

Charity number: 1119600

Malawi Relief Fund UK
Trustees' report and audited financial statements
for the year ended 31 December 2021

Malawi Relief Fund UK

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Report of the trustees for the year ended 31 December 2021

Trustees Report Year Ending Dec 2021

The Trustees have pleasure in presenting their report for the year ended 31 December 2021. 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. The structured 9-month programme includes tailoring and childcare nursery training as well basic social life skills development.

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 women this year.***

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 **10,000 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.



Bicycle Taxis:

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.

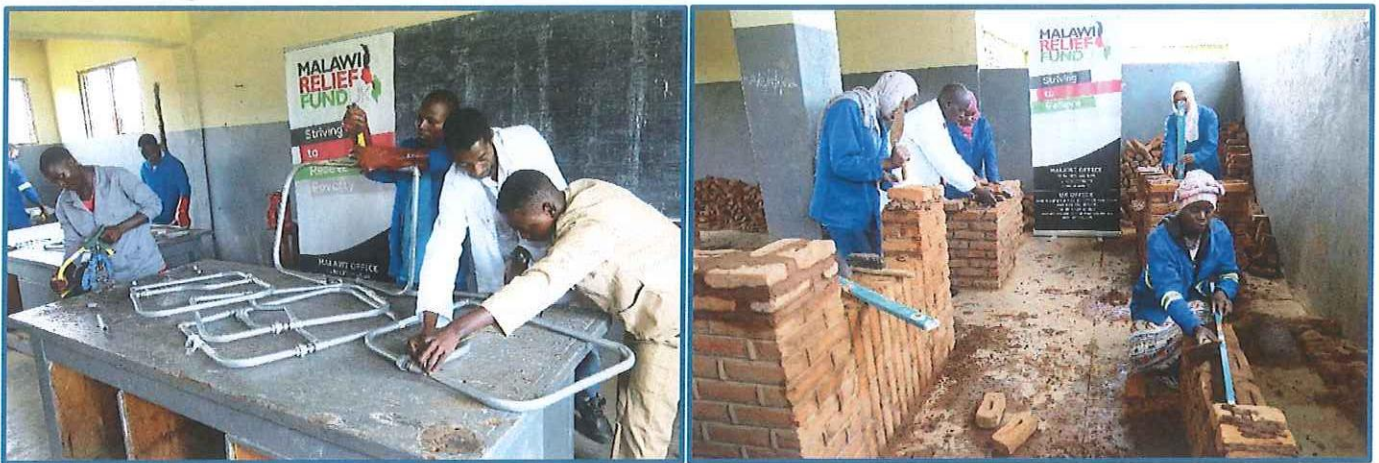
Talha Graduate Scholarship:

Through the Talha Scholarship Programme we have provided ***scholarships for 253 Students*** at various universities in Malawi studying 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.

This programme will increase access to further and higher education to very many young people from poor families and improve their life chances and contribute to the economic and social life in Malawi.

Vocational Training:

Through our Vocational Training Centre ***over 163 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.

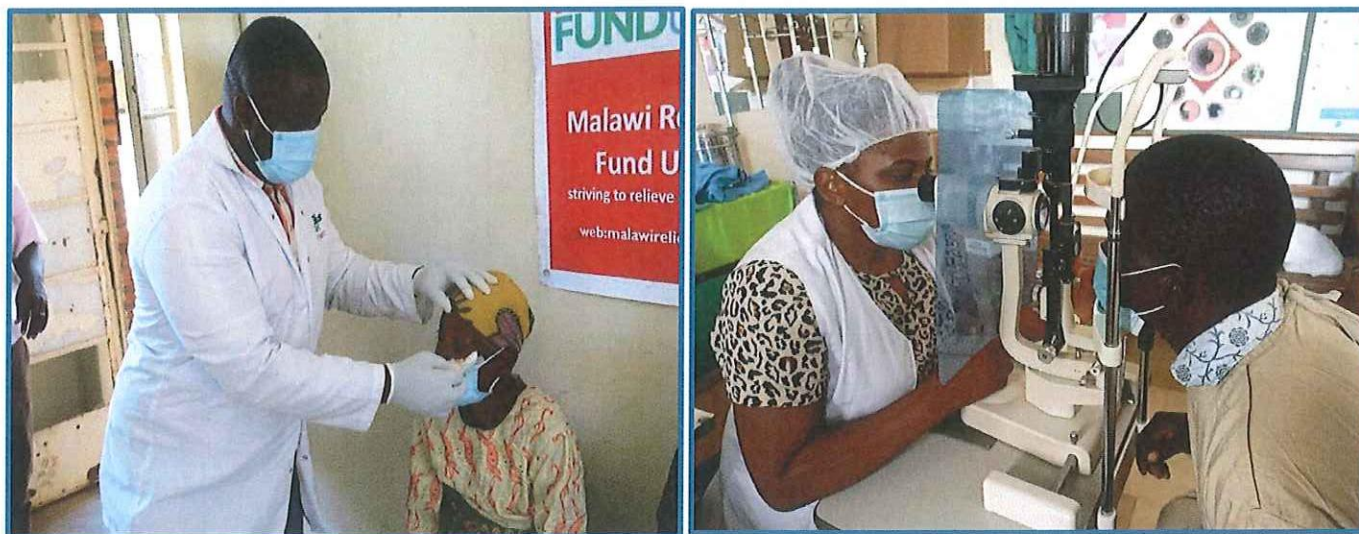
Lack of clean water is the second biggest killer of children under 5 – approximately 30,000 people die every year linked to dirty water.

The arrival of our borehole water rig has made a significant difference providing clean water to thousands of people in rural remote areas. Our objective is to drill deep boreholes and make accessible clean and safe water to as many rural locations as possible to help address the acute problem.



Gift of Sight:

Our flagship Gift of sight programme has this year maintained our amazing schedule delivering **5,230 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 **3,500 vulnerable people** in remote areas, hospitals, prisons, etc. We also targeted the elderly, widows and children through schools.

Tricycle:

The aim Improving Mobility project is to alleviate poverty and improve the life of those suffering from immobility due to their disability. **10 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 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.

Wheelchairs:

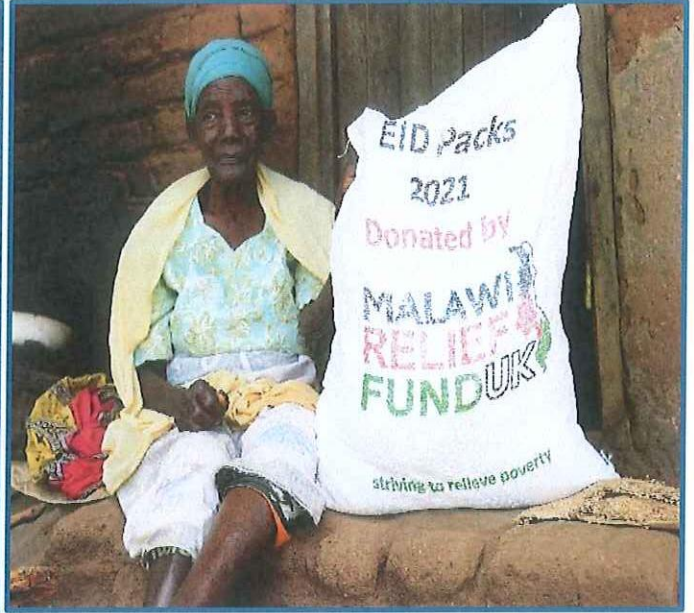
We delivered **150 wheelchairs** to individuals and hospitals. The wheelchairs to individuals have proved to be a lifeline helping to improve their mobility and provide the beneficiaries with some degree of independence to continue in education or employment.



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 **90,000 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 **210 centers providing** a hot meal to between 40 to 100 people every night.



The Eid Gifts programme:

The project targets young children during the festive time. We delivered gift packs to **10,000 children** filling them with joy and happiness. Most would otherwise perhaps never be able to afford the basic items such sweets, biscuits crisps, etc. we take for granted.



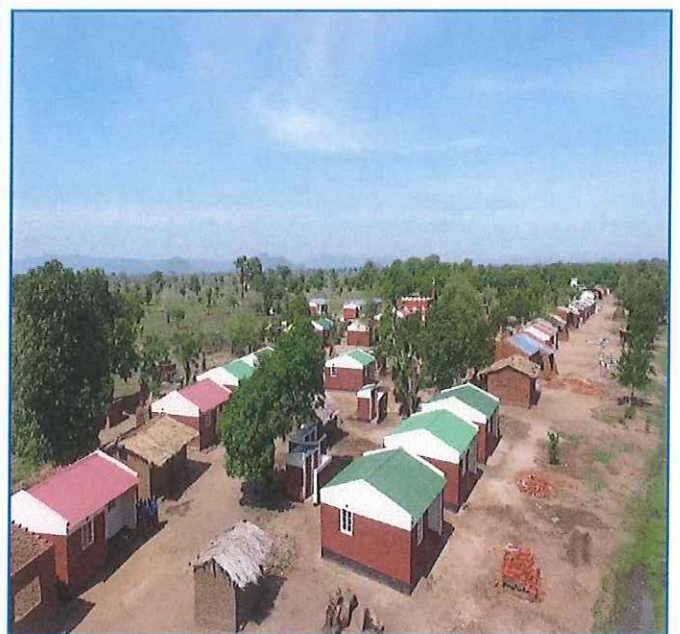
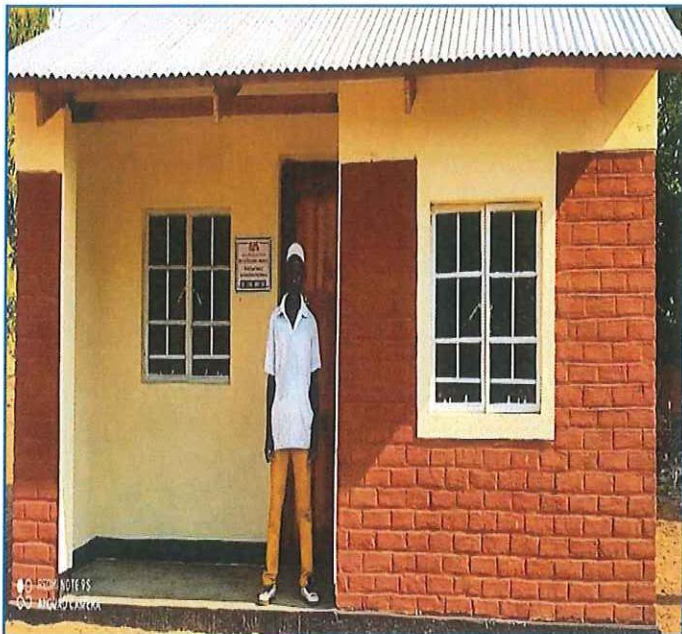
The Direct Support Programme:

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 every month including food and daily essentials and at times money to help them survive. The beneficiaries are the elderly, sick, widows and disabled.



Shelter Housing:

Our ambitious Shelter programme has continued at pace. In what is our largest development programme we built **580 new homes**. Many included the addition of WC and Washrooms which is part of our objective to improve access to sanitation and clean water.



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 deliver 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 position 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

Date:

22/10/22

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 2021 which are set out on pages 13 to 18 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 10, 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.

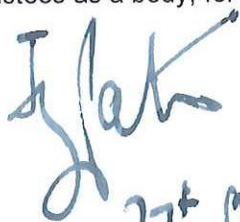
Our responsibilities for the audit of the financial statements

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:



Date:

27th October 2022

Ilyas Patel (FCCA) Senior Statutory Auditor

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 2021

	Notes	Unrestricted funds £	Restricted income funds £	2021 Total £	2020 Total £
<u>Incoming resources</u>					
Incoming resources from generated funds					
Voluntary Income	2	205,544	3,207,646	3,413,190	3,320,924
Total incoming resources		205,544	3,207,646	3,413,190	3,320,924
<u>Resources expended</u>					
Charitable Activities	3	0	3,164,241	3,164,241	2,943,573
Support Costs	4	60,430	0	60,430	68,360
Total resources expended		60,430	3,164,241	3,224,671	3,011,933
Net Incoming Resources before Transfers		145,114	43,405	188,519	308,991
Net Movement in Funds		145,114	43,405	188,519	308,991
Total Funds Brought Forward		63,851	814,731	878,582	569,591
Total Funds Carried Forward		208,965	858,136	1,067,101	878,582

Balance Sheet as at 31st December 2021

	Notes	Unrestricted funds £	Restricted income funds £	2021 Total £	2020 Total £
<u>Fixed Assets</u>					
Tangible assets	6	152,035		152,035	171,289
Total Fixed Assets		152,035	0	152,035	171,289
<u>Current Assets</u>					
Debtors	7	46,818	17,015	63,833	71,147
Cash at bank and in hand		14,872	841,121	855,993	640,446
Total Current Assets		61,690	858,136	919,826	711,593
Creditors: amounts falling due within one year	8	4,760	0	4,760	4,300
Net Current Assets		56,930	858,136	915,066	707,293
Net Assets		208,965	858,136	1,067,101	878,582
<u>Funds of the Charity</u>					
Restricted funds	9		858,136	858,136	814,731
Unrestricted funds		208,965		208,965	63,851
Total Funds		208,965	858,136	1,067,101	878,582

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

Faruk Ibrahim Bharucha

Ahmed Bobat

Date:

22/10/22.

Notes forming part of the financial statements for the year ended 31st December 2021

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 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

Investment

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

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Foreign currency balances have been translated at the rates of exchange ruling at the balance sheet date.

2. Voluntary income

	Unrestricted funds £	Restricted income funds £	2021 Total £	2020 Total £
Admin	13,612		13,612	33,479
Aqiqah		4,295	4,295	795
General	145,114	362,305	507,419	377,577
Gift Aid	46,818	17,015	63,833	71,221
Iftari/ Fitra/ Fidya/ Kafara		25,794	25,794	22,177
Interest		59,605	59,605	55,655
Qurbani		38,048	38,048	40,755
Sadka		146,751	146,751	63,992
Zakat		2,553,833	2,553,833	2,655,273
	<u>205,544</u>	<u>3,207,646</u>	<u>3,413,190</u>	<u>3,320,924</u>

3. Charitable activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
General		310,675	310,675	305,053
Iftari/ Fitra/ Fidya/ Kafara		17,296	17,296	18,627
Interest		64,633	64,633	19,017
Aqiqa		490	490	126
Qurbani		35,469	35,469	39,966
Sadka		81,825	81,825	45,781
Zakat		2,653,853	2,653,853	2,515,003
	<u>0</u>	<u>3,164,241</u>	<u>3,164,241</u>	<u>2,943,573</u>

4. Support Costs

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Accountancy Charges	500		500	500
Audit Fee	4,739		4,739	5,216
Bore Hole Consumables	547		547	
Bank Charges	1,256		1,256	1,132
Casual Wages	4,665		4,665	2,174
Depreciation	19,433		19,433	19,388
Exchange Rate Differences	(4,156)		(4,156)	2,350
Insurance	577		577	577
Internet & Domain	1,393		1,393	737
Office and Admin Support	31,650		31,650	28,500
Paypal Fees	220		220	201
Postage	36		36	1,176
Printing, Stationery & Advertisement	240		240	3,059
Travelling Expenses	(670)		(670)	3,350
	<u>60,430</u>	<u>0</u>	<u>60,430</u>	<u>68,360</u>

5. Details of certain items of expenditure

5.1 Trustee expenses

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

5.2 Fees for Audit of the accounts

	2021 Total	2020 Total
	£	£
Auditor's fees for reporting on the accounts	5,216	5,216
Other fees paid to the independent examiner or auditor	500	500
	<u>5,716</u>	<u>5,716</u>

6. Tangible fixed assets

	Office equipment £	Vehicles £	Plant & equipment £	Total £
Cost				
At 31 December 2020	1,931	75,478	113,575	190,984
Additions	179			179
At 31 December 2021	<u>2,110</u>	<u>75,478</u>	<u>113,575</u>	<u>191,163</u>
Depreciation				
At 31 December 2020	790	7,548	11,357	19,695
Additions	527	7,548	11,358	19,433
At 31 December 2021	<u>1,317</u>	<u>15,096</u>	<u>22,715</u>	<u>39,128</u>
Net book value				
At 31 December 2021	<u>793</u>	<u>60,382</u>	<u>90,860</u>	<u>152,035</u>
At 31 December 2020	<u>1,141</u>	<u>67,930</u>	<u>102,218</u>	<u>171,289</u>

7. Debtors: amounts falling due within one year

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Other debtors	46,818	17,015	63,833	71,147
	<u>46,818</u>	<u>17,015</u>	<u>63,833</u>	<u>71,147</u>

8. Creditors: amounts falling due within one year

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Accruals	4,760		4,760	4,300
	<u>4,760</u>	<u>0</u>	<u>4,760</u>	<u>4,300</u>

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.