

# SaltMalawi

**SaltMalawi Ltd**  
(A company limited by guarantee)

**Report and Financial Statements**  
**For the Year Ended 31<sup>st</sup> December 2011**

**Charity Number 1139160**  
**Company Number 06972024**



**SaltMalawi Ltd**  
(A company limited by guarantee)

**Financial Statements for the Year Ended 31<sup>st</sup> December 2011**

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# SaltMalawi

## Legal and Administrative Information

Charity Name	SaltMalawi (formerly The Salt Trust – name changed 12/7/2010)
Charity Registered Number	1139160
Legal Status	A company limited by guarantee
Company Registration Number	06972024
Registered Office	Songar Grange Langley Road Wootton Wawen Henley in Arden Warwickshire B95 6DP

## Directors and Trustees

Mr B Donner  
Mr D Eastham  
Mr M Franks  
Mr I Furlong  
Mr P Hanson  
Mr M Pleasance

## Company Secretary

Mr P Hanson

## Bankers

Lloyds TSB  
22 Bridge Street  
Stratford Upon Avon  
Warwickshire  
CV37 6AG

## Independent Examiner

Roderick Boswell FCA  
Peacock Farm  
Hollywell CV35 7BJ

# SaltMalawi

## Report of the Directors/Trustees

### Aims and Objectives

#### I. Purpose and Aims

Our charity's purposes, as set out in our governing document – the company's Memorandum of Association, are

- To advance the Christian faith primarily but not exclusively by providing financial and other such support as may be deemed necessary for proclaiming the Christian gospel in Malawi and such other countries as the directors may from time to time determine and by the enabling and training of disciples of Jesus Christ in such countries.
- To alleviate poverty and suffering wherever possible and in whatever form it is found in such countries and in particular to offer assistance to vulnerable people (as defined by the constitutions of such countries) as an expression of such Christian gospel.

The aims of the charity are to help people who wish to be better citizens and to embrace sustainable behaviours and to reduce suffering caused by poverty and lack of knowledge, primarily in Malawi but possibly in other countries too.

#### II. Delivering our Aims

The charity will deliver its aims through making grants to “partners” who operate on the ground in its target areas. Whilst these will be potentially independent individuals, the charity requires a material degree of accountability for its support to ensure that the charity's purpose is met. In exchange it also offers a support structure which enables the partners to consult on decisions and strategy.

#### III. Focusing our Efforts

At this moment in time the charity has one missionary couple, Julian and Caroline Lott, with whom it is working to deliver its aims. With our support they are building church communities, teaching Christian lifestyle choices, running feeding programmes, building new wells and engaging in a farming education programme.

The charity is open to welcome additional “partners” who meet the criteria but, as yet, it has no others.

In addition it can help arrange for people from the UK to visit the work in Malawi, the experience of which influences their own future.

## **Delivering Public Benefit**

### **I. Our Ultimate Clients**

Malawi has many organisations working in and around the main cities but very few working in the countryside, which is mainly inhabited by subsistence farmers, where the level of poverty and need is high.

These rural areas have also been ravaged by the aids virus leaving many children without a family structure and living wild as well as many older people without the traditional support of their own children.

The normal approach by these subsistence farmers is either to grow maize (from which they produce their staple food – “*nsima*”) or tobacco to sell. In either case it is not normally sufficient to feed their families throughout the whole year and so there are periods of great hunger.

Feeding programmes are designed to support children and seniors and farming education is designed to encourage greater yields to help them throughout the year.

### **II. Advancing Christianity**

SaltMalawi is a Christian organisation, run by Christians, with the primary core aim of proclaiming the Gospel both by word and by practical love in action.

Through “partners” in Malawi the charity supports the setting up of churches, providing regular teaching and counseling to members and potential members as well as providing church leaders with training and back-up.

The benefits delivered here include

- a) The creation of communities which aim to support everyone in need within their village and surrounding area;
- b) Freeing individuals from the oppressive and controlling aspects of superstitious practices enabling them to make real choices; and
- c) Creating a purpose and hope and thus an improved future.

### III. The Relief of Poverty

Poverty is a killer wherever it is met in the world and, in particular, in the rural subsistence farming sectors of Malawi.

Whilst SaltMalawi cannot help every area (it has neither the money nor the “partners”) it does fund feeding programmes and well building in areas where it has “partners” on the ground. The Lotts’ modus operandi, with which the charity concurs, is to set up feeding programmes only where they have built strong church communities.

The reason for this is due to the fact that corruption is a daily problem in Malawi and so stores of food can only be reasonably left with groups with whom the Lotts are confident of its safekeeping and usage. Whilst the food is delivered to church communities, they agree only to use it to feed the children and old people who would otherwise suffer for lack of food.

Contaminated wells are often an issue in villages, especially where a burial ground has been sited too close to the well. Working with Pump Aid (another UK Charity) SaltMalawi will arrange for wells to be built. Historically, it has been involved with 9 wells so far.

Orphans often are forced to live rough if they have no extended family to look after them. Through the Lotts SaltMalawi encourages families to limit the number of natural children and to take orphans into their homes instead and bring them up as their own.

The benefits delivered here include

- a) The orphans and seniors who are fed three times per week each season who might otherwise have died from starvation;
- b) The villages which benefit from fresh water releasing them from reliance on contaminated water; and
- c) Children in stable families going to school and being cherished who would otherwise be left on their own to scavenge with no future.

#### **IV. The Advancement of Education**

Current educational activities are targeted at subsistence farmers with attempts to influence their approach to farming. Their usual approach normally involves continually planting the same crop resulting in reliance on more and more fertilizer (which they cannot afford) or drastically falling yields.

The strategy the charity is supporting includes the use of natural fertilisers, rotational cropping and working collectively. During 2010 and 2011 SaltMalawi gave grants to the Lotts to help in the setting up of a model farm and training centre which should be completed during 2012. This will allow them to practically display the results at a centre to which farmers can go for help and instruction.

The benefits delivered here include

- a) Although only just started it will show increased yields by model farming and then increased yields from the trainees who will then be asked to release some of their increased crops back into the feeding programmes; and
- b) Improved lifestyle for communities as their quality of life gets better.

#### **Planning for the Future**

The charity plans to continue the activities outlined above in the forthcoming years but to increase its fundraising activities through the development of its website and the expansion of its ambassadors' programme.

## **Structure, Governance and Management**

### **I. Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on 24<sup>th</sup> July 2009 as The Salt Trust and changing its name on 4<sup>th</sup> August 2010 to SaltMalawi. It was registered with the Charities Commission in November 2010.

The company was established under a Memorandum of Association which set out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up the members (currently the 6 directors/trustees) are required to contribute an amount not exceeding £1 each.

### **II. Directors and Trustee Team**

The directors are also the trustees of the charity and all give their time voluntarily and receive no benefits from the charity.

### **III. Trustee Induction and Continuing Training**

All trustees have existing suitable skills to hold their office either from their commercial and/or faith background. However, all trustees are encouraged to visit the work being carried out by “partners” in Malawi to experience first-hand the strategies employed and issues attached to them. In addition, as well as the telephone contact with the Lotts at most board meetings, they periodically return to England and hold briefing sessions to keep everyone updated.

### **IV. Risk Management**

As the charity only makes grants from existing resources and does not forward commit, where funds do not exist, it has very minimal financial risk. In other areas the trustees consider risk exposure on an ongoing basis, taking appropriate action as necessary. It is not considered that there are any major risk exposures at this present time.

### **V. Organisational Structure**

The trustees meet (subject to individual availability) approximately 8 times per annum and teams function on individual projects on an ad hoc basis, reporting back at the next meeting.

A chairman is appointed to hold an overview role and to be a central point of contact and dissemination of information and updates.

### **VI. Related Parties**

There are no related party transactions to report

## **Responsibilities of the Directors/Trustees**

Company law requires the directors/trustees to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the charitable company as at its balance sheet date together with its incoming resources and application of those resources for the period.

In preparing those statements the directors/trustees should follow best practice and

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent; and

Prepare the Financial Statements on the going concern basis unless it is not appropriate to assume that the company will continue on that basis.

The directors/trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Acts. The directors/trustees are also responsible for safeguarding the assets of the charitable company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Audit**

For the year ending 31<sup>st</sup> December 2011 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Philip Hanson**  
**Company Secretary**



**SaltMalawi**  
**Statement of Financial Activities (including Income and Expenditure Account)**  
**For the year to 31<sup>st</sup> December 2011**

	Notes	Unrestricted Funds		Restricted Funds		Total Funds	
		2011	2010	2011	2010	2011	2010
<b>Incoming resources</b>							
Donations	2	3,259	7,920	48,516	82,113	51,775	90,033
Interest Received		-	27	-			27
<b>Total Incoming Resources</b>		<b>3,259</b>	<b>7,947</b>	<b>48,516</b>	<b>82,113</b>	<b>51,775</b>	<b>90,060</b>
<b>Resources Expended</b>							
Administration	3	98	71			98	71
Grants Made	3			78,917	33,000	78,917	33,000
<b>Total Resources Expended</b>		<b>98</b>	<b>71</b>	<b>78,917</b>	<b>33,000</b>	<b>79,015</b>	<b>33,071</b>
<b>Net Incoming Resources before other Recognised Gains</b>							
		<b>3,161</b>	7,876	<b>(30,401)</b>	49,113	<b>(27,240)</b>	56,989
<b>Other Recognised Gains</b>							
			0		0		0
<b>Net Movements in Funds</b>							
		<b>3,161</b>	7,876	<b>(30,401)</b>	49,113	<b>(27,240)</b>	56,989
<b>Funds Brought Forward</b>							
		<b>7,876</b>	0	<b>49,113</b>	0	<b>56,989</b>	0
<b>Total Funds Carried Forward</b>							
		<b>11,037</b>	7,876	<b>18,712</b>	49,113	<b>29,749</b>	56,989

The 2010 figures are for the period 24<sup>th</sup> July 2009 to 31<sup>st</sup> December 2010

This statement of financial activities includes all gains and losses in the period and relates to continuing activities.

# SaltMalawi

## SaltMalawi Balance Sheet as at 31<sup>st</sup> December 2011

	Notes	2011 £	2011 £	2010 £
<b>Fixed Assets</b>				
Tangible Assets	7			-
<b>Current Assets</b>				
Short Term Deposits	8	-		50,000
Cash at Bank		49,466		7,004
		<u>49,466</u>		<u>57,004</u>
<b>Creditors: Amounts falling due within 1 year</b>	9	<b>(19,717)</b>		<b>(15)</b>
		<u>(19,717)</u>		<u>(15)</u>
<b>Net Current Assets</b>			<b>29,749</b>	<b>56,989</b>
			<u>29,749</u>	<u>56,989</u>
<b>Total Assets less Liabilities</b>	10		<b>29,749</b>	<b>£56,989</b>
			<u>29,749</u>	<u>£56,989</u>
<b>Unrestricted Funds</b>			<b>11,037</b>	<b>7,876</b>
<b>Restricted Funds</b>			<b>18,712</b>	<b>49,113</b>
			<u>11,037</u>	<u>7,876</u>
			<u>18,712</u>	<u>49,113</u>
<b>Total Funds</b>	11		<b>29,749</b>	<b>£56,989</b>
			<u>29,749</u>	<u>£56,989</u>

For the period ending 31<sup>st</sup> December 2011 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities;

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors on 20<sup>th</sup> January 2012 and were signed on its behalf by;

**David Eastham,**  
**Director**



## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> December 2011

### 1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

#### a) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005 (as amended in 2008).

#### b) Fund Accounting

Unrestricted Funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted Funds are subject to restrictions on their expenditure imposed by the donor or through the terms of the appeal.

#### c) Incoming Resources

All incoming funds 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 following specific policies are applied to particular categories of income:

Voluntary income received by way of grants, donations and gifts is included in full when unconditionally receivable.

Investment income is included when receivable.

#### d) Resources Expended

Expenditure is recognised on an accruals basis as any liability is incurred and includes VAT, which the charity cannot recover.

Grants to "partners" are recognised from the point at which the directors/trustees formally agree to the making of the grant.

## 2. Donations

	Unrestricted Funds	Restricted Funds	Restricted Funds	Restricted Funds	Restricted Funds	Total Funds
		Joseph Project	Building Project	Lotts Personal	Minor Funds	
Year ended 31/12/2011	3259	19981	25000	3450	85	51775
Period ended 31/12/2010	7920	18,729	63,184	200	0	90,033

## 3. Total Resources Expended

	Unrestricted Funds	Restricted Funds	Restricted Funds	Restricted Funds	Restricted Funds	Total Funds
		Joseph Project	Building Project	Lotts Personal	Minor Funds	
<b>Year ended 31/12/2011</b>						
Administration	98					98
Grants Made		18,186	57,481	3,200	50	78,917
<b>Total Resources Expended</b>	<b>98</b>	<b>18,186</b>	<b>57,481</b>	<b>3,200</b>	<b>50</b>	<b>79,015</b>
<b>Period ended 31/12/2010</b>						
Administration	71					71
Grants Made		8,000	25,000			33,000
<b>Total Resources Expended</b>	<b>71</b>	<b>8,000</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>33,071</b>

Administration costs include bank charges and Companies House filing fees

The Joseph Project is the feeding, wells and education project.

The Building Project consists of funds donated to finance land and buildings to create a model farm and training centre together with orphan housing.

The Lotts Personal is money received to fund the Lotts personal living expenses.

Minor funds consist of £50 for funding a Malawian worker and £35 for bicycle repairs.

#### 4. People and costs

The average number of persons employed during the period was NIL

Average payroll costs for the period were NIL

#### 5. Trustees Remuneration and Related Party Transactions

No trustees received any remuneration during the year, nor were any claims made for expenses.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period

#### 6. Taxation

As a charity, SaltMalawi is exempt from tax on income and gains falling within S505 of the Taxes Act 1968 or S256 of the Taxes of Chargeable Gains Act 1992 to the extent that these applied to charitable objects. No tax charges have arisen in the charity.

#### 7. Tangible Fixed Assets

The charity had no tangible fixed assets during the period or at the balance sheet date.

#### 8. Investments

	2011 £	2010 £
Short term bank deposit account		£50,000

#### 9. Creditors: Amounts falling due within 1 Year

	2011 £	2010 £
Other creditors	£30	£15
Grants made but so far not drawn down	£19,687	

## 10. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Restricted Funds	Restricted Funds	Restricted Funds	Total Funds
		Joseph Project	Building Project	Lotts Personal	Minor Funds	
Investments	887	10,729	38,184	200		50000
Cash at Bank	7,004					7004
Creditors	(15)					(15)
	-----	-----	-----	-----	-----	-----
<b>Net Assets at 31/12/2010</b>	<b>7,876</b>	<b>10,729</b>	<b>38,184</b>	<b>200</b>	<b>0</b>	<b>56,989</b>
	-----	-----	-----	-----	-----	-----
Cash at Bank	11,067	16,524	21,390	450	35	49,466
Creditors	(30)	(4000)	(15687)			(19717)
	-----	-----	-----	-----	-----	-----
<b>Net Assets at 31/12/2011</b>	<b>11,037</b>	<b>12,524</b>	<b>5,703</b>	<b>450</b>	<b>35</b>	<b>29,749</b>
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## 11. Movements in Funds

	Unrestricted Funds	Restricted Funds	Restricted Funds	Restricted Funds	Restricted Funds	Total Funds
		Joseph Project	Building Project	Lotts Personal	Minor Funds	
<b>Net Assets at 01/01/2011</b>	<b>7,876</b>	<b>10,729</b>	<b>38,184</b>	<b>200</b>	<b>0</b>	<b>56,989</b>
Incoming resources	3,259	19,981	25,000	3,450	85	51,775
Outgoing resources	(98)	(18,186)	(57,481)	(3,200)	(50)	(79,015)
	-----	-----	-----	-----	-----	-----
<b>Net Assets at 31/12/2011</b>	<b>11,037</b>	<b>12,524</b>	<b>5,703</b>	<b>450</b>	<b>35</b>	<b>29,749</b>
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# SaltMalawi

## **Independent Examiner's Report to the Trustees/Members of SaltMalawi Ltd**

I report on the accounts for the year ended 31<sup>st</sup> December 2011 which are set out on pages 10 to 15.

### **Respective Responsibilities of Trustees and Examiner**

The trustees (who are the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

### **Basis of Independent Examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

### **Independent Examiner's statement**

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Roderick Boswell FCA  
Peacock Farm  
Holywell.  
12 March 2012