

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 2021

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

# **SALTMALAWI**

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# **SALTMALAWI**

## **Reference and Administrative Details**

### **Trustees**

Stephen James Dorey  
Brian Gordon Donner  
Evan Winter  
Malcolm Peter Franks  
Peter Taylor

### **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 2021.

### **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

Mr Peter Taylor was appointed November 2021

Company Secretary: Mrs Lorna Harris

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.

### ***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***

There was again only one face to face trustee meeting in 2021, as the trustees followed UK Government restrictions during the Covid-19 pandemic. The remaining 3 meetings and the AGM were held via Microsoft Teams. We resumed our schedule of Quarterly face to face meetings in November. 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. Meeting minutes were taken by the Secretary.

Each Quarterly meeting agenda includes a WhatsApp briefing and discussion with John Seda, Chair of CDJ Trustees. On one occasion another CDJ Trustee, Billiat Ngoma, also joined the call from Malawi.

Trustees also held 8 planned Teams teleconference calls; minutes were taken by the Chair.

Trustees review and update procedural policies periodically. 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 also serves as Company Secretary. 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).

# **SALTMALAWI**

## **Trustees' Report**

### ***Income and Expenditure***

We are pleased to report that following a challenging year in 2020, funds received during 2021 were up 6% on the previous year halting a 3-year decline. Income was £34,482 including Gift Aid reclaimed of £3,252 for which we are very grateful. Outgoings increased by 23.6% at £39,259, partly accounted for by travel to Malawi becoming possible again. So, funds on hand reduced by £4777 in 2021, leaving the lowest balance since 2015. However, we are agreed to allow increased expenditure to reduce the balance over time, within our reserves policy. Total funds closed the year at £109.3K, held in Lloyds Bank and Kingdom Bank.

During the year grants were made totalling just over £34K. These included funding for the purchase of soap/blankets etc., motorcycles, bicycles, mobile phones, a laptop computer, computer software, bibles in the local language. In addition, funds were provided for ongoing support such as re-imbursing travel costs for leaders, costs of church conferences, mobile phone charges, training, and leader's support/administration. These regular costs are increasing steadily with the number of leaders required for the rapidly growing number of churches. In December 2021 SaltMalawi provided funds for Julian and Caroline Lott to travel to Malawi from the UK.

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

### ***Communication***

The Trustees have continued to produce and circulate an electronic newsletter in UK which provides up to date news and highlights issues for prayer. 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 carries descriptions, views and news of aspects of our work. The Facebook page is primarily used to communicate current news when members of the UK team visit Malawi.

Frequent ad hoc contact is made directly with CDJ Trustees in Malawi using WhatsApp. We find this to be a major benefit in aiding the swift flow of information in both directions. Funds were provided for charges for leaders phone calls and 2 new mobile telephones.

### ***Visits***

Fears of spreading Covid-19 infection to rural villages continued to prevent travel to Malawi until the end of the year. However, happily, SaltMalawi were able to fund a visit by Julian and Caroline Lott who left for a 2 month visit in December. Their visit has been welcomed very warmly by the Malawians after such a long enforced absence. Travel costs rose sharply due to Covid. Covid is still rife around the world but there is strong demand from CDJ Trustees for visits from UK personnel. So, we hope that it will be possible for a visit to be made to Malawi from the UK team in the coming year. Travel timing is considered carefully as flooding and cyclones become more frequent due to the global effects of climate change, limiting internal travel within Malawi and into Mozambique.

# **SALTMALAWI**

## **Trustees' Report**

### **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). CDJ reports indicate that several new churches were planted during the year taking the total to approaching 60 churches. Growth is particularly vigorous in the South of the country and into Mozambique. Evidence of revival is emerging in the central district around the SaltMalawi funded farm in Dedza. The leaders in Malawi continue to receive requests from people in other parts of the country to start churches at their locations. However, building strong foundations to existing churches takes priority over reaching new areas as leadership resources are limited.

### ***CDJ Leadership***

The leadership team is staffed to the full complement of 4 trustees and 8 supporting volunteer leaders. Work is ongoing to identify suitable candidates to add to the CDJ trustee team. Leaders' meetings conduct regular review, training and planning activities on a local and national basis. SaltMalawi funds ongoing costs for the growing team of leaders in support of the work.

Local leaders consolidated their learning through experience, in the absence of support in the field from the UK. New initiatives from the leadership team demonstrate their increasing independence. This increases our hope for the future sustainability of the work. Dependence on CDJ's Chairman is high, so we await news from the visiting UK team of discussions aimed at spreading his responsibilities to others.

### ***Administration***

SaltMalawi provided a laptop computer and Microsoft Office software which have been carried to Malawi by our visiting UK team. Julian has set it up and is giving basic training. We plan to develop the CDJ team's administrative capacity in the coming year, including the appointment of a part-time administrator. This should allow improved capability and capacity within the work, including the ability to report activities and outcomes resulting from donations by SaltMalawi.

### ***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.

An attempt to purchase a house for use by church leaders visiting the South of the country has been abandoned due to the difficulty of achieving a purchase of the proposed property. An alternative property is to be identified.

# **SALTMALAWI**

## **Trustees' Report**

### ***Training and Discipleship***

Rooted in Jesus material from UK based Mathetes Trust in the Chichewa language has made a strong beginning with positive feedback from Malawian trainers and trainees. We have been able to send further original hard copy materials to Malawi by post and very recently with UK trained teachers. The quality of the teaching so far is being reviewed in anticipation of a full rollout across all churches.

Leaders continue with conference gatherings for groups of churches in various districts around the country, teaching many local leaders, womens' groups and church members. Following the current team visit we plan to review with Mathetes Trust the possibility of trialling 'Rooted in Jesus – Junior Edition'.

SaltMalawi funded the provision of 120 bibles in the local language

### ***Hunger Relief***

SaltMalawi again funded deliveries of food across Malawi and particularly to the South where the need continues to be greatest. Climate changes increasingly limit the productivity of Malawian agriculture. The outlook for 2022 looks poor, so we expect this support to continue subject to funds being available in the UK and supplies being available in Malawi.

We still have a desire to address food insecurity in more sustainable ways such as improving crop yields. Travel restrictions prevented any progress in these areas again in 2021.

### ***Orphan Care***

CDJ continues to channel funds to those caring for orphans in family settings.

### ***Education***

SaltMalawi and CDJ continued with a pilot programme supporting secondary education for 3 suitably qualified Malawian children. Children, including orphans and children of CDJ Trustees, are being sponsored through 4 years of secondary education.

### ***Mercy Work***

Funding for the provision of a significant number of blankets, utensils, soap and other cleaning materials continues in response to local church calls for help and is supported with funding from SaltMalawi.

### ***Transport***

SaltMalawi funded CDJ to provide 2 motorcycles and 4 bicycles to increase the productivity and effectiveness of key local leaders. Journey times to outlying villages and churches have been dramatically reduced enabling development of the work amongst even more remote people. Other costs of operating the fleet of 5 motorcycles and two vehicles were also funded.

### ***Covid-19***

It is difficult to assess the true impact of Covid-19 in Malawi. Available evidence is unconvincing but does not indicate widespread suffering. Rural communities appear to have suffered less than those in urban areas.



# **SALTMALAWI**

## **Trustees' Report**

### **Future Plans**

- Encourage and support work to Identify and appoint a part-time skilled and trustworthy administrator to assist key leaders with financial management and reporting. Further training for CDJ Trustees in book-keeping and basic governance. Plan to assist with funding as donations permit.
- Support recruitment of additional CDJ Trustees
- Develop joint processes to evaluate and respond as appropriate/possible to increasing requests for support from CDJ
- Continue to support rollout of Rooted-in-Jesus training.
- Review possible use of RinJ Junior
- Fund more Bibles for churches
- Continue to part-fund the construction of church buildings
- Support work to identify property for national leaders and UK visitors during teaching visits to the South.
- Evaluate further requests to provide motorcycles and bicycles to reduce time taken by leaders travelling to outlying churches and remote villages
- Support the development and reporting of the CDJ church based 'Mercy Work', Orphan Care and Education programmes
- At least one UK team visit during 2022 to support growing size and complexity of the work in Malawi and Mozambique
- Add 1-3 SaltMalawi Trustees

# **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 16 June 2022 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 2021 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

16 June 2022

## SALTMALAWI

### Statement of Financial Activities for the Year Ended 31 December 2021

#### (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Income and Endowments from:</b>					
Charitable activities	3	18,824	15,658	34,482	32,492
Total income		18,824	15,658	34,482	32,492
<b>Expenditure on:</b>					
Charitable activities	4	(37,509)	(1,750)	(39,259)	(31,758)
Total expenditure		(37,509)	(1,750)	(39,259)	(31,758)
Net (expenditure)/income		(18,685)	13,908	(4,777)	734
Net movement in funds		(18,685)	13,908	(4,777)	734
<b>Reconciliation of funds</b>					
Total funds brought forward		62,657	50,940	113,597	112,863
Total funds carried forward	9	43,972	64,848	108,820	113,597

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

The funds breakdown for 2020 is shown in note 9.

# SALTMALAWI

## (Registration number: 06972024) Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	6	3,252	2,860
Cash at bank and in hand	7	106,118	111,187
		<u>109,370</u>	<u>114,047</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(550)</u>	<u>(450)</u>
<b>Net assets</b>		<u>108,820</u>	<u>113,597</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		64,848	50,940
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>43,972</u>	<u>62,657</u>
<b>Total funds</b>	9	<u>108,820</u>	<u>113,597</u>

For the financial year ending 31 December 2021 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 2021**

### **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 2021**

#### **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' 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.

### **3 Income from charitable activities**

	<b>Unrestricted funds</b>			
	<b>General</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations	15,488	-	15,488	13,927
Gift Aid tax reclaimed	3,252	-	3,252	2,862
Donations for Joseph Project	-	8,408	8,408	9,343
Donations for Lotts Personal	-	1,850	1,850	920
Donations for Mission Fund	-	5,400	5,400	5,250
Interest on cash deposits	84	-	84	190
	<u>18,824</u>	<u>15,658</u>	<u>34,482</u>	<u>32,492</u>

# SALTMALAWI

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 4 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	General £	£	£	£
Cost of Lotts Personal Projects	-	1,750	1,750	1,565
Grants Payable	34,337	-	34,337	27,545
Internet	44	-	44	15
Membership subscription fees	314	-	314	386
Bank Charges	131	-	131	61
Accountancy fees	2,133	-	2,133	1,736
Independent examiner's fee	550	-	550	450
	<u>37,509</u>	<u>1,750</u>	<u>39,259</u>	<u>31,758</u>



# SALTMALAWI

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 5 Taxation

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

### 6 Debtors

	2021 £	2020 £
Other debtors	3,252	2,860

### 7 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	106,118	111,187

### 8 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	550	450

### 9 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>				
General	62,657	18,824	(37,509)	43,972
<b>Restricted funds</b>	50,940	15,658	(1,750)	64,848
<b>Total funds</b>	113,597	34,482	(39,259)	108,820

# SALTMALAWI

## Notes to the Financial Statements for the Year Ended 31 December 2021

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