

**PROJECT HARAR
A COMPANY LIMITED BY GUARANTEE**

**Report and Financial Statements
For the Year ended
31 December 2023**

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

COMPANY INFORMATION *FOR THE YEAR ENDED 31 DECEMBER 2023*

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

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their Report along with the Financial Statements of the charity for the year ended 31 December 2023. 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

During the year we have undertaken the following activities:

640 infants and children with cleft conditions were identified, mobilised to regional hospitals and received surgery in partnership with Smile Train.

- 230 children were treated at 4 programmes in Amhara region during a short reprieve from conflict in neighbouring Tigray in 2020 and 2021. A further 6-month of state of emergency was declared on 4 August 2023 in Amhara, making it once again difficult to work in this region.
- 103 children were treated in 3 programmes in SNNP and 1 programme in Sidama
- 3 patients from the Somali region were treated in Dire Dawe
- A further 304 children were treated as part of 20 programmes in the Oromia region

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 113 health care workers and social workers as well as representatives of regional health bureaux at workshops in Amhara, Oromia and SNNPR.

The continued impact of drought, conflict, and very high inflation has seen an increase in the numbers of children arriving at our programmes too malnourished for safe surgery. This year between 12 and 20 % of children 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 provided nutrition support, counselling and/or infection treatment to infants who were not fit for surgery so that children could return for surgery when their health had improved.

This year we increased our focus on psychosocial support for mothers, running support groups for mothers alongside our surgical programmes.

PROJECT HARAR

DIRECTORS' AND TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

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 the directors who are also trustees of the charity.

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

The charity is a founding member of the Circle of Cleft Professionals and a member of Face Equality International.

Directors

The following have held office since 1 January 2023:

Josephine Crown

Denise Farley

Professor Mark McGurk (resigned 22 May 2024)

Vinod Patel (resigned 9 April 2024)

Lucy Connolly

Charles Chad

During the year Professor McGurk retired but remains a consultant to the charity, and Vinod Patel resigned. Gary Walton (Consultant Head & Neck and Reconstructive surgeon was appointed as a director and trustee on 18 May 2024.

Review of transactions and financial position

During the year ended 31 December 2023 fundraising increased in line with the objectives set by the trustees. Total income increased by 65% to £193,430.

We raised almost £57,000 from the Gala dinner in November, our first post-covid event, and received grants from trusts and foundations totalling £58,303. In addition, the first fundraising event for Project Harar in Ethiopia, was held and raised £60,000 which directly funded Project Harar Ethiopia.

Overall expenditure for the current financial year was £176,992, a decrease of 22%. This was a result of funding being secured directly into Project Harar Ethiopia.

At balance sheet date the total funds of the charity had increased by 26% to £80,497.

It is the policy of the charity that they hold a reserve equivalent to three months total expenditure on bank deposit as a matter of prudence.

PROJECT HARAR

DIRECTORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Risk management and future developments

The directors have considered the risks to which the charitable company is exposed.

In Ethiopia security concerns, conflict, high inflation, and changes to foreign exchange policies continue to create challenges, whilst in the UK the cost-of-living squeeze and regional conflicts have increased competition for grant and public funding. We have implemented the following strategies to cope with these challenges:

In Ethiopia we rely on Project Harar Ethiopia to monitor local security situations and only implement programmes where they advise it is safe to do so. We work closely with regional health bureaux and hospitals to identify appropriate locations for programmes and in 2023 worked with 13 hospitals in five regions across Ethiopia.

In 2023 UK staff visiting Ethiopia follow the guidance of the Foreign and Commonwealth Office and the British Embassy in Addis Ababa and adhere to their guidance in deciding which areas to visit.

In the UK we have strengthened our team whilst keeping costs to an absolute minimum. We have recruited a number of part-time staff and consultants to support our CEO, including with fundraising, finance and communications. We continue to work part-time in a co-working office in Brighton and from home.

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

We work with a number of international NGOs to support our work in Ethiopia. Whilst only grants made to Project Harar (UK) are reflected in these accounts, funds raised are also channelled directly into Project Harar Ethiopia. In the year to 31 December 2023 Project Harar Ethiopia received direct funding from Smile Train, regional hospitals, and held a very successful fundraising event at the Golden Tulip Hotel in Addis Ababa supported by local corporates and individuals. In addition, we are working towards collaborative agreements to partner with other similar organisation in both cleft and complex programmes

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.

We hold the majority of the charities' cash reserves in the UK as a hedge against inflation in Ethiopia and exchange rate changes and exchange controls. We actively review the cash positions of both charities on a monthly basis.

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


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Lucy Connolly
Director

2 September 2024

PROJECT HARAR

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PROJECT HARAR FOR THE YEAR ENDED 31 DECEMBER 2023

I report to the trustees on my examination of the accounts of Project Harar (the charity) for the year ended 31 December 2023.

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.

Errington Langer Pinner

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| | |
|------------------------------------|---|
| 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: | 2 September 2024 |

PROJECT HARAR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

| | Notes | 2023 £ | 2022 £ |
|--|-------|---------------|------------------|
| Income | | 193,417 | 116,993 |
| Expenditure | | (176,992) | (227,679) |
| | | <hr/> | <hr/> |
| Operating profit/(loss) | | 16,425 | (110,686) |
| Bank interest received | | 13 | 25 |
| | | <hr/> | <hr/> |
| (Loss)/profit on ordinary activities before taxation | | 16,438 | (110,661) |
| Tax on profit/(loss) on ordinary activities | 9 | - | - |
| | | <hr/> | <hr/> |
| (Loss)/profit for the year | | <u>16,438</u> | <u>(110,661)</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 2023

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2021 |
|--|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Incoming resources | | | | |
| Donations and grants | 89,003 | 47,829 | 136,832 | 116,993 |
| Income from events | 56,585 | - | 56,585 | - |
| Other income | - | - | - | - |
| Interest receivable | 13 | - | 13 | 25 |
| | | | | |
| Total incoming resources | 145,601 | 47,829 | 193,430 | 117,018 |
| | | | | |
| Resources expended | | | | |
| Cost of generating funds | 49,578 | - | 49,578 | 36,556 |
| | | | | |
| Expenditure on charitable activities | | | | |
| Cleft programme | - | 103,825 | 103,825 | 128,150 |
| Complex surgical programme | - | - | - | 41,231 |
| Fund transfers | 53,993 | (53,993) | - | - |
| | | | | |
| Other costs | | | | |
| IT & communications | 10,680 | - | 10,680 | 7,464 |
| Professional and governance costs | 2,471 | - | 2,471 | 6,112 |
| Office rent and utilities | 5,820 | - | 5,820 | 6,716 |
| Bank charges and interest | 1,687 | - | 1,687 | 7 |
| Sundry expenses | 2,931 | - | 2,931 | 1,443 |
| | | | | |
| Total resources expended | 127,160 | 49,832 | 176,992 | 227,679 |
| | | | | |
| Net incoming/(outgoing) resources for the year ended 31 December 2023 | 18,441 | (2,003) | 16,438 | (110,661) |
| | | | | |
| Fund balances brought forward at 1 January 2023 | 59,559 | 4,500 | 64,059 | 174,720 |
| | | | | |
| Fund balances carried forward at 31 December 2023 | 78,000 | 2,497 | 80,497 | 64,059 |
| | ===== | ===== | ===== | ===== |

PROJECT HARAR

BALANCE SHEET AS AT 31 DECEMBER 2023

| | | 2023 | | 2022 | |
|--|-------|----------|----------|----------|----------|
| | Notes | £ | £ | £ | £ |
| Current assets | | | | | |
| Debtors | 3 | 23,128 | | 13,667 | |
| Cash at bank and in hand | 4 | 85,133 | | 92,296 | |
| | | | | | |
| | | 108,261 | | 105,963 | |
| Creditors: amounts falling due within one year | | (13,597) | | (15,380) | |
| Net current assets | | | 94,664 | | 90,583 |
| Creditors: amounts falling due after more than one year | | | (14,167) | | (26,524) |
| Total net assets | | | 80,497 | | 64,059 |
| Fund balances | | | | | |
| General fund | 6 | 50,197 | | 30,028 | |
| Reserve fund | 6 | 27,800 | | 27,800 | |
| Designated funds | 6 | - | | 1,731 | |
| Restricted funds | 6 | 2,500 | | 4,500 | |
| Total funds | | | 80,497 | | 64,059 |

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 2023. 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 2 September 2024

Lucy Connolly

Director

Company Registration No. 4300840

PROJECT HARAR

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

1. Accounting policies (Continued)

1.5 Foreign exchange transactions

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

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 2023 (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 | 2023 £ | 2022 £ |
|----------------------------------|-----------------|-----------------|
| Other debtors and accrued income | 23,128 | 13,667 |
| | <hr/> | <hr/> |
| | 23,128 ===== | 13,667 ===== |

| 4. Cash at bank and in hand | 2023 £ | 2022 £ |
|-----------------------------|-----------------|-----------------|
| Current account | 78 | 78 |
| Deposit accounts | 85,055 | 92,218 |
| | <hr/> | <hr/> |
| | 85,133 ===== | 92,296 ===== |

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 2023 (CONTINUED)

6. Analysis of charitable funds

Analysis of unrestricted funds movements

| | Balance at 1 January 2023 | Incoming Resources resources expended | Balance at 31 December 2023 |
|---------------|------------------------------|--|--------------------------------|
| | £ | £ | £ |
| General fund | 30,028 | 145,601 | (125,432) |
| Reserves fund | 27,800 | - | - |
| Designated | 1,731 | - | (1,731) |
| | ===== | ===== | ===== |
| | 59,559 | 145,601 | (127,163)* |
| | ===== | ===== | ===== |
| | | | 77,997 |
| | | | ===== |

Analysis of restricted funds movement

| | Balance at 1 January 2023 | Incoming Resources resources expended | Balance at 31 December 2023 |
|----------------------------|------------------------------|--|--------------------------------|
| | £ | £ | £ |
| Cleft programme | - | 45,031 | (45,031) |
| Strategic planning | - | 2,500 | - |
| Complex surgical programme | - | 298 | (298) |
| Comic Relief | 4,500 | - | (4,500) |
| | ===== | ===== | ===== |
| | 4,500 | 47,829 | (49,829)** |
| | ===== | ===== | ===== |
| | | | 2,500 |
| | | | ===== |

* including £53,993 transferred to restricted funds

** including £53,993 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. |
| Strategic planning | To provide for future strategic planning |

PROJECT HARAR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7. Staff costs

| | 2023 | 2022 |
|----------|-------------|-------------|
| | £ | £ |
| UK staff | 103,422 | 107,662 |
| | ===== | ===== |

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

| | 2023 | 2022 |
|----------------------------------|-------------|-------------|
| | | |
| Program and fundraising salaries | 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. Additionally the trustees made 4 visits to Ethiopia for strategic, fundraising and governance purposes. On 3 of these visits the trustees paid all of their own travel and accommodation expenses. On one trip, for a joint trustee meeting between the charity and the board of Project Harar Ethiopia, the charity paid for the flight and accommodation for one trustee.

9. Tax exempt status

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