

# SaltMalawi

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

**Report and Financial Statements**  
**For the Year Ended 31<sup>st</sup> December 2015**

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



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

**Financial Statements for the Year Ended 31<sup>st</sup> December 2015**

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# SaltMalawi

## Legal and Administrative Information

<b>Charity Name</b>	SaltMalawi
<b>Charity Registered Number</b>	1139160
<b>Legal Status</b>	A company limited by guarantee
<b>Company Registration Number</b>	06972024
<b>Registered Office</b>	Lion Hill Cottage Station Road Claverdon Warwickshire CV35 8PE
<b>Directors and Trustees</b>	Mr Brian Donner Mr David Eastham Mr Malcolm Franks Mr Ian Furlong Mr Philip Hanson Mr Martin Pleasance (Retired 9/12/15)
<b>Company Secretary</b>	Mr Philip Hanson
<b>Trustees</b>	Mr Steven Dorey (from May 2015) Mr Philip Clayfield (from May 2015)
<b>Bankers</b>	Lloyds TSB 22 Bridge Street Stratford Upon Avon Warwickshire CV37 6AG
<b>Independent Examiner</b>	Mr Roderick Boswell FCA Peacock Farm Holywell Warwickshire CV35 7BJ

# Salt Malawi

## 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). Through them we partner with John Seda and Cameron Mwenenthembe in the Dedza area, Chiymebekezo Sizeki, Harrison Banda and Alexander Basitene in the Mphalale area and Biliati Ngoma in the Lilongwe district. These men are the Malawian leaders overseeing local teams of church leaders and members. With our support they are building church communities, teaching Christian lifestyle choices, running feeding programmes, building new wells, caring for orphans (15 currently), supporting many vulnerable elderly and engaging in education programmes.

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 approach to distribution of food has this year taken a more focused approach in which the neediest families are visited and supported by small groups of volunteers from the churches.

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) and other water delivery agencies SaltMalawi will arrange for wells to be built. Historically, it has been involved with 13 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 the last 6 consecutive years SaltMalawi has given grants to help in the setting up of a model farm and housing for both local families to host orphans as well as accommodation for missionary teams.

SaltMalawi also intends to support the direct education of children and adults where identified by the partners operating in Malawi.

The benefits delivered here include

- a) The farm shows increased yields by model farming and then there will be 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.
- c) Better educated individuals who will be encouraged to make use of their skills within and for the benefit of the community

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

The charity plans to continue the activities outlined above in the forthcoming years and anticipates a consistent level of giving to support this work.

From April 2015 we enjoyed the additional benefit of Andy and Jennie Holloway, a young married couple, working alongside our missionaries and their team for twelve months. The trust is actively seeking further assignees to enable the work to grow.

The Directors also plan to focus on strengthening the key Malawian partners to ensure they are fully ready, capable and equipped to take overall responsibility for the continuity and sustainability of all aspects of this work from our present lead partners, Julian and Caroline Lott. The Lotts envisage a gradual withdrawal with more frequent and longer breaks from the work. The charity will continue to operate in full support of the work.

## **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 7 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.

### **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 6 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 elected every two 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 judgments 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.

The trustees have had due regard to the commission's guidance on public benefit.

## **Audit**

For the year ending 31<sup>st</sup> December 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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



**SaltMalawi**  
**Statement of Financial Activities (including Income and Expenditure Account)**  
**For the year to 31<sup>st</sup> December 2015**

	Notes	Unrestricted Funds		Restricted Funds		Total Funds	
		2015 £	2014 £	2015 £	2014 £	2015 £	2014 £
<b>Income and receipt of endowments given:</b>							
Donations and legacies	2	18,666	9,312	27,987	34,796	46,653	44,108
Interest Received		-	-	-	-	-	-
<b>Total Income</b>		<b>18,666</b>	<b>9,312</b>	<b>27,987</b>	<b>34,796</b>	<b>46,653</b>	<b>44,108</b>
<b>Expenditure on:</b>							
Administration costs	3	225	42	23	-	248	42
Grant funding of activities	3	5,259	-	23,343	29,372	28,602	29,372
<b>Total Expenditure</b>		<b>5,484</b>	<b>42</b>	<b>23,366</b>	<b>29,372</b>	<b>28,850</b>	<b>29,414</b>
<b>Net Income</b>		<b>13,182</b>	<b>9,270</b>	<b>4,621</b>	<b>5,424</b>	<b>17,803</b>	<b>14,694</b>
Transfers between funds		-	-	-	-	-	-
Other Recognised Gains		-	-	-	-	-	-
<b>Net Movements in Funds</b>		<b>13,182</b>	<b>9,270</b>	<b>4,621</b>	<b>5,424</b>	<b>17,803</b>	<b>14,694</b>
<b>Funds Brought Forward</b>		<b>36,217</b>	<b>26,947</b>	<b>53,276</b>	<b>47,852</b>	<b>89,493</b>	<b>74,799</b>
<b>Funds Carried Forward</b>		<b>49,399</b>	<b>36,217</b>	<b>57,897</b>	<b>53,276</b>	<b>107,296</b>	<b>89,493</b>

This statement of financial activities includes all gains and losses in the period and relates to continuing activities. In 2015 GiftAid recovered is allocated into the fund which received the gift. 2014 figures have been restated to show this change of accounting.

# SaltMalawi

## SaltMalawi Balance Sheet as at 31<sup>st</sup> December 2015

	Notes	2015 £	2015 £	2014 £	2014 £
<b>Fixed Assets</b>					
Tangible Assets	7		-		-
<b>Current Assets</b>					
Debtors	8	4,141		2,590	
Cash at Bank		105,742		95,090	
		-----		-----	
		109,883		97,680	
<b>Creditors: Amounts falling due within 1 year</b>	9	(2,587)		(8,187)	
		-----		-----	
<b>Net Current Assets</b>			107,296		89,493
			-----		-----
<b>Total Assets less Liabilities</b>	10		£107,296		£89,493
			-----		-----
<b>Unrestricted Funds</b>			49,399		36,217
<b>Restricted Funds</b>			57,897		53,276
			-----		-----
<b>Total Funds</b>	11		£107,296		£89,493
			-----		-----

For the period ending 31<sup>st</sup> December 2015 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 September 2016 and were signed on its behalf by;

**Mr David Eastham**  
Director



## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> December 2015

### 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, the Financial Reporting Standard for Smaller Entities (FRSSE) and the related Statement of Recommended Practice applicable to charities (the Charities FRSSE SORP).

#### 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.

The charity has no Endowment Funds.

#### c) Income

All incoming funds are included in the statement of financial activities when the charity is entitled to the income when it is probable that the charity will benefit and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

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

Investment income is included when receivable.

#### d) Expenditure

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 Joseph Project	Restricted Funds Lotts Personal	Restricted Funds Mission Fund	Restricted Funds Building Project	Restricted Funds Business Devpmnt	Restricted Funds Education	Restricted Funds Blanket Appeal	Restricted Funds Holloways Personal	Total Funds
Year ended 31/12/2015	18,666	14,437	5,560	2,200	-	-	225	200	5365	46,653
Year ended 31/12/2014	9,312	21,994	8,627	3,050	250	125	750	-		44,108

## 3. Total Resources Expended

	Unrestricted Funds	Restricted Funds Joseph Project	Restricted Funds Lotts Personal	Restricted Funds Mission Fund	Restricted Funds Building Project	Restricted Funds Business Devpmnt	Restricted Funds Education	Restricted Funds Blanket Appeal	Restricted Funds Holloways Personal	Total Funds
<b>Year ended 31/12/2015</b>										
Administration costs	225								23	248
Grants funding of activities	5,259	15,850	2,760	-	-	-	-	1,133	3,600	28,602
<b>Total Resources Expended</b>	<b>5,484</b>	<b>15,850</b>	<b>2,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,133</b>	<b>3,623</b>	<b>28,850</b>
<b>Year ended 31/12/2014</b>										
Administration costs	42									42
Grant funding of activities	-	21,000	5,372	2,000	-	-	-	1,000	-	29,372
<b>Total Resources Expended</b>	<b>42</b>	<b>21,000</b>	<b>5,372</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>29,414</b>

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 and personal holiday fund

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 Business Development Fund is to assist with seed corn funding for startup businesses and training

The Education Fund is to assist with Adult and Children education

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

The Holloway's Personal is money received to fund the Holloway's' personal living expenses and personal holiday fund

#### 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 corporation tax on income and gains falling within sections 466 to 493 Corporation Tax Act 2010 and section 256 Taxation 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

	2015	2014
	£	£
Amounts due from HMRC	4,141	2,590

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

	2015	2014
	£	£
Other creditors	-	-
Grants made but so far not drawn down	2,587	8,187

This figure relates to further building work on the model farm granted in 2011. The building work is being done when good rates can be obtained and so will be spread over the coming periods.

## 10. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds Joseph Project	Restricted Funds Lotts Personal	Restricted Funds Mission Fund	Restricted Funds Building Project	Restricted Funds Business Devpmnt	Restricted Funds Education	Restricted Funds Blanket Appeal	Restricted Funds Holloways Personal	Total Funds
Cash at Bank	35,120	28,267	11,455	5,779	12,736	100	600	1,033	-	95,090
Debtors	1,097	1,193	125			25	150			2,590
Creditors					(8,187)				-	(8,187)
<b>Net Assets at 31/12/2014</b>	<b>36,217</b>	<b>29,460</b>	<b>11,580</b>	<b>5,779</b>	<b>4,549</b>	<b>125</b>	<b>750</b>	<b>1,033</b>	<b>-</b>	<b>89,493</b>
<b>Cash at Bank</b>	<b>47,018</b>	<b>30,665</b>	<b>13,505</b>	<b>7,979</b>	<b>4,136</b>	<b>120</b>	<b>900</b>	<b>100</b>	<b>1,319</b>	<b>105,742</b>
<b>Debtors</b>	<b>2,381</b>	<b>382</b>	<b>875</b>			<b>5</b>	<b>75</b>		<b>423</b>	<b>4141</b>
<b>Creditors</b>					<b>(2,587)</b>					<b>(2,587)</b>
<b>Net Assets at 31/12/2015</b>	<b>49,399</b>	<b>31,047</b>	<b>14,380</b>	<b>7,979</b>	<b>1,549</b>	<b>125</b>	<b>975</b>	<b>100</b>	<b>1,742</b>	<b>107,296</b>

## 11. Movements in Funds

	Unrestricted Funds	Restricted Funds Joseph Project	Restricted Funds Lotts Personal	Restricted Funds Mission Fund	Restricted Funds Building Project	Restricted Funds Business Devmnt	Restricted Funds Education	Restricted Funds Blanket Appeal	Restricted Funds Holloways Personal	Total Funds
<b>Net Assets at 31/12/2014</b>	<b>36,217</b>	<b>29,460</b>	<b>11,580</b>	<b>5,779</b>	<b>4,549</b>	<b>125</b>	<b>750</b>	<b>1,033</b>	<b>-</b>	<b>89,493</b>
Incoming resources	<b>18,666</b>	<b>14,437</b>	<b>5,560</b>	<b>2,200</b>	-	-	<b>225</b>	<b>200</b>	<b>5,365</b>	<b>46,653</b>
Transfer Between Funds		<b>3,000</b>			<b>(3,000)</b>					
Outgoing resources	<b>(5,484)</b>	<b>(15,850)</b>	<b>(2,760)</b>	-	-	-	-	<b>(1,133)</b>	<b>(3,623)</b>	<b>(28,850)</b>
<b>Net Assets at 31/12/2015</b>	<b>49,399</b>	<b>31,047</b>	<b>14,380</b>	<b>7,979</b>	<b>1,549</b>	<b>125</b>	<b>975</b>	<b>100</b>	<b>1,742</b>	<b>107,296</b>

## **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 2015 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 directors 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 Charities have 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.

Mr Roderick Boswell FCA

Peacock Farm  
Holywell  
Warwickshire  
CV35 7BJ

Date: