

SaltMalawi

SaltMalawi
(A company limited by guarantee)

Report and Financial Statements
For the Year Ended 31st December 2012

Charity Number 1139160
Company Number 06972024



SaltMalawi

(A company limited by guarantee)

Financial Statements for the Year Ended 31st December 2012

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SaltMalawi

Legal and Administrative Information

Charity Name	SaltMalawi
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
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Company Secretary	Mr P Hanson
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Bankers	Lloyds TSB 22 Bridge Street Stratford Upon Avon Warwickshire CV37 6AG
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Independent Examiner	Roderick Boswell FCA Peacock Farm Hollywell CV35 7BJ
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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 works through Julian and Caroline Lott (a missionary couple resident in Malawi) and John Seda and Cameron Mwenenthembe (Malawian citizens) leading a local team of church leaders and members. 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 run by Christians, with the primary core aims of proclaiming and demonstrating the love and teachings of Jesus Christ 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.

SaltMalawi is run by Christians, with the primary core aims of proclaiming and demonstrating the love and teachings of Jesus Christ both by word and by practical love in action. 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. The food is delivered to church communities, who organise distribution and ensure that it is used only to feed children and the elderly, 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. SaltMalawi encourages and supports the education of Malawian families in the benefits of limiting the number of natural children, taking orphans into their homes instead and bringing them up as their own. These families are subject to a continual monitoring and mentoring process to ensure success with the children.

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 sustainable 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, 2011 and 2012 SaltMalawi gave grants to help in the setting up of a model farm, housing and a training centre which we expect to be completed during the coming period. However, with the raging inflation in 2012 and the lack of supplies, building work to complete the training centre has been put on temporary hold until the economics settle down. Although not fully complete yet, this still allows the local team to display practically their 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. An example of this is the 2012/2013 Blanket Appeal to raise money to fund the local purchase of blankets for those suffering from the cold winters and who would otherwise have no suitable covering at night.

Structure, Governance and Management

I. Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 24th July 2009 as The Salt Trust and changing its name on 4th 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. During 2013 we continue to plan in particular for those directors who have never visited the work to visit and experience the projects at first hand. In addition, as well as telephone contact during most board meetings, the Lotts periodically return to England for rest, recuperation, debriefing and planning discussions.

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. The Chairman is rotated every few years to allow fresh input into the running of the Board.

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 31st December 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Philip Hanson
Company Secretary

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Statement of Financial Activities (including Income and Expenditure Account)
For the year to 31st December 2012

	Notes	Unrestricted Funds		Restricted Funds		Total Funds	
		2011	2012	2011	2012	2011	2012
Incoming resources							
Donations	2	3,259	12,666	48,516	32,164	51,775	44,830
Interest Received		-	-	-	-	-	-
Total Incoming Resources		3,259	12,666	48,516	32,164	51,775	44,830
Resources Expended							
Administration	3	98	70			98	70
Grants Made	3		8,341	78,917	17,705	78,917	26,046
Total Resources Expended		98	8,411	78,917	17,705	79,015	26,116
Net Incoming Resources before other Recognised Gains		3,161	4,255	(30,401)	14,459	(27,240)	18,714
Other Recognised Gains							0
Net Movements in Funds		3,161	4,255	(30,401)	14,459	(27,240)	18,714
Funds Brought Forward		7,876	11,037	49,113	18,712	56,989	29,749
Total Funds Carried Forward		11,037	15,292	18,712	33,171	29,749	48,463

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

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SaltMalawi Balance Sheet as at 31st December 2012

	Notes	2011 £	2011 £	2012 £	2012 £
Fixed Assets					
Tangible Assets	7				-
Current Assets					
Debtors	8	-		2,172	
Cash at Bank		49,466		62,008	
		-----		-----	
		49,466		64,180	
Creditors: Amounts falling due within 1 year	9	(19,717)		(15,717)	
		-----		-----	
Net Current Assets			29,749		48,463
			-----		-----
Total Assets less Liabilities	10		£29,749		£48,463
			-----		-----
Unrestricted Funds			11,037		15,292
Restricted Funds			18,712		33,171
			-----		-----
Total Funds	11		£29,749		£48,463
			-----		-----

For the period ending 31st December 2012 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 11th January 2013 and were signed on its behalf by;

Martin Pleasance,
Director



Notes forming part of the Financial Statements for the year ended 31st December 2012

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	Total Funds							
		Joseph Project	Lotts Personal	Mission Fund	Building Project	Farm Devpmnt	LLW Leaders	Blanket Appeal	Minor Funds	
Year ended 31/12/2011	3,259	19,981	3,450		25,000				85	51,775
Year ended 31/12/2012	12,666	22,494	3,950	3,650	-	1,000	250	820		44,830

3. Total Resources Expended

	Unrestricted Funds	Restricted Funds	Total Funds							
		Joseph Project	Lotts Personal	Mission Fund	Building Project	Farm Devpmnt	LLW Leaders	Blanket Appeal	Minor Funds	
Year ended 31/12/2011										
Administration	98									98
Grants Made		18,186	3,200		57,481				50	78,917
Total Resources Expended	98	18,186	3,200		57,481				50	79,015
Year ended 31/12/2012										
Administration	70									70
Grants Made	8,341	15,000	-	1,266	1,404	-	-	-	35	26,046
Total Resources Expended	8,411	15,000	-	1,266	1,404	-	-	-	35	26,116

Administration costs include bank charges and Companies House filing fees

The Joseph Project is the feeding, wells, education and orphan projects

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

The Mission Fund is to cover costs of church planting and developing

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

The Farm Development Fund is to cover new work in the model farm used to educate local farmers

The Lilongwe Leaders Fund is to support church leaders in the Lilongwe region of churches

The Blanket Appeal is to raise money to supply blankets to those who are in need of extra warmth

The Minor Funds covers sundry small donations (2012 to buy bicycle repairs kits)

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. Debtors

	2011	2012
	£	£
Amounts due from HMRC		2,172

9. Creditors: Amounts falling due within 1 Year

	2011	2012
	£	£
Other creditors	30	30
Grants made but so far not drawn down	19,687	15,687*

This figure relates to further building work on the model farm granted in 2011. However, the trustees have agreed that the current economic climate with spiraling inflation is not a good time to proceed and so the grant is being held by SaltMalawi in Sterling until a more suitable point.

Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Total Funds							
		Joseph Project	Lotts Personal	Mission Fund	Building Project	Farm Devpmnt	LLW Leaders	Blanket Appeal	Minor Funds	
Cash at Bank	13,150	20,018	4,400	2,384	19,986	1,000	250	820	0	62,008
Debtors	2,172									2,172
Creditors	(30)				(15,687)					(15,717)
Net Assets at 31/12/2012	15,292	20,018	4,400	2,384	4,299	1,000	250	820	0	48,463
Cash at Bank	11,067	16,524	450	-	21,390	-	-	-	35	49,466
Creditors	(30)	(4000)			(15687)					(19717)
Net Assets at 31/12/2011	11,037	12,524	450	-	5,703	-	-	-	35	29,749

10. Movements in Funds

	Unrestricted Funds	Restricted Funds	Total Funds							
		Joseph Project	Lotts Personal	Mission Fund	Building Project	Farm Devpmnt	LLW Leaders	Blanket Appeal	Minor Funds	
Net Assets at 01/01/2012	11,037	12,524	450	-	5,703				35	29,749
Incoming resources	12,666	22,494	3,950	3,650	-	1,000	250	820		44,830
Outgoing resources	(8,411)	(15,000)	-	(1,266)	(1,404)	-	-	-	(35)	(26,116)
Net Assets at 31/12/2012	15,292	20,018	4,400	2,384	4,299	1,000	250	820	0	48,463