019</b>			
<b>Field activity in Ethiopia -</b>			
Wuchale and Jiddah	–	5,200	5,200
Frankincense and Myrrh	–	137,545	137,545
 <b>Training and support in Ethiopia -</b>			
Visits to Ethiopia	1,716	–	1,716
SET staff training and operational support	6,915	12,000	18,915
Technical and policy advice	4,560	–	4,560
Proposal and report writing	2,561	–	2,561
 Public awareness	1,380	–	1,380
 Support costs	9,754	12,030	21,784
	<u>26,886</u>	<u>166,775</u>	<u>193,661</u>

# The Sustainable Natural Resource Management Association (UK)

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

#### 8. Expenditure on charitable activities by activity type

	Unrestricted Funds	Restricted Funds	Total Funds
2020	£	£	2020 £
Office costs	4,386	6,000	10,386
Accountancy fees	1,267	–	1,267
Independent examination fees	875	–	875
Cost of trustees' meetings	166	–	166
Bank charges	138	–	138
Management	3,008	–	3,008
	<u>9,840</u>	<u>6,000</u>	<u>15,840</u>
2019	£	£	2019 £
Office costs	4,609	12,000	16,609
Accountancy fees	1,211	–	1,211
Independent examination fees	835	–	835
Cost of trustees' meetings	201	–	201
Bank charges	138	30	168
Management	2,760	–	2,760
	<u>9,754</u>	<u>12,030</u>	<u>21,784</u>

#### 9. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>875</u>	<u>835</u>

#### 10. Staff costs

The charity had no employees during the current or previous year.

#### 11. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity were received by the trustees.  
Two trustees were re-imbursed expenses of £166 (2019: £201) during the year.

#### 12. Debtors

	2020 £	2019 £
Prepayments and accrued income	486	846
Other debtors	<u>2,809</u>	<u>1,095</u>
	<u>3,295</u>	<u>1,941</u>

# The Sustainable Natural Resource Management Association (UK)

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

#### 13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,984	5,337
Accruals and deferred income	2,142	2,040
	<u>4,126</u>	<u>7,377</u>

#### 14. Analysis of charitable funds

##### Unrestricted funds

	At 1 January				At 31 December
2020	2020	Income	Expenditure	Transfers	2020
	£	£	£	£	£
General funds	<u>6,129</u>	<u>63,191</u>	<u>(57,815)</u>	<u>(12,553)</u>	<u>(1,048)</u>

  

	At 1 January				At 31 December
2019	2019	Income	Expenditure	Transfers	2019
	£	£	£	£	£
General funds	<u>6,819</u>	<u>61,623</u>	<u>(62,313)</u>	<u>—</u>	<u>6,129</u>

The object of the charity is the advancement of education, the protection of health and the relief of poverty of the people of Africa, especially Ethiopia.

General unrestricted funds are funds held in reserve to be made available for the purpose of furthering the objectives of the charity whilst not being restricted to any specific project or item of expense.

Designated funds are general unrestricted funds which have been allocated by the Trustees' to a particular project. These funds are not restricted by the original donor.

# The Sustainable Natural Resource Management Association (UK)

## Notes to the Financial Statements (continued)

### Year ended 31 December 2020

#### 14. Analysis of charitable funds (continued)

##### Restricted funds

	At 1 January 2020	Income £	Expenditure £	Transfers £	At 31 December 2020 £
<b>2020</b>					
International Tree Fund	8	—	—	—	8
Wuchale and Jiddah project	297	—	—	—	297
Frankincense and Myrrh	25,283	43,668	(76,764)	7,813	—
Metema Covid 19	—	15,260	(19,000)	4,740	1,000
Metema Fuel saving stoves	—	14,160	(10,000)	—	4,160
	<u>25,588</u>	<u>73,088</u>	<u>(105,764)</u>	<u>12,553</u>	<u>5,465</u>
	At 1 January 2019	Income £	Expenditure £	Transfers £	At 31 December 2019 £
<b>2019</b>					
International Tree Fund	8	—	—	—	8
Wuchale and Jiddah project	207	5,320	(5,230)	—	297
Frankincense and Myrrh	36,350	150,478	(161,545)	—	25,283
	<u>36,565</u>	<u>155,798</u>	<u>(166,775)</u>	<u>—</u>	<u>25,588</u>

These funds are specifically ring fenced for the projects described earlier, supported by donors and held in reserve prior to transfer to Ethiopia.

#### 15. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>2020</b>			
Current assets	3,078	5,465	8,543
Creditors less than 1 year	(4,126)	—	(4,126)
<b>Net liabilities</b>	<u>(1,048)</u>	<u>5,465</u>	<u>4,417</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
<b>2019</b>			
Current assets	13,506	25,588	39,094
Creditors less than 1 year	(7,377)	—	(7,377)
<b>Net liabilities</b>	<u>6,129</u>	<u>25,588</u>	<u>31,717</u>

# The Sustainable Natural Resource Management Association (UK)

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

---

### 16. Related parties

#### Executive officer costs and allocation

These allocations are based on best estimates of time apportioned to the activities indicated.

	Time %	£ cost
<b>Charitable activities</b>		
Technical, policy and field support	21	4,948
Public awareness	7	1,518
Support costs	26	6,000
<b>Other expenditure</b>		
Management	13	3,008
<b>Cost of raising funds</b>		
Fund raising	20	4,948
Consultancy	13	3,008
Total apportioned costs	<u>100</u>	<u>23,000</u>