



# Trustees' Annual Report and Accounts 2022





We are delighted to present the 2022 Trustees' report and accounts on behalf of the Project Harar Board of Trustees.

**In 2022 we celebrated our 21st year and we also hit some exciting milestones. Here are some of our highlights:**

Since our foundation in 2001, **Project Harar has treated 10,021 patients**. Abel is one of the patients who came to us in 2022 with his mother. Their story is a reminder of how life changing cleft treatment is...

### Abel's Story



Abel, born with a cleft lip and palate, came to Project Harar's program in SNNPR following a referral from a local doctor. Abel's mother was studying at school when she fell pregnant with him. She had to drop out of school when he was born in order to take care of him. She explained "I hoped to go back to school once I gave birth...But as my son needs special care I thought I will never achieve my dream of going back to school."

However, since Abel's surgery, his mother feels hopeful that her son will live a happy and fulfilled life, free from the health and social barriers that come with having a cleft lip and palate in rural Ethiopia. She no longer fears that stigma will prevent both her and her son from receiving an education and is confident she can now return to school.

Project Harar works in the most remote and disadvantaged areas of Ethiopia; we are able to do this because of our licence to work across all of Ethiopia with the Federal Ministry of Health.



As we emerged from COVID-19 we benefited from the support of the government Kickstart scheme in the UK, providing us with a grant to employ two talented young people. This brought additional support and creativity to the UK team whilst equipping young people with skills for the future.

In Ethiopia, we delivered medical simulator equipment and virtual training from UK experts to health professionals at Yekatit-12 Government Hospital in Addis Ababa, creating a library of resources and providing surgical training equipment. **We continue our collaborative relationship with Yekatit-12 Hospital.**

Project Harar is proud to be a founding member of the Circle of Cleft Care Professionals and a member of Face Equality International.



**PROJECT HARAR  
A COMPANY LIMITED BY GUARANTEE**

**Report and Financial Statements  
For the Year ended  
31 December 2022**

**Charity number: 1094272**

**Company number: 4300840**

**Prepared by:  
Errington Langer Pinner  
Chartered Accountants  
Pyramid House  
954 High Road  
London N12 9RT**

# PROJECT HARAR

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# PROJECT HARAR

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## COMPANY INFORMATION *FOR THE YEAR ENDED 31 DECEMBER 2022*

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**Directors**

Denise Farley  
Josephine Crown  
Professor Mark McGurk  
Vinod Patel  
Lucy Connolly  
Charles Chad

**Trustees**

Denise Farley  
Josephine Crown  
Professor Mark McGurk  
Vinod Patel  
Lucy Connolly  
Charles Chad

**Chief Executive Officer**

Jacquelyn Riley

**Company number**

4300840

**Charity Number**

1094272

**Registered Office**

Pyramid House  
954 High Road  
London  
N12 9RT

**Independent Examiner**

Michael Pinner ACA  
Errington Langer Pinner  
Chartered Accountants  
Pyramid House  
954 High Road  
London N12 9RT

# PROJECT HARAR

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## **DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Trustees present their Report along with the Financial Statements of the charity for the year ended 31 December 2022. The Financial Statements have been prepared in accordance with the accounting policies set out on pages 8 - 10 and comply with the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016).

### **Objectives and activities**

The objectives of the charity are the relief of poverty, the preservation and protection of human health and the advancement of education in Ethiopia, particularly amongst children and young people.

Project Harar in the UK works in partnership with Project Harar Ethiopia to implement our shared charitable objectives, which are to provide nutrition support, access to surgical treatment and other ancillary support to children and young people with cleft or other facial conditions from remote, rural, and impoverished areas of Ethiopia.

### **How our activities deliver public benefit**

The Trustees have, throughout the year, complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

### **Performance and achievements**

In 2021 the Board of Trustees elected to change the Financial Year end to December to align with reporting in Ethiopia. With this change the income in the previous period is based on a 9 month period rather than a full year. With this change total income decreased by 42% to £117,018 compared to the previous period on a pro rata basis. The Board recognises that this was a necessary impact of the strategic decision to focus on raising funds in Ethiopia which go directly to Project Harar Ethiopia. This initiative made in light of continuing fundraising challenges in the UK, has already had the effect of increasing funding direct to Ethiopia by over £160,000 in the first 3 months of 2023.

During the year we have undertaken the following activities:

- With the lifting of Covid-19 travel restrictions, 608 infants and children with cleft conditions were identified and mobilised to regional hospitals to receive life changing surgery in conjunction with Smile Train.
  - 456 were treated at 5 programmes in Amhara region which had been impacted by conflict in neighbouring Tigray in the previous two years.
  - 2 programmes in SNNP region treated 79 children for cleft lip and palate.
  - A further 164 children were treated in Oromia region.
  - Additionally, we partnered with HelpAge International to provide aid and access to cleft treatment to refugees of the Nguenyiel camp in the Gambella area.
- In partnership with THET (Tropical Health & Education Trust) Project Harar developed microsurgical and airway management training programmes, in collaboration with Yekatit-12 Government Hospital in Addis Ababa with attendees from a further 6 hospitals. 42 medical professionals from across Ethiopia received training in microsurgical skills, airway management and nasogastric feeding using specialist simulator medical equipment provided by Project Harar and THET. Training in microsurgical skills was a first for this type of training in Ethiopia, and part of our commitment to capacity building in Ethiopia.

# PROJECT HARAR

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## DIRECTORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### Performance and achievements (continued)

- Awareness raising is an integral part of our work in Ethiopia, educating health professionals and social workers about cleft conditions, the causes and treatments, and working to break down the stigma surrounding these conditions. During the year we trained 180 health care workers and social workers as well as representatives of regional health bureaux at workshops in Amhara, Oromia and SNNPR.
- During the year we completed 2-year pilot program training 15 community health workers in speech therapy support in partnership with Transforming Faces. Most children with a cleft palate will require some speech therapy to improve their speech after surgery. Presently this is only available in a few locations in Ethiopia, but we are working towards building capacity in regional health bureaux.
- The impact of drought, conflict and very high inflation saw an increase in the numbers of children arriving at our programmes too malnourished for safe surgery. This year between 10 and 20% presented undernourished. We provide these families with a package of nutrition support, as well as education for the parents or guardians on supplementary feeding so that the child can return for surgery when they are stronger. This year we provide nutrition support, counselling and/or infection treatment to 91 infants who were not fit for surgery.

### Future developments

A number of risk factors will affect our work in the next 12 months. The pandemic aftermath continues to affect our ability to fundraise, our working practices in the UK and the ability to mobilise and treat patients in Ethiopia. Security issues are impacting the movement safety of our partners in Ethiopia, and our ability to treat patients. Inflation and the exchange rate is all a risk to funding of the organization.

We have implemented the following strategies to cope with these challenges:

In the UK we continue to use a Co Working space. We have two full time staff in the UK, the UK office has a Chief Executive and a Communications & Fundraising Officer.

Project Harar is working to continue to diversify its funding base in 2024. The charity will also continue to seek funding from major institutional funders and foundations in order to expand our reach and provide comprehensive cleft care to as many patients as possible.

We will continue working with our colleagues in Ethiopia to raise funds in-country to support Project Harar Ethiopia directly and we will expand our relationship with corporates in the UK and Ethiopia, such as DSP who are providing technical support in the UK and Ethiopia, as well as fundraising for cleft programmes.

### Reserves policy

It is the policy of the charity that unrestricted funds that are not designated for any particular use should be maintained at a level equivalent to three month's total expenditure and placed on bank deposit. The trustees consider that this level of reserves should ensure that in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.



## PROJECT HARAR

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### DIRECTORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Structure, governance and management

Project Harar (Limited by guarantee) is a company limited by guarantee having no share capital. The company is governed by its Memorandum and Articles of Association and the provisions and recommendations of the Charity Commission. The company is managed by its trustees.

The charitable company relies on the generous donations of the public, businesses and private charitable trusts.

#### Director and trustees

The following have held office since 1 January 2022:

Denise Farley	(trustee and director)
Josephine Crown	(trustee and director) (appointed 10 February 2022)
Professor Mark McGurk	(trustee and director)
Vinod Patel	(trustee and director)
Lucy Connolly	(trustee and director)
Charles Chad	(trustee and director)

#### Review of transactions and financial position

Overall expenditure in the current year was £227,679 (2021 - £151,342 an increase of 50%. At the balance sheet date, the total funds of the charity had accordingly reduced to £64,059 (2021 - £174,720).

#### Risk management

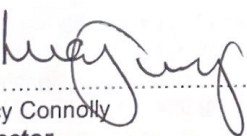
The directors have considered the risks to which the charitable company is exposed and have reviewed those risks and established systems and procedures to manage those risks.

#### Investments

Under its Memorandum and Articles of Association the charitable company has the power to make investments which the directors see fit.

This report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies exemption.

The trustees' report was approved by the Board of Trustees

  
.....  
Lucy Connolly  
Director

27 September 2023



## PROJECT HARAR

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### INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PROJECT HARAR FOR THE YEAR ENDED 31 DECEMBER 2022

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I report to the trustees on my examination of the accounts of Project Harar (the charity) for the year ended 31 December 2022.

#### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purpose of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act.

#### Independent examiner's statement

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

- accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

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.



**Name:** Michael Pinner ACA

**Relevant professional body:** Institute of Chartered Accountants in England and Wales

**Address:** Errington Langer Pinner  
Pyramid House  
954 High Road  
London N12 9RT

**Date:** 27 September 2023

## PROJECT HARAR

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### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

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	Notes	2022 £	2021 £
Income		116,993	152,789
Expenditure		(227,679)	(151,342)
		<hr/>	<hr/>
Operating (loss)/profit		(110,686)	1,447
Bank interest received		25	39
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(110,661)	1,486
Tax on profit/(loss) on ordinary activities	9	-	-
		<hr/>	<hr/>
(Loss)/profit for the year		<u>(110,661)</u>	<u>1,486</u>

The profit and loss account includes all gains and losses recognised in the year

All income and expenditure derive from continuing activities

## PROJECT HARAR

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
<b>Incoming resources</b>				
Donations and grants	98,968	18,025	116,993	152,789
Income from events	-	-	-	-
Other income	-	-	-	-
Interest receivable	25	-	25	39
<b>Total incoming resources</b>	<b>98,993</b>	<b>18,025</b>	<b>117,018</b>	<b>152,828</b>
<b>Resources expended</b>				
<b>Cost of generating funds</b>	<b>36,556</b>	<b>-</b>	<b>36,556</b>	<b>28,996</b>
<b>Expenditure on charitable activities</b>				
Cleft programme	-	128,150	128,150	64,691
Complex surgical programme	2,058	39,173	41,231	43,547
Fund transfers	149,298	(149,298)	-	-
<b>Other costs</b>				
IT & communications	7,464	-	5,012	5,012
Professional and governance costs	6,112	-	6,112	1,362
Office rent and utilities	6,716	-	6,716	5,494
Bank charges	7	-	7	538
Sundry expenses	1,443	-	1,443	1,702
<b>Total resources expended</b>	<b>209,654</b>	<b>18,025</b>	<b>227,679</b>	<b>151,342</b>
<b>Net (outgoing)/incoming resources for the year ended 31 December 2022</b>	<b>(110,661)</b>	<b>-</b>	<b>(110,661)</b>	<b>1,486</b>
<b>Fund balances brought forward at 1 January 2022</b>	<b>170,220</b>	<b>4,500</b>	<b>174,720</b>	<b>173,234</b>
<b>Fund balances carried forward at 31 December 2022</b>	<b>59,559</b>	<b>4,500</b>	<b>64,059</b>	<b>174,720</b>
	=====	=====	=====	=====

## PROJECT HARAR

### BALANCE SHEET AS AT 31 DECEMBER 2022

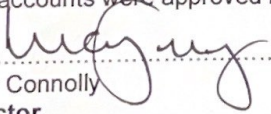
		2022		2021	
	Notes	£	£	£	£
<b>Current assets</b>					
Debtors	3	13,667		9,732	
Cash at bank and in hand	4	92,296		213,632	
		105,963		223,364	
<b>Creditors: amounts falling due within one year</b>		(15,380)		(13,644)	
<b>Net current assets</b>			90,583		209,720
<b>Creditors: amounts falling due after more than one year</b>			(26,524)		(35,000)
<b>Total net assets</b>			64,059		174,720
<b>Fund balances</b>					
General fund	6	18,340		140,687	
Reserve fund	6	27,800		27,800	
Designated funds	6	13,419		1,733	
Restricted funds	6	4,500		4,500	
<b>Total funds</b>			64,059		174,720

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 27 September 2023

  
Lucy Connolly  
Director

Company Registration No. 4300840

# PROJECT HARAR

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1. Accounting policies

#### Charity information

Project Harar is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Pyramid House, 954 High Road, London N12 9RT.

### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and "Accounting and Reporting by Charities: 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principle accounting policies adopted are set out below.

### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

### 1.3 Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The specific policies are applied to particular categories of income:

- Income from donations and grants, including capital grants, is included in incoming resources of unrestricted funds when receivable.
- When donors impose conditions and grants are for particular restricted purposes, this income is included in incoming resources of restricted funds when receivable.
- Donated goods, services and facilities are included at the value to the charity where this can be quantified.

### 1.4 Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.



## PROJECT HARAR

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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1.	Accounting policies	(Continued)
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1.5	Foreign exchange transactions
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Transactions in foreign currencies are recorded at the average rate of exchange for the year. Assets and liabilities denominated in foreign currency are similarly translated at an appropriate rate of exchange at the balance sheet date. All differences are taken to the statement of financial activities.

1.6	Financial instruments
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The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

## PROJECT HARAR

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### 1. Accounting policies (Continued)

##### 1.7 Fund accounting

Funds held by the charity are either:

- *Unrestricted funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- *Restricted funds* – these are funds that can only be used for particular restricted purposes within the object of the charity. Restrictions also apply when specified by the donor or when funds are raised for particular purposes. Expenditure that meets these criteria is identified in the fund.

#### 2. Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised where the revision affects only that year, or in the year of the revision and future years where the revision affects both current and future years.

3. Debtors	2022 £	2021 £
Other debtors and accrued income	13,667	9,732
	<hr/>	<hr/>
	13,667 =====	9,732 =====

4. Cash at bank and in hand	2022 £	2021 £
Current account	78	78
Deposit accounts	92,219	213,554
	<hr/>	<hr/>
	92,297 =====	213,632 =====

#### 5. Legal Status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

## PROJECT HARAR

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### 6. Analysis of charitable funds

##### Analysis of unrestricted funds movements

	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£
General fund	140,689	98,993	(209,654)	30,028
Reserves fund	27,800	-	-	27,800
Designated	1,731	-	-	1,731
	<u>170,220</u>	<u>98,993</u>	<u>(209,654)*</u>	<u>59,559</u>
	=====	=====	=====	=====

##### Analysis of restricted funds movement

	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£
Cleft programme	-	190	(190)	-
Complex surgical programme	-	17,835	(17,835)	-
Comic Relief	4,500	-	-	4,500
	<u>4,500</u>	<u>18,025</u>	<u>(18,025)**</u>	<u>4,500</u>
	=====	=====	=====	=====

\* including £149,298 transferred to restricted funds

\*\* including £149,298 transferred from general funds

Name of the fund	Description, nature and purpose of the fund
Cleft programme	To provide for outreach field work to identify low income, rural patients – particularly children and young people – with cleft lip and palate and co-ordinate and support their access to free treatment by Ethiopian surgeons. Also includes follow-up patient assessments, speech and language therapy, secondary patient referrals and monitoring and evaluation.
Complex surgical programme	To facilitate the free treatment and support of low income, rural patients with complex facial disfigurements as a result of noma, burns, tumours, animals attacks and accidents, by a UK and international medical team.
Comic Relief	Project Harar was awarded a grant of £112,733 over three years in August 2017, for a programme in the Afar region of Ethiopia to provide mothers with nutritional and feeding support for their cleft child.

## PROJECT HARAR

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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**7. Staff costs**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
UK staff	107,662 =====	79,685 =====

The average weekly number of staff remunerated during the year, calculated on a full time equivalent basis was:

	<b>2022</b>	<b>2021</b>
Administration in UK	2.00 ====	2.00 ====

The trustees received no remuneration or reimbursements in the current or previous year.

**8. Related party transactions**

During the year trustees made donations towards the cost of the Cleft Programme.

**9. Tax exempt status**

As a registered charity the company is exempt from corporation tax.