

Company registration number: 06972024

Charity registration number: 1139160

SALTMALAWI

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Kolade Andrew Alli ACMA
Kare Financial Management Consultants Ltd
10 Gatcombe Gardens
West End, Hampshire
SO18 3NA

SALTMALAWI

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 7
Statement of Trustees' Responsibilities	8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 to 16

SALTMALAWI

Reference and Administrative Details

Trustees

Stephen James Dorey
Brian Gordon Donner
Evan Winter
Malcolm Peter Franks

Secretary

Lorna Harris

Principal Office

89 Montrose Avenue
Leamington Spa
CV32 7DR

Company Registration Number

06972024

Charity Registration Number

1139160

Independent Examiner

Kolade Andrew Alli ACMA
Kare Financial Management Consultants Ltd
10 Gatcombe Gardens
West End, Hampshire
SO18 3NA

SALTMALAWI

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2020.

Structure, Governance and Management

SaltMalawi is an incorporated charity limited by guarantee, not having share capital. It is registered in England and Wales with company number 06972024 and charity number 1139160.

The directors, who all continued in post throughout the year, are:

Mr Brian Donner

Mr Stephen Dorey

Mr Malcolm Franks (Chair)

Mr Evan Winter

Company Secretary: Mrs Lorna Harris (appointed 1st January 2020)

The Trustees remain keen to increase the number of serving Trustees following resignations over previous years. We recognize that all Trustees are white, male and of retirement age. So the Trustees are also anxious to increase their diversity in gender, age and ethnicity. We have again been unable to identify suitable willing people to serve. Relevant discussions have been conducted with potential candidates but regrettably without successful conclusion.

Summary of the Charity's Objects and Activities

The Objects for which the Company is established are:

- to advance the Christian faith primarily, but not exclusively, by providing financial and other such support as may be deemed necessary for proclaiming the Christian gospel in Malawi and such other countries as the directors may from time to time determine and by the enabling and training of disciples of Jesus Christ in such countries
- to alleviate poverty and suffering wherever possible and in whatever form it is found in such countries and in particular to offer assistance to vulnerable people (as defined by the constitutions of such countries) as an expression of such Christian gospel.

The Charity carries out these objects primarily as a grant-making body, supporting defined projects. Funds are disbursed through a process of grant application, authorisation and review. Evidence of satisfactory completion and outcomes is gathered. The main recipient body is the Church of the Disciples of Jesus Christ (CDJ), a registered charity in Malawi.

SALTMALAWI

Trustees' Report

Public Benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives. The Charity operates from the UK with outcomes primarily within Malawi, so this is where most of the public benefit can be seen. However outcomes in Mozambique are now growing rapidly. Frequent reports from the field help the Trustees review and evaluate the impact made. As vulnerable people are fed, and assistance is given for basic living expenses, there is relief of poverty with significant groups of people being helped.

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

Review of Activities

Meetings, Policies and Administration

As planned the Trustees changed their planned schedule of meetings this year, reducing face-to-face meetings to quarterly but adding shorter teleconference meetings in each intervening month.

There was in fact only one face to face trustee meeting in 2020, following UK Government restrictions during the Covid-19 pandemic. The remaining 3 meetings were held via Teams teleconference. We plan to recommence quarterly meetings face to face as soon as government restrictions permit. Additional communication and most decisions were taken by electronic means. Meetings are typically conducted with non-Trustees in attendance, notably Julian and Caroline Lott, who founded the work in Malawi over many years. Meetings were minuted by the Secretary.

During 2020 we invited CDJ to participate in our quarterly meetings. Each meeting agenda now includes a teleconference briefing and discussion with John Seda, Chair of CDJ Trustees. On one occasion Billiat Ngoma deputized.

Trustees also held 8 planned Teams teleconference calls, minuted by the Chair.

Changes to our meetings schedule and format were beneficial, allowing more frequent contact between trustees and bringing information from the field directly to us. Increased use of electronic communications, meetings and document storage helped us considerably during the Covid-19 travel restrictions.

SALTMALAWI

Trustees' Report

Trustees have implemented a programme to review and update procedural policies periodically. Policies have been developed to ensure that we are compliant with GDPR, Anti Money Laundering and Anti Bribery legislation. The charity's Safeguarding guidelines are under continuing review and development.

A register of Trustees' interests is maintained and updated annually to help identify possible conflicts. The Trustees have a clear procedure to help avoid potential conflicts of interest on any matter. The Trustees have reviewed and state that there is no Person of Significant Control. No Trustee received any form of remuneration other than the reimbursement of expenses incurred on the Charity's business.

The Charity's administration is undertaken by a contracted professional, Mrs. Lorna Harris, who additionally was appointed as Company Secretary from January 2020. Records storage, including email, is managed using Microsoft 365 in a centralised electronic repository with controlled access.

SaltMalawi continues to be a subscribing member of Global Connections, AFVS (Advice for the Voluntary Sector) and 31:8 (for Safeguarding purposes).

Income and Expenditure

We are pleased to report that funds received and expended were in balance during 2020, a challenging year for charities and missions around the world. Whilst income for the year at £32,492 was down almost 10% on last year, outgoings reduced by almost 30% at £31,758. So total funds closed the year slightly increased at £113.5K - held in Lloyds Bank and Kingdom Bank.

During the year grants were made totalling just over £28k. These included funding for maize purchase/distribution, for purchase of Bible teaching materials in the Chichewa language (a new development which is proving very successful), and for purchase of soap/blankets etc. ('Mercy Work' - help for the neediest). In addition, funds were provided for ongoing support such as re-imbursing travel costs for leaders, costs of church conferences, training, and leader's support/administration. We were also able to respond to opportunities to fund construction materials for church building.

Costs were held back as Covid-19 restrictions prevented travel to Malawi from UK. When such travel becomes possible again, we expect these costs to resume at a high level as we respond to pent up demand.

We continue to be grateful for the faithful giving of committed donors and the support of the George Muller Charitable Trust whose donation, which includes those channelled from other donors, amounted to just over £7K during the year.

SALTMALAWI

Trustees' Report

Whilst funds held significantly exceed anticipated short to medium terms needs, we note that income has declined in each of the last 3 years. Funds held at the year-end are in line with the reserves policy adopted by the Trustees.

Communication

The Trustees have continued to produce and circulate an electronic newsletter which provides up to date news and highlights issues for prayer. This currently goes to about 170 people. Between newsletters, an email distribution of specific prayer needs is made, responding to requests, events and news received from the field.

The Charity's website was completely redeveloped during 2020, including the first piece of video content. It carries descriptions, views and news of aspects of our work. The Facebook page has not been greatly used, primarily because visitors to Malawi had previously provided most of the content.

Linking directly with CDJ Trustees in Malawi using WhatsApp has now become 'business-as-usual'. We find this to be a major benefit in aiding the swift flow of information in both directions.

In 2020 we identified the need to re-launch the charity to supporters and supporter groups, in particular churches. Active supporting church groups now have a nominated SaltMalawi contact, whose role is to promote and facilitate two-way contact with the church group.

Visits

Regrettably, due to fears of spreading Covid-19 infection to rural villages, no travel to Malawi has been possible this year. Plans for visits by Julian and Caroline Lott and by a trustee and his wife had to be abandoned.

At the time of writing this report it remains impossible to plan safe visits. We anticipate that the next visit will be by the Lotts, hopefully during late Autumn 2021 but possibly not until 2022. There is strong demand from CDJ Trustees for visits from UK personnel.

Church of the Disciples of Jesus Christ

In Malawi our work supports a growing network of Christian churches known as Church of the Disciples of Jesus Christ (CDJ). There continue to be over 50 CDJ churches in 4 districts across the country, with over 2,000 people attending on a regular basis. The leaders in Malawi continue to receive requests from people in other parts of the country to start churches at their locations. However it is recognised that, having grown rapidly, building strong foundations to existing churches is an over-riding priority so, with limited leadership resources, it is not possible to respond positively to all new calls for help.

SALTMALAWI

Trustees' Report

CDJ Leadership

The team was significantly enlarged during 2019-20, so the emphasis is now on consolidation and development. The leadership team is staffed to the full complement of 4 trustees and 8 supporting volunteer leaders. Leaders' meetings have been developed for regular review, training and planning activities on a local and national basis.

Despite our inability to support in the field from UK, local leaders are doing well. Their capability and independence have grown considerably and therefore the long-term sustainability of the work has increased.

Church Buildings

In several villages SaltMalawi provided funds for construction of church buildings. Church members make bricks and build walls, to which are added roofs funded by SaltMalawi donations. At Nthondo in the Southern district of Nsanje a church building incorporating a training facility was constructed. In Kasungu, where the church pioneered outreach to the disabled, SaltMalawi helped with funding for a house including a pastoral care centre.

Training and Discipleship

In 2019 we identified suitable Chichewa teaching material from the UK based Mathetes Trust. This year we began to pilot the use of their 'Rooted in Jesus' courses and we plan for it to form a standard curriculum that all pastors will be trained to use. UK based teachers have received training from Mathetes Trust but, due to Covid-19 restrictions, they were unable to travel to Malawi with course materials. Mathetes Trust are supporting us in this challenge and, by kind permission, our UK teachers were able to conduct remote training with John Seda in Malawi via telephone. John has subsequently trained a small number of trusted Malawian leaders to deliver the material locally. The rollout will be constrained until original hard copy materials and UK trained teachers can reach Malawi – soon we hope. Rooted in Jesus material has made a strong beginning with positive feedback from Malawian trainers and trainees.

Leaders held conference gatherings in various parts of the country, teaching many local leaders, womens' groups and church members. CDJ identified other needs for ministries amongst women, children and young people. Travel restrictions have hindered plans for these. However there have been good developments in womens' groups in the Lillongwe, Kasungu and Dedza districts. We hope to trial 'Rooted in Jesus – Junior Edition' as soon as we can send teachers and material to Malawi.

Hunger Relief

SaltMalawi again funded several deliveries of food across Malawi and particularly to the South where the need once more was greatest. Across the country CDJ churches were able to feed the needy with no deaths reported amongst members.

SALTMALAWI

Trustees' Report

There is still a desire to address food insecurity in more sustainable ways such as improving crop yields. Travel restrictions have prevented any progress in these areas in 2020.

Orphan Care

CDJ continues to channel funds to those caring for orphans in family settings. SaltMalawi has helped in these cases, in one such an orphaned baby girl, Chisomo, was provided with milk during the first year of life.

Education

SaltMalawi and CDJ are developing a programme to support secondary education for suitably qualified Malawian children. A limited number of children, including orphans and children of CDJ Trustees will be sponsored through 4 years of secondary education.

Mercy Work

Provision of blankets, utensils, soap and other cleaning materials continues in response to local church calls for help and is supported with funding from SaltMalawi. This work, including the feeding programmes, has been effective in all 4 Districts across the country.

Covid-19

It is difficult to assess the true impact of Covid-19 in Malawi, though ostensibly rural communities have suffered less than those in urban areas. In the early days of the pandemic SaltMalawi sent funds for handwashing facilities in all churches.

Future Plans

- CDJ needs a skilled and trustworthy administrator to assist key leaders with financial management and reporting. Attempts to find an experienced recruit or even someone who can be trained have so far failed. A local pastor has helped considerably in 2020 but his help can be given only as and when available so this is not a permanent solution. Meanwhile reporting is delayed and key leader's valuable time is deflected from his main priority. SaltMalawi is seeking to help with this so far intractable problem.
- Rollout Rooted-in-Jesus training, supported by a programme to provide more Bibles for churches.
- Continue to support the construction of church buildings, including investigating a proposal to provide a house for use by national leaders and UK visitors during teaching visits to the South.
- A programme to provide motorcycles and bicycles to reduce time taken by leaders travelling to outlying churches and remote villages.
- Further training for CDJ Trustees in bookkeeping and basic governance
- Support the development of the CDJ church based 'Mercy Work'
- Facilitate many of the above via supporting visits from UK
- Appoint 1-4 new SaltMalawi Trustees – no progress this year despite concerted efforts

SALTMALAWI

Statement of Trustees' Responsibilities

The trustees (who are also the directors of SALTMALAWI for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 9th July 2021 and signed on its behalf by:

Malcolm Franks
.....
Malcolm Peter Franks
Trustee

SALTMALAWI

Independent Examiner's Report to the trustees of SALTMALAWI

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 10 to 16.

Respective responsibilities of trustees and examiner

As the charity's trustees of SALTMALAWI (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

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

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

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



.....
Kolade Andrew Alli ACMA

Kare Financial Management Consultants Ltd
10 Gatcombe Gardens
West End, Hampshire
SO18 3NA

9th July 2021

SALTMALAWI

Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:					
Charitable activities	3	16,979	15,513	32,492	35,739
Total income		16,979	15,513	32,492	35,739
Expenditure on:					
Charitable activities	4	(30,193)	(1,565)	(31,758)	(44,678)
Total expenditure		(30,193)	(1,565)	(31,758)	(44,678)
Net (expenditure)/income		(13,214)	13,948	734	(8,939)
Transfers between funds		(36,992)	36,992	-	-
Net movement in funds		(50,206)	50,940	734	(8,939)
Reconciliation of funds					
Total funds brought forward		112,863	-	112,863	121,802
Total funds carried forward	9	62,657	50,940	113,597	112,863

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 9.

SALTMALAWI

(Registration number: 06972024) Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Current assets			
Debtors	6	2,860	3,088
Cash at bank and in hand	7	111,187	110,482
		<u>114,047</u>	<u>113,570</u>
Creditors: Amounts falling due within one year	8	<u>(450)</u>	<u>(707)</u>
Net assets		<u>113,597</u>	<u>112,863</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		50,940	36,991
Unrestricted income funds			
Unrestricted funds		<u>62,657</u>	<u>75,872</u>
Total funds	9	<u>113,597</u>	<u>112,863</u>

For the financial year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

SALTMALAWI

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The address of its registered office is:

89 Montrose Avenue
Leamington Spa
Warwickshire
CV32 7DR

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

SALTMALAWI

Notes to the Financial Statements for the Year Ended 31 December 2020

Income and endowments

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

SALTMALAWI

Notes to the Financial Statements for the Year Ended 31 December 2020

3 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	General £	£	£	£
Donations	13,927	-	13,927	17,147
Gift Aid tax reclaimed	2,862	-	2,862	3,088
Donations for Joseph Project	-	9,343	9,343	8,363
Donations for Lotts Personal	-	920	920	1,137
Donations for Mission Fund	-	5,250	5,250	5,703
Interest on cash deposits	190	-	190	301
	16,979	15,513	32,492	35,739

4 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
Note	General £	£	£	£
Cost of Joseph Project	-	-	-	20,000
Cost of Lotts Personal Projects	-	1,565	1,565	3,283
Other fundraising costs	-	-	-	1,000
Grants Payable	27,545	-	27,545	17,212
Internet	15	-	15	-
Membership subscription fees	386	-	386	-
Bank Charges	61	-	61	42
Telephone and Fax	-	-	-	276
Professional fees	-	-	-	2,415
Accountancy fees	1,736	-	1,736	-
Independent examiner's fee	450	-	450	450
	30,193	1,565	31,758	44,678

SALTMALAWI

Notes to the Financial Statements for the Year Ended 31 December 2020

5 Taxation

The charity is a registered charity and is therefore exempt from taxation.

6 Debtors

	2020 £	2019 £
Other debtors	2,860	3,088

7 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	111,187	110,482

8 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	450	707

9 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds					
General	112,863	16,979	(30,193)	(36,992)	62,657
Restricted funds	-	15,513	(1,565)	36,992	50,940
Total funds	112,863	32,492	(31,758)	-	113,597

SALTMALAWI

Notes to the Financial Statements for the Year Ended 31 December 2020

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2019 £
Unrestricted funds					
General	88,731	20,536	(20,395)	(13,000)	75,872
Restricted funds	33,071	15,203	(24,283)	13,000	36,991
Total funds	121,802	35,739	(44,678)	-	112,863