

Charity number: 1139160
Company number: 06972024
(England and Wales)

SALTMALAWI

Report of the Trustees and Unaudited Financial Statements

For the year ended 31 December 2018

SALTMALAWI
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SALTMALAWI
Report of the Trustees
For the year ended 31 December 2018

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements for the charitable company for the year ended 31 December 2018. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

During 2018 the church planting, missionary and relief work in Malawi has continued to be encouraging with over 45 operational churches across six regions. This work is undertaken through a local church trust with Malawian trustees.

Salt Malawi is a grant making charity which supports defined projects. Through a process of grant application and review, funds are provided on a project-by-project basis and evidence of satisfactory completion is gathered.

The trustees recognise that the funds held at the end of this period continue to be relatively high. This partly reflects the way a grant making charity must operate, accumulating funds before making grants. Provision has been made for increased costs of the Joseph Project particularly following the devastation of Cyclone Idai. This is in line with the reserves policy adopted by the trustees.

The charity's administration is undertaken by a contracted professional. The storage of all records is handled as an electronic repository with controlled access. Salt Malawi continues to be a subscribing member of Global Connections and is also a member of AFVS (Advice for the Voluntary Sector).

A register of Trustees' interests is held to ensure that there are no conflicts of interest. This is updated annually. The Trustees have a clear procedure that if there is a potential conflict of interest on any matter. The trustees have reviewed and state that there is no Person of Significant Control. No Trustee receives any form of remuneration, other than the reimbursement of expenses. 2018 saw the resignation of two trustees, Dr Chris Sansom and Rev Ian Furlong.

Communication of what is happening on the ground continues to be through the regular newsletter and through the web site, facebook and a prayer cascade.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives. The charity operates within Malawi and this is the region where most of the public benefit can be seen. Very regular reports from the field help the trustees review and evaluate the impact they have had. As orphans are cared for, vulnerable people are fed, people trained in better farming techniques and some employment offered there is the relief of poverty with significant groups of people seeing their standard of living improve.

In addition, as the Christian message is taught, people come to faith, churches are established and communities transformed. The Trustees consider that people coming to Christian faith is also a public benefit. The work on the ground in Malawi is not however the only public benefit. There is evidence of lives changed where people from the UK have travelled to support and participate in the work.

2018 has seen several challenges and with them many changes in the work in Malawi.

The ministry has had to cope with the unexpected retirement of one of its key leaders who had held the position of chair of the local board of trustees, which was followed later in the year with the death of the man who had replaced him. Both of these men were also leaders in local branches of the church so their loss has been felt strongly at several levels.

SALTMALAWI
Report of the Trustees Continued
For the year ended 31 December 2018

This has also been the season in which the transfer of leadership within the church into the hands of the local believers from the overseas workers has been completed. In so doing Julian and Caroline Lott have altered their pattern of work. Instead of living and working within Malawi on a permanent basis the Lotts have adopted a plan of spending half the year in the UK. This has reinforced the need for Malawian leaders to take on the active leadership of the church on a permanent basis.

John Seda has accepted the invitation to become the new chair of the trustees of the church. He and his fellow trustees are actively working to train and equip other men to work alongside them thereby building the leadership within the church too.

The ministry has grown significantly over this period. There are now about 45 active churches and preaching stations which are hoped will in time become new churches. This compares favourably with there being 26 churches this time last year and 13 churches two years ago. Particularly encouraging is the positive influence each church is bringing into its community as well as the increased opportunities to reach a wider number of people with material and spiritual help, particularly in times of crisis.

Malawi and Mozambique have experienced several years of difficult harvests as climate change appears to be affecting the length of the rainy season which subsistence farmers depend upon in order to grow their food for the year. This past rainy season has proved to be more difficult than most. Consistently heavy rain through the months of the rainy season has meant that potatoes (the traditional cash crop in the Dedza area) have rotted in the field, and maize yields throughout the country have been greatly reduced. Of course cyclone Idai has also greatly affected the communities in the south of Malawi and in Mozambique. Many people have lost their homes and whole villages have lost their entire food crop for the year. We are asked to consider offering assistance to some of these groups for the next 10 months to help avert starvation.

For the past 14 years the work has included care for a group of orphans based first in Lilongwe and then in Dedza as the administrative centre for the work changed its location. Some of the children have returned to their original villages in recent years as circumstances have changed for them but there still remain 9 children being cared for on a permanent basis in Dedza. The department of Social Welfare regularly inspects the work. The suggestion has been made earlier in the year that the government would wish to relocate as many children to their original villages, as is possible from this and similar works throughout the country. The future of the orphan care aspect of the work is uncertain at this moment.

With the rapid growth in the work under the leadership of the Malawian teams that have been developed within 6 major regions of the country in recent years the work appears to be well positioned to make a significant contribution to the spiritual life of the nation for the future. This is coming at an interesting time when the population of the nation is growing equally quickly. The focus of the work is altering, but it seems likely that climate challenges to the current manner of feeding her population means that the people of Malawi are going to need assistance from others at least as frequently as in the past.

Philip Hanson

SALTMALAWI
Report of the Trustees Continued
For the year ended 31 December 2018

REFERENCE AND ADMINISTRATIVE INFORMATION

Name of Charity	SALTMALAWI
Charity registration number	1139160
Company registration number	06972024
Principal address	Lion Hill Cottage, Station Road, Claverdon Warwickshire CV35 8PE

Trustees

The trustees and officers serving during the year and since the year end were as follows:

Mr Brian Donner
Mr Ian Furlong (Resigned December 2018)
Mr Malcolm Franks
Mr Philip Hanson
Mr Stephen James Dorey
Mr Evan Winter

Independent examiners

Andrew Alli ACMA
KARE Financial Management Consultants Ltd
38 Sherwood Road, North Bersted
Bognor Regis
West Sussex
PO22 9DR

Bankers

Lloyds Bank Plc
18 Prince of Wales Walk
Camberley
Surrey
GU15 3SJ
Kingdom Bank
Ruddington Fields Business Park
Mere Way, Ruddington
Nottingham
NG11 6JS

Approved by the Board of Trustees and signed on its behalf by

31 July 2019

Mr. Philip Hanson.....

SALTMALAWI
Independent Examiners Report to the Trustees
For the year ended 31 December 2018

I report to the trustees on my examination of the accounts of the charitable company for the year ended 31 December 2018.

Responsibilities and basis of report

As the charity Trustees, who are also directors for the purposes of company law, are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiners statement

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Andrew Alli ACMA
KARE Financial Management Consultants Ltd
38 Sherwood Road, North Bersted
Bognor Regis
West Sussex
PO22 9DR

31 July 2019

SALTMALAWI
Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Income and endowments from:					
Charitable activities	2	19,361	21,443	40,804	52,968
Investments	3	218	-	218	19
Total		19,579	21,443	41,022	52,987
Expenditure on:					
Charitable activities	4	(15,151)	(30,000)	(45,151)	(51,893)
Total		(15,151)	(30,000)	(45,151)	(51,893)
Net income/expenditure		4,428	(8,557)	(4,129)	1,094
Reconciliation of funds					
Total funds brought forward		84,303	41,628	125,931	124,837
Total funds carried forward		88,731	33,071	121,802	125,931

SALTMALAWI
Statement of Financial Position
As at 31 December 2018

	Notes	2018 £	2017 £
Current assets			
Debtors	5	2,746	2,605
Cash at bank and in hand		119,891	123,951
		122,637	126,556
Creditors: amounts falling due within one year			
	6	(835)	(625)
Net current assets			
		121,802	125,931
Total assets less current liabilities			
		121,802	125,931
Net assets			
		121,802	125,931
The funds of the charity			
Restricted income funds	7	33,071	41,628
Unrestricted income funds	7	88,731	84,303
Total funds			
		121,802	125,931

For the year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 trustees 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.

The financial statement were approved and authorised for issue by the Board and signed on its behalf by:

.....
Mr Philip Hanson
Trustee

31 July 2019

SALTMALAWI
Notes to the Financial Statements
For the year ended 31 December 2018

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

SALTMALAWI meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

2. Income from charitable activities

	Unrestricted funds	Restricted funds	2018	2017
	£	£	£	£
<i>Donations</i>				
Donations	16,615	-	16,615	19,690
Gift aid tax refunds	2,746	-	2,746	6,831
	19,361	-	19,361	26,521
Joseph Project	-	12,182	12,182	18,829
Lotts Personal	-	2,361	2,361	1,433
Mission Fund	-	6,900	6,900	5,145
Education	-	-	-	40
Jacobs Personal	-	-	-	1,000
	19,361	21,443	40,804	52,968

3. Investment income

	2018	2017
	£	£
Unrestricted funds		
Bank interest receivable	218	19
	218	19

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Notes to the Financial Statements Continued
For the year ended 31 December 2018

4. Costs of charitable activities by fund type

	Unrestricted funds	Restricted funds	2018	2017
	£	£	£	£
Joseph Project				
Cost of direct charitable activity	-	29,000	29,000	11,600
	<u>-</u>	<u>29,000</u>	<u>29,000</u>	<u>11,600</u>
Lotts Personal				
Cost of direct charitable activity	-	-	-	15,081
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,081</u>
Building Project				
Cost of direct charitable activity	-	-	-	7,136
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,136</u>
Business Development				
Cost of direct charitable activity	-	-	-	150
	<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>
Education				
Cost of direct charitable activity	-	-	-	1,885
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,885</u>
Blanket Appeal				
Cost of direct charitable activity	-	-	-	100
	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
Holloways Personal				
Cost of direct charitable activity	-	-	-	1,841
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,841</u>
Jacobs Personal				
	-	1,000	1,000	-
Travelling Expenses	1,010	-	1,010	1,562
Charitable Expenditure	7,901	-	7,901	6,293
Internet	14	-	14	14
Membership subscription fees	305	-	305	275
Health Insurance	3,479	-	3,479	3,833
Bank Charges	63	-	63	112
IT Software and consumables	228	-	228	218
Telephone and Fax	40	-	40	-
	<u>13,040</u>	<u>1,000</u>	<u>14,040</u>	<u>12,307</u>
Support costs				
Governance costs				
Bookkeeping and independent examination fees	2,111	-	2,111	1,793
	<u>2,111</u>	<u>-</u>	<u>2,111</u>	<u>1,793</u>
	<u>15,151</u>	<u>30,000</u>	<u>45,151</u>	<u>51,893</u>

SALTMALAWI
Notes to the Financial Statements Continued
For the year ended 31 December 2018

5. Debtors

	2018	2017
	£	£
Amounts due within one year:		
HMRC Tax Refund	2,746	2,605
	2,746	2,605
	2,746	2,605

6. Creditors: amounts falling due within one year

	2018	2017
	£	£
Other creditors	435	225
Independent Examination Fees	400	400
	835	625
	835	625

7. Movement in funds

Unrestricted Funds

	Balance at 01/01/2018	Incoming resources	Outgoing resources	Balance at 31/12/2018
	£	£	£	£
General	84,303	19,579	(15,151)	88,731
	84,303	19,579	(15,151)	88,731
	84,303	19,579	(15,151)	88,731

Unrestricted Funds - Previous year

	Balance at 01/01/2017	Incoming resources	Outgoing resources	Balance at 31/12/2017
	£	£	£	£
General	71,863	26,540	(14,100)	84,303
	71,863	26,540	(14,100)	84,303
	71,863	26,540	(14,100)	84,303

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Notes to the Financial Statements Continued
For the year ended 31 December 2018

Restricted Funds

	Balance at 01/01/2018	Incoming resources	Outgoing resources	Balance at 31/12/2018
	£	£	£	£
Jacobs Personal	1,000	-	(1,000)	-
Joseph Project	22,844	12,182	(29,000)	6,026
Lotts Personal	710	2,361	-	3,071
Mission Fund	17,074	6,900	-	23,974
	41,628	21,443	(30,000)	33,071

Restricted Funds - Previous year

	Balance at 01/01/2017	Incoming resources	Outgoing resources	Balance at 31/12/2017
	£	£	£	£
Blanket Appeal	100	-	(100)	-
Building Fund	7,136	-	(7,136)	-
Business Development	150	-	(150)	-
Education	1,845	40	(1,885)	-
Holloways Personal	1,841	-	(1,841)	-
Jacobs Personal	-	1,000	-	1,000
Joseph Project	15,615	18,829	(11,600)	22,844
Lotts Personal	14,358	1,433	(15,081)	710
Mission Fund	11,929	5,145	-	17,074
	52,974	26,447	(37,793)	41,628