

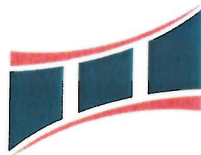
**HAILEYESUSCHEKOL**  
Certified Accountant and Authorised Auditor

# **AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

**OF**

**UNECA STAFF UNION**

**AS AT AND FOR YEAR ENDED 31 DECEMBER 2020**



**HAILEYESUSCHEKOL**  
Certified Accountant and Authorised Auditor

Ref HCA/379/23

**INDEPENDENT AUDITR'S REPORT ON THE FINANCIAL STATEMENTS OF**  
**UNECA STAFF UNION**

**Qualified Opinion**

We have audited the accompanying financial statements of UNECA STAFF UNION, which comprise the balance sheet as at 31December 2020 and the related income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements give a true and fair view of the financial position of UNECA STAFF UNION as at 31December 2020 and of its financial performance and its cash flow statement, for the year then ended in accordance with the Generally Accepted Accounting Principles.

**Basis for Qualified Opinion**

1. We noted a balance difference of Birr 27,489.42 between staff loan receivable and subsidiary ledgers maintained in the system. Moreover, some of loans has shown credit balances
2. We noted that inventory depicted on balance sheet is not substantiated by year end count and valuation sheet has not been availed for our review.
3. Creditor includes long outstanding balances of Birr 285,052. The liability may not be genuine.

**Management's Responsibility for the Financial Statements**


Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

  
Haileyesus Chekol  
Chartered Certified Accountant &  
Authorized Auditor

Addis Ababa  
22 February 2023

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**UNECA STAFF UNION**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	<u>Notes</u>	<u>Birr</u>	2019 <u>Birr</u>
<b>NON CURRENT ASSETS</b>			
Fixed Assets	3	428,338	535,421
<b>CURRENT ASSETS</b>			
Cash on hand and Bank		15,919,378	11,180,167
Receivables	4	1,628,671	2,601,566
Inventory		15,349	15,349
		<u>17,563,399</u>	<u>13,797,082</u>
<b>CURRENT LIABILITY</b>			
Creditors	5	758,803	285,052
		<u>758,803</u>	<u>285,052</u>
<b>NET CURRENT ASSETS</b>		<u>16,804,595</u>	<u>13,512,030</u>
<b>NET ASSETS</b>		<u>17,232,933</u>	<u>14,047,452</u>
<b>REPRESENTED BY:</b>			
Fund balance		17,232,933	14,047,452
		<u>17,232,933</u>	<u>14,047,452</u>



**UNECA STAFF UNION**  
**PROFIT OR LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Notes</u>	<u>Birr</u>	2019 <u>Birr</u>
Revenue			
Income	6	4,838,709	7,332,307
 Expenses			
General and admin expense	7	(1,657,930)	(1,476,340)
 Excess of income ove expenditure		<u>3,180,779</u>	<u>5,855,967</u>



**UNECA STAFF UNION**  
**STATEMENT OF CHANGE IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
Opening Balance	14,047,452	11,845,781
Prior year adjustment	4,702	-
Excess of Income over expenditure	3,180,779	2,201,671
Balance at 07 July 2020	17,232,933	14,047,452



**UNECA STAFF UNION**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b><u>Cash Flows from Operating Activities</u></b>	<b><u>Birr</u></b>
Profit Before Taxation	3,180,778.80
Depreciation Charges	107,083.12
Amortization	-
Prior Period Adjustment	4,701.99
<b>Net Operating Cash Flows before Working</b>	<b><u>3,292,563.91</u></b>
<b>Capital Changes:</b>	
Net Decrease/(Increase) in Debtor excluding withholding tax	972,894.61
Net Decrease/(Increase) in inventory	-
Net Increase/(Decrease) in Creditor	473,750.93
	<b><u>1,446,645.54</u></b>
<b>Cash Generated from Operations</b>	
Withholding Tax Paid	-
Profit tax paid	-
	<b><u>-</u></b>
<b>Net Cash from (used in) Operating Activities</b>	
<b><u>Cash Flows From Investing Activities:</u></b>	
Acquisition of fixed assets	-
<b>Net Cash from (used in) Investing Activities</b>	<b><u>-</u></b>
<b><u>Cash Flows From Financing Activities</u></b>	
Capital contribution	-
Owners Account	-
Cash Withdrawal	-
<b>Net Cash from (used in) Financing Activities</b>	<b><u>-</u></b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>4,739,209.45</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b><u>11,180,167.00</u></b>
<b>Cash and Cash Equivalent at the end of the year</b>	<b><u>15,919,376.45</u></b>
<b>Cash at Bank Balances</b>	<b><u>15,919,378.16</u></b>



**UNECA STAFF UNION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1.BACKGROUND INFORMATION**

The ECA Staff Union was established in accordance to the United Nations Staff Rules and Regulations with the aim of protecting staff welfare, including conditions of work, general conditions of life and other human resources issues. The income to finance the Unions activities is derived from the membership contribution of its members, the interest it gains for the loan it issues its members, bank interest gains from saving and the membership fee from GYM facilities

**2. ACCOUNTING POLICIES**

The principal accounting policies adopted and consistently applied by the Company are stated below:

**a) Basis of Accounting**

The financial statements are prepared under the historical cost convention and accrual basis of accounting.

The principal accounting policies adopted by the union are as stated below:

\*Fixed assets are presented cost less accumulated depreciation .Depreciation is charged in percentage of net book value at a rate of 20%.

\*Income and expenses are recognized on cash basis of accounting

\*Inventories are valued at purchase cost

\*Foreign remittance are converted into Ethiopian Birr at the Exchange rate prevailing on the date of receipt



**UNECA STAFF UNION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Currency : Ethiopian Birr

**3. FIXED ASSETS**

	Balance on 1-Jan-20	Additions	Balance on 31 December 2020
<u>COST</u>	<u>Birr</u>	<u>Birr</u>	<u>Birr</u>
Gym Equipment	1,465,114	-	1,465,114
Kitchen Equipments	3,600	-	3,600
Other Fixed Assets	103,267	-	103,267
	<b>1,571,981</b>	<b>-</b>	<b>1,571,981</b>
 <b>DEPRECIATION</b>			
Gym Equipment	1,007,960	91,431	1,099,391
Kitchen Equipments	3,324	54	3,378
Other Fixed Assets	25,276	15,598	40,874
	<b>1,036,560</b>	<b>107,083</b>	<b>1,143,643</b>
 <b>CARRYING VALUE</b>	<b>535,421</b>		<b>428,338</b>

**4. RECEIVABLES**

		31 December 2019
Loan receivable	1,384,480	2,441,777
Other receivable	265,777	181,375
	1,650,257	2,623,152
Less Provision for Doubtful debts	(21,586)	(21,586)
	<b>1,628,671</b>	<b>2,601,566</b>

**5. CREDITORS**

		31 December 2019
Accrued Expenses	77,259	77,259
Childrens fund	464,417	-
Credit Association Payable	206,520	206,520
Miscellaneous	2,500	-
Other Deductions From Staff	500	500
Suspense	6,834	-
Unidentified Deposits	774	774
	<b>758,803</b>	<b>285,052</b>

**6 Income**

		31 December 2019
Children's X- Mass Party ticket sales	-	3,678,011
Gain on foreign currency fluctuation	2,669,039	155,800
Gynasium income	148,319	1,041,422
Interest income	166,252	607,468
Membership fee	1,849,099	316,812
Other income	6,000	1,532,795
	<b>4,838,709</b>	<b>7,332,307</b>



## 7 Expense

		31 December 2019
Audit Fees	58,650	-
Bank Charges	245	1,135
CCISUA Membership Fee	97,808	115,998
Children X-mass Play Day	-	130,219
Depreciation Expense	107,084	133,855
Donations and Contributions	741,967	200,000
Hospitality / Refreshments	72,250	38,690
Miscellaneous Expenses	59,813	700
Mission Costs	186,064	541,142
Printing Charges	3,450	11,500
Salary and benefit	327,600	303,102
UN Fun Day	3,000	-
	<u>1,657,930</u>	<u>1,476,340</u>

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