

**Annual Report & Statement of Accounts**  
**For 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 (FY24)**

**THE TESFA SPONSORSHIP TRUST UK**

**Charity Registration No 1177205**



*Christmas and New Years messages from the sponsored children at CBISDO – Dec 2023*



*Regular distributions of sanitary materials, including soap and sanitiser for sponsored elderly at CBISDO (a vital part of the programme to care for the elderly)*

# **The Tesfa Sponsorship Trust UK**

## **Annual Report & Statement of Accounts**

**For 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024**

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*AHISDO celebrated World Elderly Day 2023 - local young volunteers together with AHISDO organised a lunch program for elderly at AHISDO's elderly centre*



# The Tesfa Sponsorship Trust UK

## Administrative information

**Charity Number** 1177205

**Trustees on 31.03.2024**

Benjamin Booth  
Simon Paylor  
Paul Wilson

**Governing Instrument**

Trust Deed dated 12th December 2016

**Objectives**

The prevention or relief of poverty in Addis Ababa, Ethiopia by providing: grants, items and services to individuals in need and/or charities, or other organisations working to prevent or relieve poverty.

**Correspondence Address**

3 Bryant Way  
Toddington  
Dunstable  
Bedfordshire  
LU5 6EX

**Primary Bankers**

Natwest Bank  
4 High Street North  
Dunstable  
LU6 1JU

**Independent Examiner**

Mrs Hannah Clack  
144 Kings Road  
Evesham

# The Tesfa Sponsorship Trust UK

## Independent Examiners Report on the Accounts

### The Tesfa Sponsorship Trust UK

#### Independent Examiners Report on the Accounts

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31<sup>st</sup> March 2024

**Responsibilities and basis of report**

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

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

**Independent examiner's statement**

The procedures undertaken do not provide all the evidence that would be required in an audit, and therefore as an Independent Examiner I am not providing an audit opinion.

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

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

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

Signed:



Date:

15.01.25

Name:

Hannah Clack (new Piff)

**Relevant professional qualification(s) or body (if any):**

Student member of ACCA

Address:

144 Kings Road, Evesham.

# The Tesfa Sponsorship Trust UK

## Trustees Report For 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024

### Introduction

These accounts detail the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

For tax purposes the charity is a registered charity and is known as: -  
The Tesfa Sponsorship Trust UK (hereafter "Tesfa"), Charity Number 1177205

### Achievements in the Financial year

*The Trust continues to live out its objectives by facilitating the sponsorship of children and elderly people through our two partner Ethiopian NGOs, CBISDO and AHISDO.*

At the end of FY24, the number of children being sponsored through Tesfa was 146 along with 20 elderly persons. We remain hugely grateful for the continued commitment of our sponsors and supporters by investing in the lives of the children and elderly in the communities we support in Addis Ababa, Ethiopia. Their support continued throughout the pandemic and then the global inflation crisis that followed, which is a testimony to the commitment of our supporter base and their belief in how much of a difference sponsorship can make to the lives and futures of those in most need.

**Sponsorship funds** of £32,195 (£30,319 in FY23) and additional gifts of £5,925 were sent to our 2 partners in Addis Ababa, supporting their work as follows:

- CBISDO (Community Based Integrated Sustainable Development Organisation) - at the close of FY24, 127 children and 16 elderly people were being sponsored by our supporters.
- AHISDO (Addis Hiwot Integrated Sustainable Development Organisation) - at the close of FY23, 19 children and 4 elderly people were being sponsored by our supporters.
- The extra gifts include £450 for AHISDO to purchase a new printer and £5,000 to support the elderly sponsor program at CBISDO from the Kunde Foundation, being a charitable trust set up by a close friend of the late Founder of CBISDO and AHISDO with very similar mission to that of Tesfa – their donation is routed through Tesfa and we provide a monitoring service for a nominal fee.



**Annual sponsored child reporting:**

- For the 147 children sponsored during the school year ending July 2023, here's a breakdown of the annual reports:

|   |    |
|---|----|
| Promoted to the next school/ Vocational College or University year  | 79 |
| Not promoted to the next school year - they will be supported to re-sit the year  | 19 |
| Qualified for Vocational College after 10 <sup>th</sup> or 12 <sup>th</sup> Grade exams   | 17 |
| Qualified for University after 12 <sup>th</sup> grade exams   | 2  |
| Graduated from Vocational College   | 3  |
| Children with disabilities – they all continue to be healthy and enjoying an education tailored to their needs while learning key life skills | 5  |
| Child was sick and unable to attend school but is now recovered and back in education for the following year                                  | 1  |
| Family moved out of the Project area, so sponsorship has to end   | 8  |
| Child voluntarily ended education early to pursue work to support the family  | 5  |
| Too early in the sponsorship cycle for a school report (re new sponsors or new sponsored children mid school year)                            | 8  |

We proudly celebrate these successes and the extra support given to sponsored children when needing it the most. For Tesfa, this serves to amplify the importance of giving every child an education and a hope they all have a right to.

**Monitoring, Evaluation and Capacity Building**

Tesfa hugely benefits from the continued monitoring through our appointed Consultant based in Addis Ababa with three reporting cycles having been completed in the financial year. This has proved invaluable in being able to gain a good level of oversight of the work of the two NGOs in delivering the sponsorship programmes and the management of the funding that Tesfa provides on behalf of our supporters. This in turn means Tesfa can better support CBISDO and AHISDO through grants, sponsorship payments and the funding of tailored management training.

**Management and Board training:**

Tesfa funded the training of 16 selected individuals from the two NGOs – 11 Board and General Assembly Members and 5 Senior Managers and Programme Heads from both NGOs. The training was delivered through Tesfa's consultant, Tadesse Haile (a long-standing supporter of the NGOs and friend of their founder, the late Dr Jember) and a Management consultant, Girma Kebede – we extend our sincere thanks to them both for this excellent training event.

The training covered key areas such as Project Cycle Management, Project Implementation, Monitoring and Reporting. Tesfas' consultant is monitoring the continuous improvement in management of the NGOs that should become evident after such a training event.



*Certificate awarded to those attending the Organisation & Project Management training event*

#### Notable events after the Financial Year end:

- Tesfa has agreed to fund the mandatory Strategic Review for CBISDO using its unrestricted reserves by making a grant to our consultant, Tadesse Haile, to manage the process and hire an in-country management consultant (the same gentleman who undertook the NGO management training in FY24). The Strategic Review will enable the Board and Management to build on that training and review CBISDO's strategy and direction for the next 5-year period. This report is required both internally and also for the Government agencies when applying for the necessary licences to operate.
- This review will incorporate views from many stakeholders including Tesfa. Tesfa's consultant has confirmed that as well as the voice of the elderly, the voice of the children will also be sought and listened to in the consultation period, something that Tesfa believes to be very important and that the children are a critical part of the stakeholder group as well as the elderly persons too.

#### Formal key details:

##### Treasurer

Role undertaken by Trustee, Paul Wilson, throughout the financial period.

##### Independent Examiner

The 2023/24 accounts were reviewed by:  
Mrs Hannah Clack of 144 Kings Road, Evesham

##### Trustees

There are currently three Trustees: -

- Benjamin Booth
- Simon Paylor (formal notice given in February 2024 to end his Trusteeship as soon as practically possible – recruitment to replace him is underway)
- Paul Wilson (Chairperson)

The Trustees review the examined accounts each year and submit these with the appropriate forms to the Charity Commission. To date the Trustees have not claimed any payments for their activities other than for either reimbursement of trip expenses whenever visiting Addis Ababa

on a monitoring trip representing Tesfa or for stationery costs incurred in the administration of the charity.

## Reporting

- A summary of the breakdown of the unrestricted funds held along with a 12 month forward looking view is presented at every Trustee meeting - this helps drive a regular discussion on Tesfa's capacity to provide further grants to support the partners in their mission.
- The accounts are examined annually by an independent person who has the necessary knowledge and experience outside of the charity and this is in turn reported to the Trustees at the AGM.
- A copy of the examined accounts is also provided to the Charity Commission each year.

## Income

The majority of income is received by standing order directly from the individual or by cheque and relates to the individual's sponsorship of a child or elderly person in the projects that Tesfa supports. Sponsorship funds are treated as 'Restricted Funds' and 100% of those funds are remitted to the NGOs for the purpose of supporting the Sponsorship programmes.

In addition to the claimed gift-aid from those sponsorship payments where applicable, we also receive one-off donations which are treated as unrestricted funds unless the donor expressly states the funds are for a specific purpose.

Of the £16,691.47 cash balance at the financial year end, 'Restricted Reserves' represented 60% of the cash (£10,021.53) being split as follows:

- £3,559.47 of Child and Elderly sponsor funds building up for the next semester payment (due in August 2024).
- £2,509.87 of Seed Capital remaining from a supporter gift.
- £1,241.00 of gifts received specifically for the NGOs (includes a £600 top-up gift from the Kunde Foundation, specifically for the elderly programme).
- £2,711.19 of funds held for the training institute BSDTCC founded by the late Dr Jember Teferra (also founder of our partners CBISDO and AHISDO).

## Summary of Bank Account - Current Account: - XXXX2619

- This account is managed by the Treasurer and is the general account. All payments from this account are by either bank payment, direct debit or by cheque all of which require two signatures from the three signatories, all of whom are Trustees.
- Gift Aid applications to the Inland Revenue for income to this account is applied for annually with such funds treated as unrestricted.

In terms of cash management, Tesfa has two interest bearing reserve accounts:

- **Business Reserve** - instant access account used for investing restricted sponsor funds ahead of the next semester payment and unrestricted funds until needed (such as the Gift Aid monies).
- **Liquidity Manager 35 Day** (opened after the financial year end) - term savings account requiring 35 days notice for any withdrawal of the funds - used for investing the Seed Capital and other restricted funds that are not immediately required for distribution.



## Conclusion

The main areas of payments will continue to be the provision of funding for the sponsorship of children and elderly people within the Kebeles (city districts) where the two Ethiopian NGOs operate that Tesfa supports (CBISDO and AHISDO) in Addis Ababa, Ethiopia.

We are committed to continuing and growing our partnership with CBISDO and AHISDO – both through the sponsorship schemes and also supporting capacity building in both organisations.

In addition, unrestricted funds will be invested in two main areas:

1. to ensure Tesfa is fully compliant with the Charity Commission for England & Wales regulations and best practices; and
2. the effective monitoring & evaluation (M&E) of the charitable partners with whom Tesfa has a formal partnership - currently CBISDO and AHISDO. This will be achieved through both the commissioning of our consultant in Addis Ababa, Tadesse Haile, who reports to Tesfa periodically (currently every 4 months) and an annual monitoring visit by at least one Trustee of Tesfa whenever possible. It is the Trustees' intention to use the locally based Consultant to greater effect being seen as the most effective and cost-effective method of the required M&E.

Additionally:

3. In early 2021, the Trustees agreed to increase the minimum retention of unrestricted reserves from £1,000 to £1,500 to cover approximately a year's equivalent of core operating costs including a very basic level of Monitoring & Evaluation costs.

## Trustees' Responsibilities

The Charities Act 1993 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and the surplus of the Trust for that period. In preparing those financial statements the Trustees are required to:

- o Select suitable accounting policies and apply them consistently.
- o Make judgements and estimates that are reasonable and prudent.
- o Prepare financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in existence.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees:

Paul Wilson



Date

20th January 2025

# The Tesfa Sponsorship Trust UK

## Statement of Receipts and Payments

### For 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024

| The Tesfa Sponsorship Trust UK  |  |           |                  |
|---|--|-----------|------------------|
| Receipts & Payments Account - Financial Year to 31 March 2024   |  |           |                  |
|   |  | £         | £                |
| <b>Receipts</b>   |  |           |                  |
|   | Sponsorship - standing orders                        | 26,243.00 |                  |
|   | Sponsorship - manual payers                          | 1,740.00  |                  |
|   | Sub-total  |           | 27,983.00        |
|   | Other gifts (2)                                      | 6,426.62  |                  |
|   | Gift Aid Tax Rebate                                  | 5,944.25  |                  |
|   | Restricted funds received for BSDTCC (3)             | 665.00    |                  |
|   | Sub-total  |           | 13,035.87        |
|   | <b>Total Receipts</b>                                |           | <b>41,018.87</b> |
| <b>Payments</b>   |  |           |                  |
| <b>Grants and gifts</b>   | Sponsorship funds                                    | 32,195.00 |                  |
|   | Other gifts  | 5,925.00  |                  |
|   | NGO Capacity Building                                | 1,800.00  |                  |
|   | Rebates to sponsors (overpayments etc)               | 0         |                  |
|   | Sub-total  |           | 39,920.00        |
| <b>Operational costs</b>  | Administration                                       | 698.61    |                  |
|   | Bank payment fees                                    | 240.00    |                  |
|   | Trustee trip costs to Ethiopia                       | 342.70    |                  |
|   | Monitoring & Evaluation costs (4)                    | 2,250.00  |                  |
|   | Sub-total  |           | 3,531.31         |
|   | <b>Total Payments</b>                                |           | <b>43,451.31</b> |
|   | <b>Surplus / (shortfall)</b>                         |           | <b>-2,432.44</b> |
| <b>Cash at Bank</b>   |  |           |                  |
|   | Opening cash   | 19,123.91 |                  |
|   | add surplus/(shortfall)                              | -2,432.44 |                  |
|   | <b>Closing cash as at 31/03/24</b>                   |           | <b>16,691.47</b> |
|   | <b>Represented by:</b>                               |           |                  |
|   | Current account                                      | 6,662.44  |                  |
|   | Business Reserve account                             | 10,029.03 |                  |
|   | <b>Made up of reserves:</b>                          |           |                  |
|   | Unrestricted Reserves (5)                            | 6,669.94  |                  |
|   | Restricted Reserves                                  |           |                  |
|   | Seed Capital unspent                                 | 2,509.87  |                  |
|   | BSDTCC funds collected - yet to be distributed       | 2,711.19  |                  |
|   | Gifts for the NGOs collected - yet to be distributed | 1,241.00  |                  |
|   | Sponsorship funds collected - yet to be distributed  | 3,559.47  |                  |
|   | Total Restricted Reserves                            | 10,021.53 |                  |
|   | <b>Total Reserves</b>                                |           | <b>16,691.47</b> |
| <b>Notes:</b>   |  |           |                  |
| 1) Sponsor funds novated from Life Church - relates to sponsors who have yet to novate to Tesfa and are still paying money to Life Church via standing order  |  |           |                  |
| 2) 'Other gifts' includes £5,000 linked to a gift from the Kunde Foundation for the Elderly program at CBISDO routed through Tesfa  |  |           |                  |
| 3) Relates to individual gifts received for the benefit of the late Jember's Institute (BSDTCC) with Tesfa taking over the role from Cheltenham Network of Churches during FY23 of informal 'collection agent'.   |  |           |                  |
| 4) Payments to Tadesse Haile, an Addis Ababa based consultant contracted to work for Tesfa in the monitoring and evaluation of CBISDO and AHISDO plus NGO Capacity Building activity - contract reviewable annually   |  |           |                  |
| 5) Unrestricted reserves represents additional income that has no specified purpose attached to it (such as Gift Aid claim income) - the level of funds is used to cover Tesfa operating costs (including Monitoring & Evaluation costs) plus any grant distributions requested by Partners of Tesfa when approved via quarterly Trustee meetings (or ad-hoc when required) |  |           |                  |

# **The Tesfa Sponsorship Trust UK**

## **Statement of significant financial variances between FY23 and FY24**

### **Receipts**

Sponsorship receipts have decreased reflecting the reduction of the number of children being sponsored during the year from 162 to 146. This reduction is a natural result of a spike in the number of children finishing the sponsorship programme, either at the end of Vocational College or University or moving away from the project (the latter being on the increase in the last few years) – whilst we encourage sponsors to renew their sponsorship with another child we do recognise some sponsors see this 'end of cycle' to be a natural finishing point of their generous giving.

We continue to enjoy having so many loyal supporters who value the opportunity to invest in the lives of children and elderly through sponsorship and plan to develop a recruitment drive in FY25/26 to build back up the numbers of sponsors.

### **Payments**

Operational costs reduced to £3,531.31 being 8.61% of total income (FY23 was 9.13%). The reduction was driven by a lower amount paid to the appointed Addis Ababa consultant for ongoing Monitoring & Evaluation ('M&E') of the two NGOs with whom we partner over the full year. However, please note that a £750 payment was made in April 2024 to the consultant but the M&E work was undertaken in FY24 – so in reality, Operational Costs for FY24 was more on a par with FY23.

Since the start of FY23, any spending on NGO training through our consultant is designated as 'NGO Capacity Building' under 'Grants and Gifts' rather than Operational Costs as this reflects more accurately the process I esta undergoes in its spending decisions. The M&E funds paid to our consultant is considered as mandatory (hence designated as Operational Costs) whereas any decision on Tesfa funding training or other such items is discretionary and falls more logically therefore, as a 'Grant and Gift'.

# The Tesfa Sponsorship Trust UK

## Statement of Assets & Liabilities as at 31<sup>st</sup> March 2024

| The Tesfa Sponsorship Trust UK                                     |                       |                     |                    |                    |
|--|-----------------------|---------------------|--------------------|--------------------|
| Statement of Assets and Liabilities for year ended 31st March 2024 |                       |                     |                    |                    |
|  | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>FY24      | Total<br>FY23      |
| Petty Cash   | £ -                   | £ -                 | £ -                | £ -                |
| Bank Current Account balance                                       | £ 1,861.97            | £ 4,800.47          | £ 6,662.44         | £ 19,123.91        |
| Bank Reserve Account balance                                       | £ 4,807.97            | £ 5,221.06          | £ 10,029.03        | £ -                |
| <b>Total</b>   | <b>£ 6,669.94</b>     | <b>£ 10,021.53</b>  | <b>£ 16,691.47</b> | <b>£ 19,123.91</b> |
| (All assets listed within detailed accounts)                       |                       |                     | £ -                | £ -                |
| Land (none)  |                       |                     | £ -                | £ -                |
| Buildings (none)   |                       |                     | £ -                | £ -                |
| Liabilities (No known liabilities)                                 |                       |                     | £ -                | £ -                |
|  |                       |                     | <b>£ 16,691.47</b> | <b>£ 19,123.91</b> |