

Charity number: 1119600

Malawi Relief Fund UK

Trustees' report and audited financial statements

for the year ended 31 December 2020

Malawi Relief Fund UK

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Malawi Relief Fund UK

Legal and administrative information

Charity number	1119600
Address	63-65 Victoria Street Blackburn Lancashire BB1 6DN
Trustees	Faruk Ibrahim Bharucha Ahmed Bobat Ismail Valli Yusuf Mohammed Mangera Zunaid A Saeed Chunara Qari Ismail
Secretary	Mohammed Yusuf Mangera
Chairman	Faruk Ibrahim Bharucha
Auditor	Ilyas Patel (Accountants) Ltd Chartered Certified Accountants Soloman House Belgrave Court Fulwood Preston Lancashire PR2 9PL
Bankers	Natwest Bank Pic King William Street Blackburn Lancashire BB1 7DL

Report of the trustees for the year ended 31 December 2020

Trustees Report Year Ending Dec 2020

The Trustees have pleasure in presenting their report for the year ended 31 December 2020. This report is prepared in accordance with the Statement of Recommended Practice - Accounting and reporting by the Charities and complies with applicable law.

Status and administration

The charity started its operations in 2004 and is constituted under a 2007 constitution and registered with The Charity Commissioners under charity number 1119600.

This year MRF was registered as an NGO in Malawi.

Charity objects

The objectives of the charity are:

- To advance, support and deliver humanitarian relief aid in Malawi (central Africa) to help relieve poverty and respond to natural disasters.
- To support, and improve access to education and healthcare, and clean water and sanitation.
- Develop and support livelihood and sustainability programmes.

Activities and Achievements

The charity is entirely run by volunteers. Members offer their services as trustees and committee members. Our Programmes are focused on alleviating poverty and our priorities are:

- Providing Humanitarian Aid
- Improving Access to Education and Health care and clean water
- Promoting empowerment and Economic Development initiatives

The charity has been successful in developing effective working partnerships with organisations (NGO's) based in Malawi with similar objectives as ourselves to deliver a range of projects and programmes or by way of providing funds to them to further their work in achieving our objectives.

MRF is now a registered NGO in Malawi.

LIVELIHOOD AND SUSTAINABILITY:

Women Development Programme:

The women development programme provides educational and vocational support equip women mainly widows with life skills, knowledge and the tools to help them to earn a living. For the tailoring and childcare programme the participants go through a structured 9 month programme to learn social life skills, childcare nursery nurse and tailoring training. On completion the participants are provided with sewing machines and a starter kit, so they can return to their homes and easily sustain themselves and their families. ***We supported 150 widows this year.***

Some will also take up employment as a nursery nurse training who secure employment in the nursery sector.

Farmers Packs:

Over 80% of the population rely on smallholder farming to sustain their families. As part of our goal to address food insecurity and help people escape hunger and poverty, we have supported over **5,000 small-holder** farmers with farming inputs subsidy.

As they start to harvest the crops, we hope to have increased their self-reliance and sustainability and help to reduce dependency.

Goat Rearing Programme:

The programme aims to empower resource-poor rural communities with the donation of two goats. The beneficiaries can rear the goats use the milk for home consumption, and with the breeding start to build up a stock of goats which they can sell to generate income. This year we supported over **100 families**. Last year MRF were able to purchase some goats from the beneficiary families.

Bicycle Taxls:

To further improve livelihood we have once again delivered Goods and Transport Bicycles to **220 beneficiaries** providing with a meaningful means to earn a living. The bicycle taxi is very popular, this year we have extended them to include beneficiaries who require a bicycle to get to and from work.

EDUCATION

Teacher Training:

We have also **sponsored 100 students** at the Mariam Girls Teacher Training Centre. The students who are unable to afford their fees will complete the course and be in a position to take up employment as a teacher in a government school improving their life chances and choices.

Talha Graduate Scholarship:

Through the Talha Scholarship Programme we have provided **scholarships for 235 Students** to study at universities in different discipline, including, optometry, dentistry, midwifery, Radiography, nursing, etc. We believe they will be able secure employment and help meet the acute shortage in health sector workers and make a positive impact on the local economy.

Vocational Training:

Through our Vocational Training Centre **over 50 students** have benefitted from the TEVET training equipping them with new skills and preparing them for work in the construction industry. Our training is focused on three disciplines namely, in Joinery and Carpentry, Brickwork and Plumbing. The students are also offered work placement in leading industry companies where many of them secure employment. The number of students completing the programme was seriously hampered by the lockdown measures when the center had to remain closed.

Secondary School Sponsorship:

Access to education is one of key priorities and we sponsored **200 children in secondary schools** many children are in boarding schools where we hope they will receive the best education.

Nursery:

Our Nursery at Shukran and nurseries in 5 other centres provides early-years education and support to over **150 children** preparing for primary education. At the Shukran nursery we also provide them with a meal which for many children is their main meal of the day. We plan to extend this to further 10 centers next year. The aim is in providing children with a good start in life to improve the social, emotional and physical development and to prepare them for Primary Schooling.

HEALTH AND WELL-BEING

Access to Clean Water:

Through our access to water programme, we have managed to improve access to **clean water to 150 locations** serving many small villages thereby providing clean water to thousands of people in remote rural villages who would otherwise have to travel several miles every day to access clean water.

Lack of clean water is the second biggest killer of children under 5 – approximately 30,000 people die every year linked to dirty water.

Our borehole water rig has arrived in Malawi and we hope this will be operational in the new year. Our objective is to make deep borehole which is safer, cleaner water to be more affordable and thereby reach out to as many rural locations as possible where there is an acute problem with access to clean water.

Gift of Sight:

Our flagship Gift of sight programme has this year maintained our amazing schedule delivering just under **3,000 cataract operations**. The programme was significantly affected by the pandemic largely due to the national lockdown. MRF one of largest providers of free cataract operations in the country. Along with the cataract operations we provide basic treatment to thousands of people when they are screened. Many are referred to hospitals for more serious eye conditions.

Winter Warmth:

Our winter warmth programme provided blankets to over **10,000 vulnerable people** in remote areas, hospitals, prisons, etc. We also targeted the elderly, widows and children through schools.

Tricycle:

This we launched the Improving Mobility as part of or People with Disability initiative. The aim of the project is to alleviate poverty and improve the life of those suffering from immobility due to their disability. Over **30 beneficiaries** were provided with wheelchairs, tricycles, or walking aid to ensure they can improve their quality of life.

Access to Healthcare:

To help improve access to healthcare we delivered **10 rural bicycle ambulance**. The rural bicycle ambulance is a low-cost solution to improve access to clinics in rural areas which could be several miles away.

This year we launched the Support for Healthcare and Treatment Programme aimed to provide people with financial support to pay for treatment and medication for individuals unable to afford it.

Covid Emergency Supplies:

In response to the pandemic we supported Hospitals and Clinics with vital equipment to help treat patients including PPE, thermometers, respiratory timers, BP machines, oximeters, etc.

Wheelchairs:

we have received stock of our wheelchairs – **100 to be provided to Hospitals** to help their patients **and 100 to be provided to individuals** for their personal use to improve their mobility.

Special Olympics:

Working in partnership with Special Olympic Malawi, which is a global movement that unleashes the human spirit through the transformative power and joy of sports everyday around the world we supported the programme to screen **400 potential special needs athletes** with various forms of intellectual disabilities. The programme was to help raise awareness, support potential athletes into the sport and to provide guidance to parents.

COMMUNITY DEVELOPMENT AND HUMANITARIAN RELIEF

Food Packs:

Food security is a major challenge in Malawi. In an attempt to mitigate hunger due to food shortage, we provided food packs to over **88,000 families** reaching some of the most remote and hard to reach areas of the country. We also provided cooked meals during the blessed month at over **220 centers providing** a hot meal to between 40 to 100 people every night.

The Eld Gifts programme:

targets young children during the festive time. We delivered gift packs to **20,000 children** filling them with joy and happiness.

The Direct Support Programme:

The programme provides targeted vital aid to **200 individuals** who are vulnerable and living in acute poverty with little or no income and no other support. They are provided with packs very month including food and daily essentials and at times money to help them survive. The beneficiaries are the elderly, sick, widows and disabled.

Emergency Flood Response:

following the floods which affected parts of Malawi we delivered vital emergency aid to **300 households including food items**, plastic sheeting etc. for temporary relief.

Shelter Housing:

Our ambitious Shelter programme has continued at pace. In what is our largest development programme we built **550 new homes**. Many included the addition of WC and Washrooms which is part of our objective to improve access to sanitation and clean water.

This year we extended into Central region building 200 houses which has made a significant impact to the lives of very many families.

Community Hubs:

Community hubs provide vital space for community engagement, support, learning and for meeting their spiritual social needs. This year we have developed **10 new hubs**. Through the hubs we will educational programmes, space for worship, social programme, women development, nursery and for distributing our aid programme throughout the year.

Orphanage:

Our Shukran Orphanage in Zomba was established in 2012 and continues to develop into a well-managed and successful facility to meet the needs of the orphans. Our local Management Board have responsibility for the effective management, supervision and financial accountability of the orphanage as well as ensuring the children receive valuable care, support, and physical, social, and emotional development.

We have **60 children** at the orphanage.

The primary school is also on site is also operated by MRF to ensure the children receive the highest standard of education within the complex to ensure the children are provided a good start to life and well prepared for secondary education.

Risk Management

The current account funds are held with a leading bank to minimise disruption to activities and reduce risk.

All investment decisions are made to achieve a reasonable return from acceptable sources according to Islamic Jurisprudence whilst minimising the risk.

Trustees' Responsibilities

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP; make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial portion of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Ahmed Bobat
Trustee

Faruk Ibrahim Bharucha
Chairman

Auditors Report

Independent auditor's report to the trustees of Malawi Relief Fund UK

Opinion

We have audited the financial statements of Malawi Relief Fund UK for the year ended 31st December 2020 which are set out on pages 7 to 11 and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs, of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs-UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

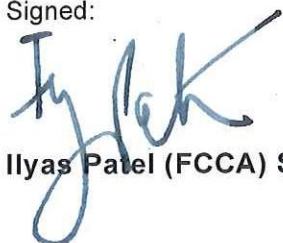
Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:



Ilyas Patel (FCCA) Senior Statutory Auditor

15th October 2021

For and on behalf of Ilyas Patel (Accountants) Ltd — Registered Auditors
Chartered Certified Accountants
Soloman House
Belgrave Court
Preston
Lancashire
PR2 9PL

Statement of Financial Activities for the year ended 31st December 2020

	Notes	Unrestricted funds £	Restricted income funds £	2020 Total £	2019 Total £
<u>Incoming resources</u>					
Incoming resources from generated funds					
Voluntary Income	2	89,430	3,231,494	3,320,924	2,798,952
Total incoming resources		89,430	3,231,494	3,320,924	2,798,952
<u>Resources expended</u>					
Charitable Activities	3	0	2,943,573	2,943,573	2,487,099
Support Costs	4	68,360	0	68,360	32,836
Total resources expended		68,360	2,943,573	3,011,933	2,519,935
Net Incoming Resources before Transfers		21,070	287,921	308,991	279,017
Net Movement in Funds		21,070	287,921	308,991	279,017
Total Funds Brought Forward		42,781	526,810	569,591	290,574
Total Funds Carried Forward		63,851	814,731	878,582	569,591

Balance Sheet as at 31st December 2020

	Notes	Unrestricted funds £	Restricted income funds £	2020 Total £	2019 Total £
<u>Fixed Assets</u>					
Tangible assets	6	171,289		171,289	919
Total Fixed Assets		171,289	0	171,289	919
<u>Current Assets</u>					
Debtors	7	44,604	26,543	71,147	40,702
Cash at bank and in hand		(147,742)	788,188	640,446	532,070
Total Current Assets		(103,138)	814,731	711,593	572,772
Creditors: amounts falling due within one year	8	4,300	0	4,300	4,100
Net Current Assets		(107,438)	814,731	707,293	568,672
Net Assets		63,851	814,731	878,582	569,591
<u>Funds of the Charity</u>					
Restricted funds	9		814,731	814,731	526,810
Unrestricted funds		63,851		63,851	42,781
Total Funds		63,851	814,731	878,582	569,591

Signed by two of the trustees on behalf of all the trustees:

Faruk Ibrahim Bharucha

Ahmed Bobat

Date:

08. 10. 2021

8/10/21

Notes forming part of the financial statements for the year ended 31st December 2020

1. Principal Accounting Policies

(a) Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts and in accordance with:

- the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- and with the Charities Act 2011.

(b) Change in basis of accounting

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

(c) Changes to previous accounts

No changes have been made to accounts for previous years.

2. Accounting policies

INCOMING RESOURCES

Recognition of incoming resources These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Incoming resources with related expenditure Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

Grants and donations Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.

Tax reclaims on donations and gifts Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.

Gifts in kind Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity.

Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable.

Donated services and facilities These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer help The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

EXPENDITURE AND LIABILITIES

Liability recognition Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance costs Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

Support costs Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

ASSETS

Tangible fixed assets for use by charity Investments These are capitalised if they can be used for more than one year. They are valued at cost or, if gifted, at the value to the charity on receipt. Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market value.

Depreciation Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office Equipment 25% Straight line

Plant and equipment 10% Straight line

Vehicles 10% Straight line

2. Voluntary income

	Unrestricted funds £	Restricted income funds £	2020 Total £	2019 Total £
Admin	33,479		33,479	15,782
Aqiqah		795	795	590
General	11,160	366,417	377,577	327,641
Gift Aid	44,791	26,430	71,221	40,702
Iftari/ Fitra/ Fidyah/ Kafara		22,177	22,177	64,536
Interest		55,655	55,655	55,563
Qurbani		40,755	40,755	31,566
Sadka		63,992	63,992	49,597
Zakat		2,655,273	2,655,273	2,212,975
	<u>89,430</u>	<u>3,231,494</u>	<u>3,320,924</u>	<u>2,798,952</u>

3. Charitable activities

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
General		305,053	305,053	428,926
Iftari/ Fitra/ Fidyah/ Kafara		18,627	18,627	37,300
Interest		19,017	19,017	44,505
Aqiqah		126	126	0
Qurbani		39,966	39,966	31,170
Sadka		45,781	45,781	53,699
Zakat		2,515,003	2,515,003	1,891,499
	<u>0</u>	<u>2,943,573</u>	<u>2,943,573</u>	<u>2,487,099</u>

4. Support Costs

	Unrestricted	Restricted	2020 Total	2019 Total
	£	£	£	£
Accountancy Charges	500		500	500
Audit Fee	5,216		5,216	3,900
Bank Charges	1,132		1,132	610
Casual Wages	2,174		2,174	0
Depreciation	19,388		19,388	307
Exchange rate loss	2,350		2,350	0
Insurance	577		577	0
Internet & Domain	737		737	184
Office and Admin Support	28,500		28,500	20,650
Paypal Fees	201		201	563
Postage	1,176		1,176	342
Professional Fees			0	2,600
Printing, Stationery & Advertisement	3,059		3,059	0
Sundry Expenses			0	150
Travelling Expenses	3,350		3,350	3,030
	<u>68,360</u>	<u>0</u>	<u>68,360</u>	<u>32,836</u>

5. Details of certain items of expenditure

5.1 Trustee expenses

Trustees are not remunerated for their services but thier out of pocket expenses were paid this year.

5.2 Fees for Audit of the accounts

	2020 Total	2019 Total
	£	£
Auditor's fees for reporting on the accounts	5,216	3,900
Other fees paid to the independant examiner or auditor	500	500
	<u>5,716</u>	<u>4,400</u>

6. Tangible fixed assets

	Office equipment £	Vehicles £	Plant & equipment £	Total £
Cost				
At 31 December 2019	1,226			1,226
Additions	705	75,478	113,575	189,758
At 31 December 2020	1,931	75,478	113,575	190,984
Depreciation				
At 31 December 2019	307			307
Additions	483	7,548	11,357	19,388
At 31 December 2020	790	7,548	11,357	19,695
Net book value				
At 31 December 2020	1,141	67,930	102,218	171,289
At 31 December 2019	919	0	0	919

7. Debtors: amounts falling due within one year

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Debtors	44,604	26,543	71,147	40,702
	44,604	26,543	71,147	40,702

8. Creditors: amounts falling due within one year

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Accruals	4,300		4,300	4,100
	4,300	0	4,300	4,100

9. Restricted funds

Restricted funds comprises of donations given by the general public for the sole purpose of supporting the poor Muslims and the destitute Muslims of Malawi and Interest Received which cannot be used by the Society other than to help the poor.