

THE DALITSO TRUST

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

THE DALITSO TRUST

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THE DALITSO TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

Trustees	K Densham, Chair S E Bennett, Vice Chair (resigned 17 May 2022) T Densham, Secretary D Knott, Trustee (appointed 7 June 2022)
Charity registered number	1090274
Principal office	14 Wychall Park Grove Birmingham B38 8AQ
Accountants	Crowe U.K. LLP Chartered Accountants Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Bankers	Lloyds TSB Black Horse House Medway Wharf Road Tonbridge Kent TN9 1QS
Project directors	T Husbands A Husbands

THE DALITSO TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and the financial statements for the year ending 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) in preparing the annual report and financial statements.

Governing Documents

The Dalitso Trust is a U.K. registered charity, number 1090274 created in June 2001.

Objectives

The Charity was set up for the benefit of people in Malawi and bordering countries. The aim is to relieve poverty as well as to advance education and Christianity.

The Trust works in partnership with rural communities in Malawi to establish projects that engage, involve and develop the community. We aim to make these communities self-sufficient in the areas of our involvement to ensure that we provide sustainable solutions to local issues.

What we do

Community Health Education.

Under 6 Educational play & parenting skills.

Train Church leaders & facilitate discovery Bible studies

Who we work with

The Trust works with rural Malawians. We work with a Christian ethos and often through local churches. However, our work is inclusive and offered to all regardless of race, sex or religious beliefs. The team develop relationships that educate, equip and then support local communities and their leaders. The Trustees are aware that detriment and harm can arise from inappropriate forms of aid/development work. All work is evaluated to ensure this potential is minimised. The office in Malawi is rurally based in Malingunde.

This is how the DT team spent their time:

Activity:	19/20	20/21	21/22	22/23
	%	%	%	%
Church Leadership Training & DBS	22	25	25	30
Staff Training	18	15	15	10
U6 Happy Faces	25	35	30	30
Community Health Education	35	25	30	30

Review of Activities and Achievements

Dalitso Health – Community Health Evangelism (CHE)

CHE is a strategy developed by an organisation called Medical Ambassadors. This methodology enables organisations to work effectively with the poor, giving them choices to develop themselves, their families and communities, if they so wish.

CHE health lessons are being taught weekly in Mbowera, Mbalame, Dzodzwe and Kapininga. These four villages also have Happy Faces running too.

We have a staff team of five, with also seven volunteers, teaching 336 health lessons to over 50 different families this past year.

Once again, we have been able to award families with Healthy Home Awards (HHA). 19 families received HHA One, 24 families HHA Two and three families HHA Three.

Our stock of hybrid goats has grown to four healthy adults. We have three males which will be used to help local communities this coming year. Our hybrid rabbits have multiplied to 73 and 70 of these are involved in a breeding programme in six villages.

Chitsanzo 'I loved gambling, thinking this is an easy way of financing my family. Sometimes I could get good money, but many times I got nothing. I did not work so had nothing to fall back on, this was my life and I thought

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

that it's normal. After learning about local resources, I discovered that I have a plot that I can use as a garden. Now I have vegetable garden for our family to eat and I am selling some too. I have more time to spend with my family than I did before.'

Jenipher 'Before I was treated like a nobody in my village because I had nothing to contribute. Things are different now, as we had an opportunity to learn through CHE that when you want to solve a problem look at the root cause. I am so happy to be included and among those who are helping to solve our community problems.'

Maness 'My family and I lived in shame as we had lice in our clothes and bedding. One day in CHE I learnt about hygiene and straight afterwards I washed all our clothes and bedding in hot water. This is killing all the lice and we are washing things time and time again. I now bath my family daily, so we are happier to mix with our friends. We are much happier because of this.'

Pilira 'On getting married I was told that a man is responsible of financing the family and I should wait for him to bring our family needs home. This principal as good as killed me as I stopped thinking and I left every decision to my husband. I was just there to receive, and this path led us to receiving poverty. As we were learning CHE lessons I was asked to bring my input and it was strange, but still more I was encouraged to contribute. I took courage to contribute and things are now changing at home. I hope will be out of poverty soon. My contribution of ideas and working together with my husband is having an impact as I have a small business at home.'

Sinali 'My husband and I were waiting for the government and other people to come and give us money to change our living standard. After the CHE lesson of 'development' it opened our eyes and we started working hard in our field. Hard work always pays and now we have managed to buy a bicycle. We have become responsible citizens by speaking to people in our neighbourhood to change their mindset. We invite them to start doing something as nobody will come and do it for us. We are so changed and now bless our community.'

Lazack 'Ethel and Regina came for a CHE home visit to our family. They found me sick at home. I did not have money to go to the clinic for treatment and they asked if they could pray for me. After their prayer I felt better and when they were gone I was completely healed. It was a new experience for me to be prayed for by a woman. God can use everyone.'

The following testimonies are from CHE volunteers who are helping to visit families with health lessons.

Olivia 'Before being asked to volunteer in CHE, I looked down at myself believing that I can have no part in community leadership or development. I decided to be part of CHE and applying what I learnt at home, so our home improved. The CHE team gave us the healthy home award one and two certificate and that is when I was asked to volunteer. I enjoy facilitating health lessons and I'm encouraged to see my neighbours listen and putting into practice what we have been learning together. A highlight is that diarrhoea has been reduced in our community. I am learning that change starts with me, then spreads out to my neighbours.'

Enana 'I used to isolate myself from many community groups because I was fearful of them. CHE is different from the other groups because I have been learning health lessons. By being a CHE volunteer I have learnt to now use my time wisely. I am blessing my neighbours with my time to visit and teach in their homes with the knowledge I am learning. Before learning this in CHE my days were busy, but I had no time for my village or for my neighbours.'

Tione 'I used to always be spreading rumours and gossip. I had a reputation to not be taken seriously, but since becoming a volunteer I have learnt not to gossip. I am now careful of what comes out of my mouth because I am a tool for community development. It is really important to speak the truth in my new role and it has spread throughout my whole life.'

Munde 'Before CHE I was unaware that I was believing a lot of false health information. CHE has helped me realise that I have believed local stories and customs to incorrectly explain our health. Due to this realisation I am so passionate about helping people gain true health education for their own lives. Lots of people are coming to

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

me these days with many questions and I am so glad to be able to support my neighbours in this way.'

Dalitso Play – Free under 6 educational stay & play sessions

Happy Faces (HF) is working in four community groups serving an average of 33 families a week. We have seen a recent reduction in our numbers due to the government roll out of community based early childcare centres. These have been started nearby, offering childcare to three to five year olds. This is a wonderful provision from the government and we hope it will help change the culture around early years education and help get children school ready. Some families have stopped coming to HF to send their child to the government childcare. There is a small fee and the children are provided with porridge in the morning. This is obviously very attractive for many families as it allows them to work in their fields or businesses. Looking ahead, we aim to build relationships with these centres to see how we can work together.

We held a very joyful graduation ceremony combining all four groups and inviting local leaders as 13 children graduated to move on to primary school. We are thrilled that 30 new children joined in September 2022.

We have increased our volunteer leaders from four to ten, who are receiving training and continue to gain experience and confidence. We hope this will keep increasing to 16 to create teams of four in each village.

Beatrice 'My daughter Michelle was greedy and I didn't see that as a problem until we started attending HF. It was there I saw she needed help to learn to share. I am happy to see my daughter mixing well with others and she is happier than before.'

Agnes 'I was invited to attend HF with my daughter but I refused to go with her. Instead my sister was taking my daughter as well as hers to HF. Within a few weeks I observed a real behaviour change. She has become calmer and ready to listen, this is a great change so we are proud of her!'

Tione 'I learned to tell Bible stories from HF and I started sharing these to the whole family before bed. I am happy to witness my husband coming to faith and being part of church community. There is a change in him and we are enjoying living together.'

Marry 'Initially when I heard of HF I did not want to go. I knew parents are asked to help their children learn and I thought I would be shamed due to being illiterate. Anyway, I eventually decided to register my children and I discovered that there is more than I thought. Our children benefit and I benefit more than our children as I am able to learn a lot from HF. I discovered an ambition to learn to read and my husband taught me. I now know how to read!'

Ruth 'I had always known that teachers have responsibility to teach our children. So to sit with my child to help him learn was both new and strange! I am doubly blessed as by helping him learn our relationship is growing stronger. This has passed onto our whole family, we are stronger than ever due to HF.

The following testimonies are from volunteers who have helped lead sessions.

Tilimo 'I have been having a short temper and I was always quick to yell at my children. I was thinking that shouting was the best way to control my children. When I was asked to volunteer and help at HF I have learnt a new way. I am now coming from the opposite direction, that I can be calm and gentle when talking to children. I am learning to give boundaries in a firm and loving way.'

Ellen, 'I am happy to be one of the people who can be trusted to help children in my own village. Before it was very hard to do it because of my shyness and fear. Now I'm grateful and inspired to help. I was encouraged by the courage of our facilitators who come to serve our community. I will continue helping so that children can be changed. I really feel that it is my responsibility to encourage mums in our community.'

Kalia 'HF has really helped me to see children as equally important as everybody else. I am happy to invest my time by planting seeds of learning and growing in their lives. I feel responsible to lay a learning foundation that other can build upon as the children grow older. I am treating all children with dignity so that they know and feel

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

they are valued.'

Mtilowa 'Since becoming a volunteer with HF I have discovered a great compassion in my heart that I didn't know existed. I have a deep patience and willing heart to help mums who are struggling when they arrive. It is hard for them to believe that they will be able to teach and be a good example of a learner/teacher to their children. This is the gift I so desire them to receive as they attend HF more and more.'

Dalitso Leaders - Church Leaders Training

Follow Me (FM) are free part time Christian leadership courses. Each course lasts a year and equips local church leaders from any denomination. Follow Me is running six courses in three villages Mselera, Shawa, and Chaponda. We have 12 volunteer leaders and 32 students from eleven different denominations. In March we were able to celebrate 23 students graduating.

Zulu 'Before I would preach to the people based on what I have heard from others and even talking from my life. FM 2 has helped and changed. Now I first hear from God and I ask advice when I do not understand the bible. I now do this in order to preach what is in the bible and what God wants for His people.'

Phiri 'I grew up thinking that God can only use adults and graduates from Bible School. Learning about the calling of a leader in FM stopped me looking down at myself. God uses those who are available, although I do understand that age and Bible Schools have their own advantage. These days I am encouraging my fellow young men with no Bible School background to be part of FM, listen from God and serve.'

Ngozo 'I lived in a mess because I could never plan my time wisely contributing to failure in my life. Everything I did had poor results. By being part of FM, I was privileged to learn how I can plan my time. The Pastors week lesson helped me to plan in everything that am doing. Now I see success in many of my responsibilities. This success has attracted people to ask me for advice, allowing an open door to ministry so that I can share my faith too.'

Dulani 'As a Pastor, I took myself to be better than other people, but now realise that I did preach condemnation and judgemental messages because I thought they are the worse sinners. In a FM session we discussed the passage of how Jesus handled an issue of a woman caught in act of adultery. Jesus had strong words for religious leaders like me, but a lot of grace to the audience, giving space for repentance. I have learnt to preach a different message of good news and God's love to each one of us.'

Silirani, 'When I took over leading the church it seemed to be healthy. After a short period of time, I discovered that people are leaving to join another local church. Revelation came when I joined FM and I saw that I overburdened my village. I demanded the church to take full care of our family needs even though I had spare time on my hands when I wasn't doing anything. Through the lesson of the Pastors week I discovered that I can work in my field. I do not have to wait for my poor church to do everything for me. Since I started working in our fields we have enough food for our family, there is less stress to the church and it seems to be growing again.'

Henry 'I am thankful for having this opportunity of participating in FM. Before I had a broken marriage because I mistreated my wife, thinking that men are better than women. After going through the FM topic of the leader's marriage, I discovered that God created human beings. He created both male and female at the same time Geneses 1:27. Upon learning this verse, I have found that we are all equal in God eyes. Now I have started treating my wife and all women with respect. This has created harmony in our family. Our misunderstandings are much reduced because I myself was the problem. I do tell my fellow friends that men and women are all equal, no one is above the other.'

The following testimonies are from volunteers who have helped teach the courses.

Steve 'I am doing FM 2 and I love it! I was invited to help lead Follow Me and it has been a challenge as I did not feel worthy. I was never given a chance to lead in my local church, so I lacked confidence. I was worried of making mistakes, but the Dalitso team kept encouraging me. I thank God for the opportunity, courage and the confidence I now have to lead. This has spread back to my local church where I am able to help the Pastor.'

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Welford 'I was not preparing well as I taught and preached on Sundays, as people do not ask questions in that setting. When I was invited to help lead FM, I knew it would be hard because FM is done differently. I would have to prepare and expect questions from the course participants. FM has helped me to have good times of studying the material and to be open in myself to receiving questions. I have now developed a good behaviour of preparing well for what I do teach and preach.'

Patrick 'Leading FM is a different skill. I am privileged to be invited to learn how to facilitate as teaching FM can be challenging. Many of us are leaders, we hold different doctrine and we do our church things differently. I can see how facilitating allows us to unite even with our differences. I am learning so much through leading and now I value everyone and their story.'

Roadster 'Helping to lead FM has helped me stop telling people what they are supposed to do, but rather involve and invite them to discover what the scripture means, by asking good questions and listening to each other. I am becoming a good facilitator and so full of gratitude to be a volunteer helping!'

FM is also being used in other parts of Malawi, Zambia and Mozambique too.

We have been running Discovery Bible Studies (DBS) since 2019. There are seven groups with 60 participants. 11 people are currently learning to help and lead these groups with two groups being self-led. The amount of miracles is once again quite staggering and the levels of faith and expectancy within the groups is very high. We have seen 200 miracles, 24 salvations all of whom are active in communities of faith and 5 baptisms.

Bena 'In the past I was hurt by my father and this led to me always giving him fake smiles. Whenever he asked for my help with something my anger always rose up. After I started at the Discovery Bible Study I have been helped by gaining freedom in my heart. This has helped my health and I can now see my father as a blessing to me.'

Sitha 'I was a reluctant person when it came to handling small problems, I was always ignoring them. After discussing at DBS how yeast works in dough from 1 Corinthians 5:6. I have been freed and now able to work on smaller things before they grow bigger. My home and family is improved in every way through being part of this group.'

Dona 'I did my best to beautify myself on the outside, so that in looking my best my husband would love me. It didn't work so then I tried charms, but still it didn't work. By then I had not yet come to faith and after I gave my life to Jesus I was aware of an inner beauty. In this group I learnt and now I know about my inner beauty and true self. Currently I am helping my friends to know their true beauty in Christ.'

Rhoda 'Before it was very hard for me to memorise Bible verses, but the way we do this in our group has been a big change. We repeat in our own words what we have read from the Bible and discuss its meaning to us individually. In this way I know many verses and it is easy for me to share my faith with someone without carrying a Bible with me. I have hidden the word of God in my heart.'

Pelita 'I was used to going to church where I would sit, sing, listen and watch others. A friend invited me to DBS and it was strange to be asked to share what I had learnt from the Bible passage we were reading. I love it as everyone is heard sharing how the Lord is teaching them.'

Berth 'At our church the only person to pray for the sick is the pastor. My friend invited me to join DBS. The group leader asked if anyone is unwell, but I was afraid as there is no pastor in the group. Anyway I told them that I am sick so the group leader asked a person sat close to me to pray. It was a simple prayer asking God to heal me and immediately I was better; healed! From my healing I now have courage to pray for the sick.'

As government restrictions on public gatherings stopped we have been able to run eight Kingdom Expansion weekends this year. These are organised by Follow Me students. 63 people were trained in door to door evangelism and prayer ministry. We witnessed 359 miracles and 332 people came to faith.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Jere 'Before Kingdom Expansion came to our church I was working only with the leaders, but after the team arrived I was surprised to see the youth attend. Everyone who came regardless of their position was involved to go out into the community. This has taught me to involve and see differently how God uses His people. Now at our church everybody plays a part.'

Gift 'We were organising for Kingdom Expansion and I thought we might be burdened by the coming team because when our Bishop comes we provide meat and different foods. I was encouraged by Kingdom Expansion team that they brought their own food. It was joyful to see the gospel shared in every home of our community.'

Kenani 'We have many youth in our church, but we only encouraged them to be in the choir. Due to Kingdom Expansion I have learnt to develop our youth with their own giftings. I have seen them pray with my own eyes and God heal the sick. I was holding them back and I am so thankful God has taught me a better way.'

Chisomo 'I only prayed for the sick when they came to my home or at church. Kingdom Expansion has helped me to look for where His kingdom needs to come. Before I did not see many sick people, but now my eyes are open, looking and people are receiving healing.'

Testimonies from volunteers helping with Kingdom Expansion.

Fryson 'Before being part of Kingdom Expansion I believed that only leaders can preach and lead people to Jesus. After being part of Kingdom Expansion I am now encouraged to reach out to people myself and inviting others to join me.'

Gele 'I have always been inviting people to come to church, but did not share my faith as I thought that is the Pastor's responsibility. After the Kingdom Expansion training, I see a change. I am now sharing my faith with people and then invite them to go to church or a small group where they feel comfortable and welcome.'

Patrick 'Before I started attending Kingdom Expansion I despised myself. Being able to use my gifts and having good friendships with people like Patterson from Dalitso I have seen my confidence grow. I am learning that God can and is using me, so I will continue using what He has put in me.'

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Education Fund

We have established an education fund to assist children of our team with education school fees. We are pleased to be able to currently support four children at school, one at college and one at university.

Visitors

We had Kevin and Erica as our first overseas visitors since March 2020. We were thrilled to receive them and have more CHE training. We continue to use Zoom to receive training and support from our international partners.

We are thankful the team have been able to have training and conversations with Bill Dixon, Mark Harbour, Nick Sutton, Nicola and David Bass, Brian and Val Marriott and Nick Harding.

Covid

The Covid vaccine has been widely available to the general public and a booster is available too. There are no current restrictions upon entering Malawi or within the country. We remain vigilant of the possibility for further waves of Covid and/or a more virulent strain emerging.

Vehicles

A new Hilux truck was purchased in September 2022, and we are very grateful to the Grace Charitable Foundation for their kind support. The old truck did 17 years of off-road driving and she will be retired and sold in the coming months.

Future Planning for 2023/24

In February 2023 the Malawi team decided that they were comfortable and willing to receive international visitors again. Mark Harbour and Tom are due to visit in June 2023, and we hope that more partners will restart their trips again.

Our new building is almost complete with toilets being finished off this year. As the new dam is ready to be opened in July 2023 we are planning to finish off the ceilings and wiring now that dynamite blasting has finished. Land that is owned in Mbalame, will continue to be planted with trees and boundary lines marked out with sisal plants. There is now a small house to give a permanent staff presence on the property to provide security and care for the growing trees.

We expect to support another university student in the coming year.

Alongside delivering our project areas, our focus is to train more volunteers to increase capacity, ownership and local leadership.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Governance

Organisational Structure

A UK based board of Trustees oversee the activities of The Dalitso Trust. The Trustees are responsible for policy decisions and there is regular contact with the Directors. Thomas and Alison Husbands (the Directors) run The Dalitso Trust day to day. They oversee Chippo Chale, from the UK, as he leads the team in Malawi. The Senior Leadership Team in Malawi is Chippo, Patterson Staiford and Rhodess Abel.

Employed staff consists of one UK employee and in Malawi, Malawi nationals comprising 13 staff members and 35 volunteers.

Finances

The Trust's income this year has remained stable with sufficient reserves in place.

Principal Funding Sources

The Trust's funding base is mostly relational, and we encourage people to visit Malawi to see the work. We have a core group of individuals/families who give monthly and four partner churches. The pandemic has caused us to evaluate our income and we have had discussions between trustees, staff, our bookkeeper and partner churches. A revised budget was drawn up to highlight areas where savings of 10-20% could be made if needed. We are continuing to monitor finance levels carefully as economies reset after global lockdowns and there is a rise in inflation. At the time of signing this report the Trust's income has remained stable and in line with our predictions.

Investment Policy

Capital expenditure is limited to the requirements in Malawi. Historically the bulk of this has been for vehicles, land and buildings. We rely on raising sufficient finances for our needs and we have not entered any borrowing arrangements.

Risk Management

Risks are regularly reviewed and discussed amongst the Malawian team and the trustees.

Reserves Policy

The Trust reserves policy is reviewed annually, and the current reserve range is set from £19,100 to £22,600. The remaining balance is provisionally earmarked to finishing the Malingunde building project and the Mbalame plot development. The free reserves are made up of total reserves £214,120 (2022: £194,142), less the restricted reserves £NIL (2022: £7,958), less the fixed assets £103,770 (2022: £54,603), equals £110,350 (2022: £131,581).

Related Parties

Book-keeping is undertaken by Birmingham Vineyard and Lodestar Accounting Limited and we thank them for their continuing support.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Trustees

Trustees are recruited with a view to what they can bring to The Dalitso Trust bearing in mind the mix of skills within it. Trustees are recruited by word of mouth and by direct approach to people who possess the appropriate skills and support the values of the Trust.

In June 2022 we said goodbye to Sue Bennett stepping down after many fruitful years and welcomed Dave Knott on to the board.

New Trustees are given a briefing on the role of a Trustee and the current Trustees bring them up to date on the position of The Dalitso Trust. Copies of all relevant information are provided (such as Financial Statements, Trust Deed, copies of minutes of trustee meetings, guidance from the Charity Commission on the role and responsibilities of a Trustee). Questions are actively encouraged, and all Trustees have direct access to the Senior Leadership Team in Malawi.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
K Densham
Chair of Trustees

Date:

THE DALITSO TRUST

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

Independent Examiner's Report to the Trustees of The Dalitso Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2023.

Responsibilities and Basis of Report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Dated:

Helen Blundell

LLB FCA FCIE DChA

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	-	77,538	77,538	42,835
Investments	5	-	53	53	15
Total income		-	77,591	77,591	42,850
Expenditure on:					
Charitable activities		-	57,593	57,593	51,372
Total expenditure		-	57,593	57,593	51,372
Net income/(expenditure)		-	19,998	19,998	(8,522)
Transfers between funds	13	(7,958)	7,958	-	-
Net movement in funds		(7,958)	27,956	19,998	(8,522)
Reconciliation of funds:					
Total funds brought forward		7,958	186,184	194,142	202,664
Net movement in funds		(7,958)	27,956	19,998	(8,522)
Total funds carried forward		-	214,140	214,140	194,142

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 - 26 form part of these financial statements.

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**BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	103,770	54,603
		<u>103,770</u>	<u>54,603</u>
Current assets			
Debtors	11	323	-
Cash at bank and in hand		112,307	147,811
		<u>112,630</u>	<u>147,811</u>
Creditors: amounts falling due within one year	12	(2,260)	(8,272)
Net current assets		<u>110,370</u>	<u>139,539</u>
Total assets less current liabilities		<u>214,140</u>	<u>194,142</u>
Net assets excluding pension asset		<u>214,140</u>	<u>194,142</u>
Total net assets		<u><u>214,140</u></u>	<u><u>194,142</u></u>
Charity funds			
Restricted funds:			
Restricted funds	13	-	7,958
Designated funds	13	108,878	127,500
Unrestricted funds	13	102,874	56,296
Revaluation reserve		2,388	2,388
Total unrestricted funds	13	<u>214,140</u>	<u>186,184</u>
Total funds		<u><u>214,140</u></u>	<u><u>194,142</u></u>

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

K Densham
Chair of Trustees

The notes on pages 15 - 26 form part of these financial statements.

THE DALITSO TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The Dalitso Trust is a charity registered with the Charity Commission in England and Wales.

The Charity's registered address is 14 Wychall Grove, Birmingham, B38 8AQ.

The Charity has been established for the benefit of persons in Malawi and bordering countries particularly to advance the Christian religion, to relieve poverty and to advance education.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Dalitso Trust 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.

2.2 Going concern

Due to the Covid-19 pandemic the trustees have been closely monitoring the regular giving that supports the Trust. This was highlighted as an area of concern, however there have not been any significant changes in giving during the last year. This combined with the world adjusting to the pandemic the trustees feel that there is no longer a particular risk to regular giving. The Trust also currently has a significant cash reserve due to compensation from the compulsory purchase of our building and most of our plot by the Lilongwe Water Board. As a result, the trustees have a reasonable expectation that the Trust will continue in operational existence for the foreseeable future. Therefore, they continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

THE DALITSO TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

THE DALITSO TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold land	- Not depreciated
Freehold buildings	- 2% straight line
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 15% reducing balance

2.7 Revaluation of tangible fixed assets

The charity has adopted the revaluation model to revalue items of property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

2.8 Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

There are no complex financial instruments

2.9 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.10 Role of Volunteers

The charity relies on the efforts of its volunteers. The value of these volunteers is not incorporated within the accounts.

THE DALITSO TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- i) Valuation of freehold land (see note 9).
- ii) Residual value of freehold buildings (see note 9).

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	77,538	77,538	42,835
<i>Total 2022</i>	42,835	42,835	

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment income	53	53	15
<i>Total 2022</i>	15	15	

THE DALITSO TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Leadership	12,976	5,650	18,626	13,275
Training	4,938	1,241	6,179	7,619
CHE	12,363	3,724	16,087	12,699
Under 6's	12,976	3,725	16,701	17,779
	43,253	14,340	57,593	51,372
<i>Total 2022</i>	34,723	16,649	51,372	

Analysis of direct costs

	Leadership 2023 £	Training 2023 £	CHE* 2023 £	Under 6's 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	6,852	2,284	6,852	6,853	22,841	23,560
Depreciation	3,398	1,133	3,398	3,398	11,327	2,559
Project expenses	230	77	230	229	766	4,048
Travel expense	1,577	526	1,577	1,578	5,258	3,095
Education fund expenses	919	918	306	918	3,061	1,461
	12,976	4,938	12,363	12,976	43,253	34,723
<i>Total 2022</i>	8,680	5,209	8,681	12,153	34,723	

* Community Health Education

THE DALITSO TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Leadership 2023 £	Training 2023 £	CHE* 2023 £	Under 6's 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	3,415	1,138	3,415	3,414	11,382	14,401
Depreciation	40	14	40	41	135	160
Office expenses	269	89	269	270	897	1,510
Governance costs	1,926	-	-	-	1,926	578
	<u>5,650</u>	<u>1,241</u>	<u>3,724</u>	<u>3,725</u>	<u>14,340</u>	<u>16,649</u>
<i>Total 2022</i>	<u>4,595</u>	<u>2,410</u>	<u>4,018</u>	<u>5,626</u>	<u>16,649</u>	

* Community Health Education

7. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £1,784 (2022 - £1,500).

8. Staff costs

	2023 £	<i>2022 £</i>
Wages and salaries	31,670	29,833
Pension Costs	2,553	8,128
	<u>34,223</u>	<u>37,961</u>

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	<i>2022 No.</i>
UK based staff	1	1
Malawi based staff	13	13
	<u>14</u>	<u>14</u>

THE DALITSO TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel of the organisation comprise of trustees and project directors. One member of key management was remunerated for their services to the organisation. The total amount of employee benefits paid to key management personnel were £23,872 (2022: £30,168).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

THE DALITSO TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2022	48,772	45,975	4,711	99,458
Additions	11,757	48,872	-	60,629
At 31 March 2023	<u>60,529</u>	<u>94,847</u>	<u>4,711</u>	<u>160,087</u>
Depreciation				
At 1 April 2022	1,049	40,006	3,800	44,855
Charge for the year	670	10,655	137	11,462
At 31 March 2023	<u>1,719</u>	<u>50,661</u>	<u>3,937</u>	<u>56,317</u>
Net book value				
At 31 March 2023	<u><u>58,810</u></u>	<u><u>44,186</u></u>	<u><u>774</u></u>	<u><u>103,770</u></u>
At 31 March 2022	<u><u>47,723</u></u>	<u><u>5,969</u></u>	<u><u>911</u></u>	<u><u>54,603</u></u>

Included in land and buildings is freehold land at valuation of £6,875 (2022: £6,875) which is not depreciated. The estimated residual value of the buildings is considered to be equal to the valuation of the buildings and the depreciation charge is therefore £Nil (2022: £Nil).

The carrying amount under the cost model of the assets which have been revalued would have been £11,362 (2022 - £11,362).

11. Debtors

	2023 £	2022 £
Due within one year		
Prepayments and accrued income	323	-
	<u>323</u>	<u>-</u>

THE DALITSO TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other creditors	475	6,603
Accruals and deferred income	1,785	1,669
	<u>2,260</u>	<u>8,272</u>

THE DALITSO TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Designated funds					
Vehicle	20,000	28,000	-	(48,000)	-
Malingunde building project	2,500	-	-	-	2,500
Mbalame plot development	105,000	-	-	-	105,000
Education fund	-	2,630	(3,061)	1,809	1,378
	127,500	30,630	(3,061)	(46,191)	108,878

Designated Funds

Vehicle: Fund for planned replacement of Toyota Hilux Truck used as primary transport for all visitors.

Malingunde building project: First stage building project to provide replacement office and teaching space after compulsory purchase of previous land and building.

Mbalame building project: Second stage building project to provide new training facilities and long term base of operations.

Education fund - fund to pay for the cost of higher education for the older students in Malawi

Transfers

The transfer of £48,000 on the vehicle fund is the purchase of the new Toyota Hilux truck in the year.

The transfer of £1,809 on the education fund account is reclassifying the education fund account as a designated fund account, moving it correctly from restricted funds into designated funds.

Restricted funds

Vehicle fund - fund to purchase a replacement for the Hilux truck which transports people in Malawi. This includes a transfer, for the depreciation charge in the year, with general funds for £6,149 (2022: £1,876)

General funds

General Funds - all funds	56,296	46,961	(54,532)	54,149	102,874
Revaluation reserve	2,388	-	-	-	2,388
	58,684	46,961	(54,532)	54,149	105,262
Total Unrestricted funds	186,184	77,591	(57,593)	7,958	214,140

Restricted funds

Education Fund	1,809	-	-	(1,809)	-
Vehicle Fund	6,149	-	-	(6,149)	-

THE DALITSO TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
	7,958	-	-	(7,958)	-
Total of funds	194,142	77,591	(57,593)	-	214,140

THE DALITSO TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2022</i>
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Vehicle	20,000	-	-	-	20,000
Malingunde building project	4,500	-	-	(2,000)	2,500
Mbalame plot development	105,000	-	-	-	105,000
	<u>129,500</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>127,500</u>
General funds					
General Funds - all funds	61,846	40,485	(49,911)	3,876	56,296
Revaluation reserve	2,388	-	-	-	2,388
	<u>64,234</u>	<u>40,485</u>	<u>(49,911)</u>	<u>3,876</u>	<u>58,684</u>
Total Unrestricted funds	<u>193,734</u>	<u>40,485</u>	<u>(49,911)</u>	<u>1,876</u>	<u>186,184</u>
Restricted funds					
Education Fund	905	2,365	(1,461)	-	1,809
Vehicle Fund	8,025	-	-	(1,876)	6,149
	<u>8,930</u>	<u>2,365</u>	<u>(1,461)</u>	<u>(1,876)</u>	<u>7,958</u>

THE DALITSO TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	103,770	103,770
Current assets	112,630	112,630
Creditors due within one year	(2,260)	(2,260)
Total	<u>214,140</u>	<u>214,140</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	5,629	48,974	54,603
Current assets	2,329	145,482	147,811
Creditors due within one year	-	(8,272)	(8,272)
Total	<u>7,958</u>	<u>186,184</u>	<u>194,142</u>

15. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the UK fund and amounted to £1,792 (2022: £7,368). Contributions totalling £475 (2022: £6,301) were payable to the fund at the balance sheet date and are included in creditors.