

**VISION OF COMMUNITY DEVELOPMENT
ASSOCIATION (VoCDA)**

AUDITORS' REPORT AND ACCOUNTS

31 DECEMBER, 2025

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HABTEWOLD MENKIR
CHARTERED CERTIFIED ACCOUNTANTS (U.K.)
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**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION
(VoCDA)
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FOR THE YEAR ENDED 31 DECEMBER 2025**

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**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
GENERAL BACKGORUND
FOR THE YEAR ENDED 31 DECEMBER 2025**

Vision of Community Development Association (VoCDA) is a local civil society organization (CSO) established in 2003 with an objective to see prosperous community where all memeberes use their capability and livelihood asset to realize a sustainable livelihood.

Following this, all civil society organizations both local and international working in the country need to be re-registered by the governmental organ newly established for the purpose: the Federal Authority for Civil Society Organizations (FACSOs). In line with this, VoCDA was re-registered on May 31/2019 and was offered a new certificate with its former registration No. 0129 and continued running its objectives.

**Management Information
Board of Directors**

1. Tibebu Koji - Chairperson
2. Dedefo Teno
3. Ahmed hassen
4. Semegn Kuma
5. Mohammed reshid
6. Ibrahim Kasso
7. Dr Rahel Jigi

Executive Management

1. Dessisa Kebeta
2. Aman Koto
3. Fatuma Berriso

Register office:- VoCDA Registration No-0129

Address:- Oromioia region, Bishoftu City, Sub city -Cheleka; woreda -Error, House Number- ne

Telephone: 0911-67-35-71 and 0934-41-53-89 Email :info@vocda.org

Bankers

Commercial Bank of Ethiopia
Oromia International Bank



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF MANAGEMENT RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

The Financial Reporting Proclamation No. 847/2014 requires the Development to prepare its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS).

Financial Reporting Proclamation No. 847/2014, require the Management to prepare financial statements in respect of that Development, which give a true and fair view of the state of affairs of the Development at the end of the financial year/period and the operating results of the Development for that year. The Management is also required to ensure that the Development keeps proper accounting records which disclose with reasonable accuracy the financial position of the Development. The Management is also responsible for safeguarding the assets of the Development.

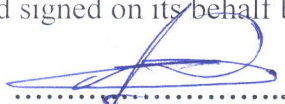
The Management is responsible for the preparation and presentation of the Development's financial statements, which give a true and fair view of the state of affairs of the Development for and as at the end of the financial year ended on December 31, 2025.

The Management accepts the responsibility for the Development financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS). The Management is of the opinion that the Development financial statements give a true and fair view of the state of Development during the financial year ended December 31, 2025, and of the Development financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the Development, which have been relied upon in the preparation of the Development financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Management to indicate that the Development will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Development financial statements were approved by the Management on 20 March, 2025 and signed on its behalf by:



Executive Directress
Dessisa Kebeta

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Finance Head
Meskerem Dejene



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Ref No-HWM579/18

INDEPENDENT AUDITORS' REPORT
VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)

1. QUALIFIED OPINION

We have audited the accompanying financial statements of Vision of Community Development Association (VoCDA) which comprise the Statement of the Financial Position as at 31 December 2025, Statement of Financial Performance, Statement of Changes in Net Asset/Equity, and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a Summary of Significant accounting policies.

Except for the matters mentioned on the Basis of Qualified Opinion, in our opinion, the accompanying financial statements present fairly, in all materials respects, the Financial Position of the Development as at 31 December 2025, its Financial Performance and Cash Flows for the year ended in accordance with International Public Service Audit Standards (IPSAS) as issued by the International Accounting Standards Board (IASB).

2. BASIS OF QUALIFIED OPINION

Even though the Development implemented IPSAS on 2020, the opening balance was not audited by an independent audit firm. Thus we could not able to verify the correctness.



We conducted our audit in accordance with International Standards on auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report.

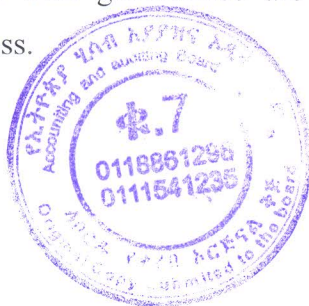
We are independent of the Development in accordance with the international Ethics Standards Board for Accountants' code of Ethics for Professional Accounts (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

3. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Service Audit Standards (IPSAS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of Development report that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Development ability to continue as a going concern, decision, as applicable, matters related to going concern and using the going concern basis of accounting unless Board either intends to liquidate the Development or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Development financial reporting process.



4. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Habtewold Menkir

Habtewold Menkir
Chartered Certified Accountants (UK)
Authorized Auditors (ETH)
Addis Ababa
25 March, 2026



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
REPORT ON COMPLIANCE

31 DECEMBER 2025

This compliance report is issued following the Directives issued by Charities and Societies Agency to be implemented as from the current fiscal year. The Directives which are relevant to this report were issued in Hamle 2003 and Meskerem 2004 as a result of which the client complied in some respects with the requirements of the Directives is as follows:-

a. **FIXED ASSETS**

1. There was yearend count of fixed assets.
2. Fixed asset registration was used for fixed assets.
3. Tag numbers were given for fixed assets.

b. **CASH AND BANK BALANCE**

1. Bank statements were available for bank account.
2. Monthly bank reconciliation statements were prepared.
3. Bank accounts were operated by the authorized dual signatories.

c. **CREDITORS**

1. Income and withholding taxes were paid to the Tax Authority monthly.

d. **FUND BALANCE**

1. The amount of fund balance was categorized as unrestricted fund balances.

e. **INCOME**

1. Collection of income was supported by cash receipt vouchers.
2. All incomes have been collected by the designated body of the organization with an authorized cash receipt.

f. **EXPENDITURES**

1. Expenditures classified into program and administrative costs were done in certain circumstance as required by the Directives issued by Charities and Societies Agency.
2. Suppliers' invoices were not official.
3. The payment vouchers were authorized by the responsible officer.
4. Payments were made according to their financial manual.
5. The expenditure of the organization has been adequately supported with original source documents for some instances.
6. Paid documents were marked "PAID".
7. Even though the Development implemented IPSAS on 2020, the opening balance was not audited by an independent audit firm. Thus we could not able to verify the correctness.

Except for the matter mentioned in f7, the accompanying financial statements comply in all material respect with Organization of Civil Societies Proclamation Number 1113/2019 issued by the Organization of Civil Societies.

Habtewold Menkir
Habtewold Menkir

Chartered Certified Accountants (UK)

Authorized Auditors (ETH)

Addis Ababa

27 March, 2025



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	<u>Notes</u>	<u>Birr</u>
Assets		
Current Assets		
Cash and Bank balances	5	2,978,377
Receivables	6	<u>120</u>
Total Current Assets		2,978,496
Non-Current assets		
Property, plant and equipment(PPE)	7	<u>446,747</u>
Total Non-current Assets		446,747
TOTAL ASSETS		<u>3,425,243</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts Payable	8	96,054
Government Payable	9	<u>44,252</u>
Total current liabilities		140,305
Non-current liability		
Accrued staff benefits	10	<u>233,333</u>
Total non-current liability		233,333
Total liability		<u>373,638</u>
EQUITY		
Accumulated Surplus or Deficit		<u>3,051,605</u>
Total Equity		3,051,605
Total equity and liabilities		<u>3,425,243</u>



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Executive Director
Dessisa Kebeta

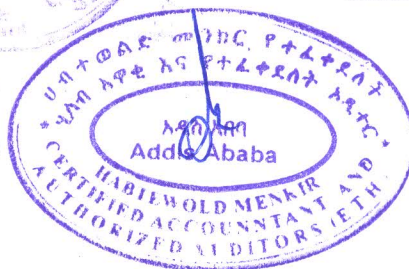
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Finance Head
Meskerem Dejene

**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED DECEMBER 2025**

	<u>Notes</u>	<u>Birr</u>
Revenue from non-exchange transactions		
Contributions and donations	11	6,927,430
Other income		<u>110,500</u>
		7,037,930
Expenditure		
Program Expenditure	12	3,015,375
Administrative expenditure	13	947,165
Depreciation		<u>98,355</u>
Total expenditures		<u>4,060,896</u>
Surplus for the year		2,977,034
Accrued leave written off		<u>80,721</u>
Surplus for the year		<u>3,057,755</u>
Percentage of administrative expenditure to total expenditure		23.32%
Percentage of administrative expenditure to total income		13.46%

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Executive Director
Dessisa Kebeta

.....
Finance Head
Meskerem Dejene



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENTS OF CHANGES IN NET ASSETS/ EQUITY
FOR THE YEAR ENDED DECEMBER 2025**

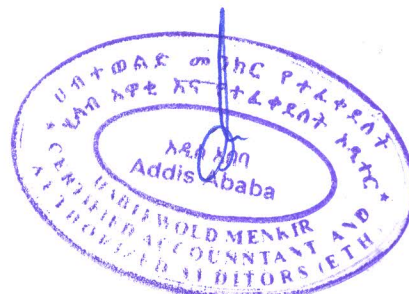
	Reserve	Accumulat ed surplus	Total net asset/ equity
	<u>Birr</u>	<u>Birr</u>	<u>Birr</u>
Balance as at 31 December 2021	-	-	-
Surplus for the year	-	-	-
Balance as at 31 December 2022	-	-	-
Prior year adjustment	-	-	-
Surplus for the year	-	-	-
Balance as at 31 December 2023	-	-	-
Prior year adjustment	-	-	-
Surplus for the year	-	-	-
Balance as at 31 December 2024	-	(26,458)	(26,458)
Prior year adjustment	-	20,308	20,308
Surplus for the year	-	3,057,755	3,057,755
Balance as at 31 December 2025	-	3,051,605	3,051,605



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Executive Director
Dessisa Kebeta



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Finance Head
Meskerem Dejene



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 2025**

	<u>Birr</u>
Cash flows from operating activities	
Surplus For the year	3,057,755
Prior year adjustment	20,308
Depreciation	98,355
(Increase)/decrease in receivables	(120)
Increase/(decrease) in accounts Payable	96,054
Increase/(decrease) in government Payable	44,252
Increase/(decrease) in accrued staff benefits	<u>(154,226)</u>
Net cash flows (used in) operating activities	3,162,378
Cash flows from investing activities	
Purchases of property, plant and equipment	<u>(184,000)</u>
Net cash flows from investing activities	<u>(184,000)</u>
Cash flows from financing activities	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	2,978,378
Other movements in net assets	-
Cash and cash equivalents beginning of year	<u>-</u>
Cash and cash equivalents end of year	<u>2,978,378</u>



.....
Executive Director
Dessisa Kebeta

.....
Finance Head
Meskerem Dejene



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 2025**

Note 1. REPORTING ENTITY

Vision of Community Development Association (VoCDA) is a local civil society organization (CSO) established in 2003 with an objective to see prosperous community where all members use their capability and livelihood asset to realize a sustainable livelihood.

Following this, all civil society organizations both local and international working in the country need to be re-registered by the governmental organ newly established for the purpose: the Federal Authority for Civil Society Organizations (FACSOs). In line with this, VoCDA was re-registered on May 31/2019 and was offered a new certificate with its former registration No. 0129 and continued running its objectives.

Note-2. STATEMENT OF COMPLIANCE WITH IPSAS

The financial statements of VoCDA is prepared in accordance with the International Public Sector Accounting Standards (IPSAS).

Note 3. BASIS OF PREPARATION AND AUTHORIZATION FOR ISSUE

Basis of preparation

These financial statements are prepared on an accrual basis of accounting in accordance with IPSAS. VoCDA applies the historical cost principle.

VoCDA previously prepared its financial statements on the modified cash basis under GAAP. The House of Peoples' Representatives and Council of Ministers of Ethiopia approved financial reporting proclamation 847/2014 and regulation 332/2014 respectively. Both proclamation and regulation enforce the adoption of International Public Sector Accounting Standard (IPSAS) for Non-Profit making reporting entities when preparing and presenting their annual financial statements, to become effective 31 December 2019. The first time adoption of IPSAS effective 1 January 2019 reflected the change from a modified cash basis of accounting to an accrual basis of accounting. The accounting period is 1 January through 31 December.

The financial statement consists of:

A Statement of Financial Position

This provides information about the accumulated surplus/deficit at the reporting year-end date –the difference between VoCDA's total assets and liabilities. It gives information about the extent to which resources are available to support future operations and the unfunded liabilities.



A Statement of Financial Performance

This measures the net surplus or deficit of the reporting year – the difference between revenues and expenses. It provides information about the Entity’s cost of programme delivery and the amounts and resources of revenue.

A Statement of Changes in Net Assets/Equity

Which highlights the sources of changes in the overall financial position.

A Cash Flow Statement

This provides information about VoCDA’s liquidity and solvency including how the Entity raised and used cash during the period. It measures the difference between the actual cash coming in and cash going out.

Notes to the Financial Statements

Which assist in understanding the financial statements. Notes comprise of a summary of significant accounting policies and other explanatory information. It provides additional information on the financial statements as required under IPSAS.

3.1 Going Concern

These financial statements were prepared on the assumption that the Organization is a going concern and will continue in operation and will meet its mandate for the foreseeable future (IPSAS 1). The Management of VoCDA have not communicated any intention to terminate the Organization or to cease its operations.

3.2 Authorization for issue

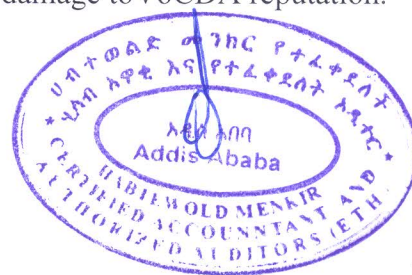
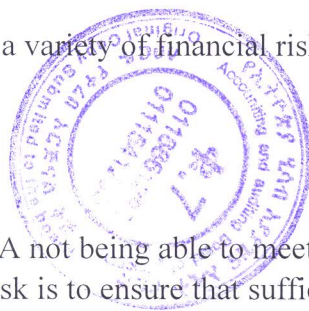
These financial statements are certified and approved by the Management of VoCDA. This issuance approval is dated 20 March, 2025. No other authority has the power to amend the Financial Statements after issuance. (Reference: IPSAS 14, paragraph 26).

3.4 Financial risk management

VoCDA's activities exposed it to a variety of financial risks, mainly, liquidity risk, foreign exchange risk and credit risk.

i) Liquidity Risk

Liquidity risk is the risk of VoCDA not being able to meet its obligations as they fall due. VoCDA's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses of risking damage to VoCDA reputation.



VoCDA ensures that it has sufficient cash on demand to meet expected operating expenses through the maintenance of liquid cash and deposit that are available on demand.

As at the year-end, VoCDA's cash and cash equivalents amount to ETB 2,978,377 which is substantially more than the current liabilities equaling ETB 140,305. Therefore, the entity is not exposed to a significant liquidity risk.

ii) Market Risk

Foreign exchange currency risk

The Entity receives contributions in currencies other than the Ethiopian Birr and it is exposed to foreign exchange currency risk arising from fluctuations in currency exchange rates. Translation into Ethiopian Birr of transactions expressed in other currencies is done at the prevailing rates of Exchange at the date of transaction.

Price Risk

The Entity does not hold any financial instruments subject to price risk.

Cash flow, fair value and interest rate risk

The Entity does not hold any bank loans and loans from related parties subject to cash flow, fair value and interest rate risk.

iii) Credit risk

The Entity has large amount of receivable that are due to be provided by contributors and donors. Credit risk is the risk of financial loss to VoCDA if donors fail to meet their promises. The Entity has a very good record of collecting all amounts due. Therefore the risks related to credit are considered minor.

Credit risk arises from cash and short term deposits with banks. The Entity does not have any significant concentrations of credit risk. The amount that best represents the Entity's maximum exposure to credit risk at 31 December 2025 is Cash and bank balance of birr 2,978,377.

No collateral is held for any of the above assets.

Note 4. SIGNIFICANT ACCOUNTIN POLICIES

4.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless other VoCDA stated.



4.2 Cash and cash equivalent

Cash comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various banks in Ethiopia at the end of the financial year.

4.3 Inventories

Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost or current replacement cost. Inventories held for sale are stated at the lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost is determined using the FIFO valuation method. The cost of inventories includes costs incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. For inventories acquired through a non-exchange transaction (e.g., donated goods), cost shall be measured at its fair value at the date of acquisition.

4.4 property, plant and equipment

Recognition and measurement

All property, plant and equipment is stated at historical cost, less accumulated depreciation and accumulated impairment losses. This includes costs that are directly attributable to the acquisition of the asset and the initial estimate of dismantling and site restoration costs. Where an asset is acquired for nil or nominal consideration, the fair value at the date of acquisition is deemed to be its cost. The threshold for recognition of property, plant and equipment as an asset is ETB 3,000 per unit.

Transition to IPSAS

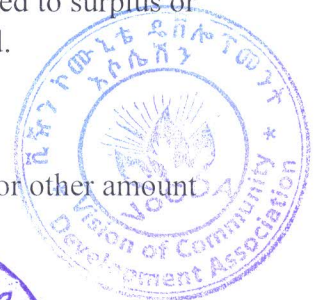
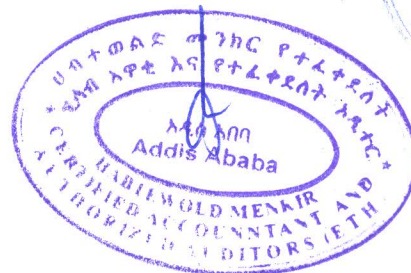
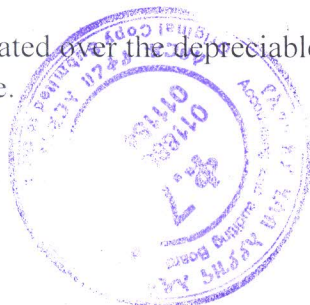
On transition to IPSAS, VoCDA has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 December 2019 measured as its historical cost and use that cost as the deemed cost of the property, plant and equipment.

Subsequent costs

VoCDA elected to apply the cost model to measurement after recognition instead of the revaluation model. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to VoCDA and the cost of the item can be measured reliably. Repairs and maintenance are charged to surplus or deficit in the statement of financial performance in the year in which they are incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount and less residual value.



Depreciation of property, plant and equipment is calculated using the straight-line basis over the estimated useful lives, except for land, which is not subject to depreciation. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that VoCDA will obtain ownership by the end of the leased term.

The estimated useful lives are as follows:

Class	Estimated useful life (in years)
Motor vehicle	15
Computer	6
Office furniture & fixture	6

The Entity commences depreciation when the asset is available for use and ceases when the asset is derecognized. Given the expected pattern of usage of property, plant and equipment, there are no residual values following full depreciation. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Entity operates ('the functional currency'). The functional currency and presentation currency of the VoCDA is the Ethiopian Birr (ETB).

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Entity's functional currency are recognized in statement of financial performance. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Year end balances of monetary assets and liabilities denominated in foreign currencies are converted into ETB on the basis of the exchange rate applying as at the year end.

4.6 Employee benefits

Short-term employee benefits

Short-term employee benefits are those that are expected to be settled within 12 months after the end of the year in which employees render the related service. Those benefits include assignment benefits, regular monthly benefits (e.g. wages and salaries), compensated absences (e.g. paid leave, such as annual leave), other short-term and non-monetary benefits, and the current portion of long-term benefits provided to current employees. An expense is recognized when a staff member provides services in exchange for employee benefits. A liability is reported for any entitlement that has not been settled at the reporting date and represents the amount paid or expected to be paid to settle the liability. Owing to the short-term nature of those entitlements, the liabilities are not discounted for the time value of money and are presented as current liabilities.



Defined contribution plan/pension & provident fund contribution

VoCDA has two defined contribution plans;

i) Pension scheme in line with the provisions of Ethiopian pension of private organization employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Company respectively.

Employer's contributions to this scheme are charged to statement of financial performance in the period in which it relates. The contributions are treated as payments to a defined contribution plan. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate pension entity fund. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The contributions are recognized as employee benefit expense when they are due.

Other long-term employee benefits

Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service. Those benefits include the non-current portions of paid annual leave and severance benefits. These are recognized as non-current liabilities and are measured based on management estimate of severance pay to those employees who have served VoCDA at the reporting dates. The current salary has been used to determine the entitlement.

Paid Annual Leave

The estimated monetary liability for employees' accrued annual leave entitlement at the statement of financial position date is recognised as an expense accrual. VoCDA recognises and accrues leave based on the number of outstanding leave days as at the financial year end. The payment is based on an employees gross salary prorated to the average number of working days in the last financial year end month.

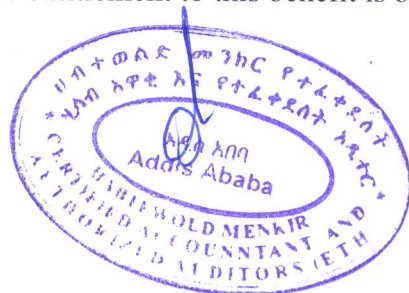
Employees are entitled for leave based on year of service as follows:

Duration of work	Annual leave entitlement
1 st Year	16
2 nd Year	17
3 rd Year	18 and then increases by 1 day for additional



Severance benefits

The severance benefits are based on the statutory severance benefit as set out in Labour Proclamation No. 1156/2019 and/or as per entity Human resource policy. The entitlement to this benefit is based upon the employees' length of service.



The payment is 30 times the average daily pay of the last week of service for the first year one service, calculated proportionately for the service less than one year of service and the pay shall be increased by 1/3 of the additional year of service, within a limit of a total amount of 12 months' wages. The expected costs of these benefits are accrued over the period of employment.

Termination benefits

Termination benefits are recognized as an expense only when VoCDA is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid and when due more than 12 months after the reporting date, they are discounted.

4.7 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee

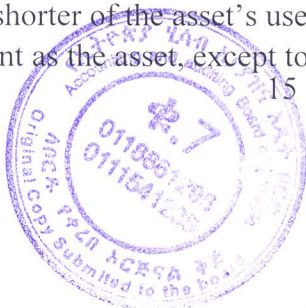
Leases that do not transfer to the Organization substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the statement of financial performance on a straight-line basis over the lease term.

Company as a lessor

Leases where the Organization does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Right-to-use arrangements

Where VoCDA has signed an agreement for the right-to-use assets without legal title/ownership of the assets, e.g., through donated use granted to VoCDA at no cost, the transaction is a non-exchange transaction. In this case, an asset and revenue is recognized at the point the agreement is entered into. Recognition of an asset is contingent upon satisfying criteria for recognition of an asset. Valuation of the asset will be the fair value of the resource for which the right to use was acquired at the date of acquisition. The asset is depreciated over the shorter of the asset's useful life and the right-to-use term. Revenue is also recognized at the same amount as the asset, except to the extent that a liability is also recognized.



4.8 Provisions and contingencies

Provisions

A provision is recognized if, as a result of a past event, VoCDA has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenses expected to be required to settle the obligation. The increase in a provision due to the passage of time is recognized as a finance cost.

Contingencies

A contingent asset is disclosed when an inflow of economic benefits or service potential is probable. If it has become virtually certain that an asset is no longer contingent and that its value can be measured reliably, the asset and the related revenue are recognized in the year in which the change occurs and a contingent liability is disclosed unless the possibility that it will be realized is remote. If it becomes probable that a contingent liability will be realized, a provision is recognized in the year in which the change of probability occurs.

4.9 Revenue recognition

Revenue from non-exchange transactions/Contributions

Voluntary contributions are non-exchange transactions which are recognized as revenue when contribution agreements become enforceable, or when cash is received in the absence of contribution agreements. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. In-kind contributions of goods provided are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to VoCDA and the fair value of those assets can be measured reliably. VoCDA disclose contributions of services in-kind if services doesn't meet the definition of an asset.

Revenue from exchange transactions

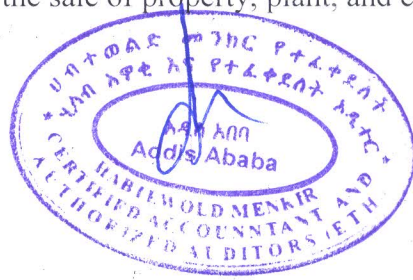
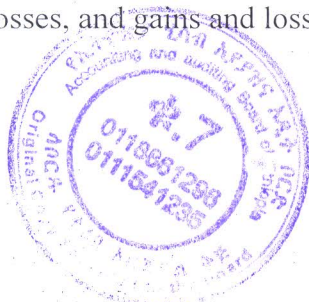
Exchange transactions are those in which VoCDA sells goods or provides services. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is shown net of returns and discounts. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria have been met.

Contribution in-kind and in-service

Contributions in-kind and in-service received by VoCDA are recorded upon receipt from the contributor at an amount equal to their fair market value as determined at the time of acquisition. Donated PPE and inventories are recognized as an asset with the corresponding entry to revenue. Other in-kind or in-service contributions are recognized as revenue with a corresponding entry to expense.

Miscellaneous Revenue (exchange transactions)

Miscellaneous revenue includes foreign currency revaluation, exchange rate gains and losses, interest earned, realized gains and losses, and gains and losses from the sale of property, plant, and equipment.



4.10 Expense recognition

Under accrual accounting, expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence's of liabilities that result in decreases in net assets/equity. Expenses are recognized when the transaction or event causing the expense occurs, and the recognition of the expense is therefore not linked to when cash or its equivalent is received or paid.

4.11 Change in accounting policies and estimates

VoCDA recognizes the effect of change in accounting policy and change in accounting estimates retrospectively at the date of adoption and after adoption of IPSAS, change in accounting estimates applied prospectively and change in accounting policy applied retrospectively

4.12 Statement of cash flow

The cash flow statement is prepared using the indirect method permitted under IPSAS 2. This means that the actual result for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cash flows. The cash flow statement reports cash flows during the period classified by operating and investing activities and the financing activities.

4.13 Related Parties

The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprises W/ro Mulat Regassa, Ato Tadesse Yado and W/ro Wossenyelesh Worku.

5. CASH AND BANK BALANCES

	31/12/25
	<u>Birr</u>
Cash in Bank	<u>2,978,377</u>
	<u>2,978,377</u>

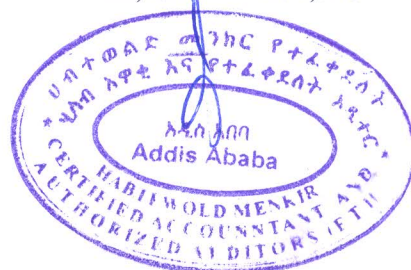
6. RECEIVABLES

	31/12/25
	<u>Birr</u>
Work advance	<u>120</u>
	<u>120</u>



7. PROPERTY, PLANT AND EQUIPMENT (PPE)

	Motor vehicle Birr	Office furniture and equipment Birr	Computers Birr	Total Birr
Cost				
As at 31/12/22	370,208	78,778	117,776	566,762
Additions	-	-	-	-
As at 31/12/23	370,208	78,778	117,776	566,762
Additions	-	-	-	-
As at 31/12/24	<u>370,208</u>	<u>78,778</u>	<u>117,776</u>	<u>566,762</u>
Additions	-	-	184,000	184,000
As at 31/12/25	<u>370,208</u>	<u>78,778</u>	<u>301,776</u>	<u>750,762</u>
Accumulated depreciation				
As at 31/12/22	-	-	-	-
Change for the year	115,123	19,320	13,758	148,201
As at 31/12/23	115,123	19,320	13,758	148,201
Change for the year	24,693	13,132	19,633	57,458
As at 31/12/24	<u>139,816</u>	<u>32,452</u>	<u>33,391</u>	<u>205,659</u>
Change for the year	24,693	13,132	60,530	98,355
As at 31/12/25	<u>164,509</u>	<u>45,585</u>	<u>93,922</u>	<u>304,015</u>
Net book value				
As at 31/12/25	205,699	33,193	207,854	446,747
As at 31/12/24	230,392	46,326	84,385	361,103
As at 31/12/23	255,085	59,458	104,018	418,561



8. ACCOUNT PAYABLE AND ACCRUALS

	31/12/25
	<u>Birr</u>
Account payable	<u>96,054</u>
	<u>96,054</u>

9. GOVERNMENT PAYABLE

	31/12/25
	<u>Birr</u>
Income Tax Payable	25,670
Pension Payable	16,632
Withholding tax payables	<u>1,950</u>
	<u>44,252</u>

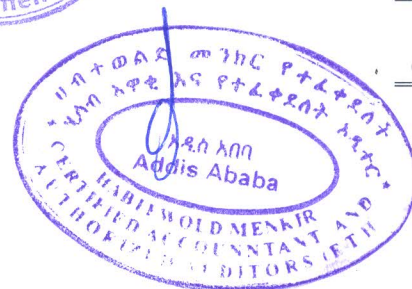
10. ACCRUED STAFF BENEFITS

	31/12/25
	<u>Birr</u>
Severance Payable *	<u>79,141</u>
	<u>79,141</u>

*VoCDA operates an unfunded severance pay plan for its employees who have served for 5 years and above and are below the retirement age. The final pay-out for the year ended 31-December -2025 was determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary. (Ethiopian Labour Law- Article 39-40).

11. CONTRIBUTIONS AND DONATIONS

	31/12/25
	<u>Birr</u>
Africa Regional Agroecology Fund (ARAF)	<u>6,927,430</u>
	<u>6,927,430</u>



12. PROGRAM EXPENDITURE

	31/12/25
	<u>Birr</u>
Project staff salary	148,700
Perdiem and transport	176,100
Publication and ICT materials	43,365
Tuition and related fee for students	36,575
Training and related fee	1,321,200
Project inauguration meeting	674,160
Agricultural inputs	<u>615,276</u>
	<u>3,015,375</u>

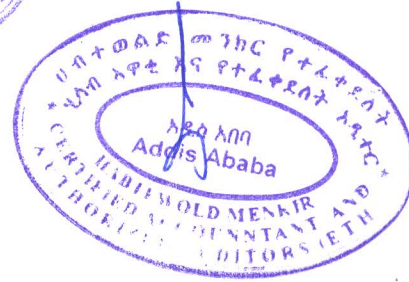
13. ADMINISTRATIVE EXPENDITURE

	31/12/25
	<u>Birr</u>
Salaries and benefits	256,354
Vehicle running cost	205,789
Penalty	37,525
Office supplies	118,473
Office rent	90,000
Membership fee	7,000
Other administrative cost	<u>232,025</u>
	<u>947,165</u>

14. RELATED PARTY AND OTHER SENIOR MANAGEMENT DISCLOSURE

Related party transactions represent transactions with the donors, senior management of VoCDA and entities in which they are principal owners or over which they exercise significant influence. Transactions with related parties included in the statement of financial performance are as follows:

	31/12/25
	<u>Birr</u>
Contribution from the Donors	-
Transfers from other Entities (List significant transactions)	-
	<u>-</u>



Key Management Personnel

Key management personnel are Ato Dessisa Kebeta, Ato Aman kOto and W/ro Fatuma Berriso Worku as they have the authority and responsibility for planning, directing and controlling the activities of the Organization. Key management personnel are also qualified for post-employment benefits at the same level as other employees.

Key Management Personnel

	31/12/25
	<u>Birr</u>
Number of Positions	2
Salaries and other short-term employee benefits	8,316,000
Post employment/severance benefit	<u>233,333</u>
Total Remuneration	<u>8,549,333</u>

15. PROVISIONS

As at 31 December 2025, the Organization had not recognized any provisions.

16. EVENTS AFTER THE REPORTING DATE

VoCDA’s reporting date is 31 December 2025. On the date of the signing of these accounts, no material events, favorable or unfavorable, had been incurred between the balance sheet date and the date when the financial statements were authorized for issue that would have had an impact on the financial statements.

