

Registered Company Number: 09598741 (England and Wales)
Registered Charity Number: 1162100

MADWA FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

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MADWA FOUNDATION

ADMINISTRATION DETAILS

REFERENCE AND ADMINISTRATION DETAILS

Registered Company Number

09598741 (England and Wales)

Registered Charity Number

1162100

Registered Office

1 Alexander Place

London

SW7 2SG

Trustees

B Cobley

M E J Phelps

I Philips

Independent Examiner

Nikki Crane FCA

Wilson Wright LLP

Chartered Accountants

Thavies Inn House

3-4 Holborn Circus

London

EC1N 2HA

Bankers

Lloyds Bank plc

50 Notting Hill Gate

London

W11 3JD

Solicitors

Macfarlanes

20 Cursitor Street

London

EC4A 1LT

**MADWA FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2021**

REPORT OF THE TRUSTEES

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report and the financial statements of the Charity for the year ended 31 May 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

CONSTITUTION

The charity was formed as a company limited by guarantee on 19 May 2015. The Company registration number is 09598741. Registered with the Charity Commission – Registration Number 1162100.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

MADWA Foundation (the "Charity") is a Company limited by guarantee and is governed by its Memorandum and Articles of Association dated 19 May 2015.

Method of appointment of Trustees

Any person may be appointed to be a trustee by ordinary resolution, or by a decision of the trustees. In any case where, as a result of death, the charity has no members and no trustees, the personal representatives of the last member to have died have the right, by notice of writing, to appoint a person to be a trustee. The number of trustees should be not less than 3.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charity are the prevention or relief of poverty including without limitation by promoting the relief of unemployment for the benefit of the public in disadvantaged areas in Southern Africa and elsewhere.

Public benefit statement

The Charities Act 2011 requires all charities to meet the legal requirement that its aims are for the public benefit. The Charity Commission in its Charities and Public Benefit guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit or benefits and secondly, that the benefit must be to the public or a section of the public. The Trustees consider that they have complied with Section 17 of the Charities Act 2011 including guidance the 'Public benefit: running a charity (PB2)'.

ACHIEVEMENT AND PERFORMANCE

Financial Review

During the year ended 31 May 2021, the Charity received £29,300 (2020: £46,675) in donations. At 31 May 2021, the Charity had a surplus on unrestricted funds of £10,726 (2020: £14,472) and a surplus on restricted funds of £2,886 (2020: £177).

RESERVES POLICY

The Charity's aim is to maintain minimal reserves, which should be sufficient to cover its expected non grant expenditure for at least one year.

TRUSTEES

Trustees during the year and at the date of this report are listed on page 1.

REVIEW OF THE YEAR

The Madwa Foundation has continued to support two groups of women based in Eswatini. These two groups are referred to by their location with one, the Manzini group, based in the south of the country and the second, the HhoHho group, based in the north. Between them the 2 groups support 60-100 weavers depending on the volume of orders. All the women have been trained by the charity to use their weaving skills to make a range of homeware products. Between the 2 groups, the projects support around 500 dependents. The income the weavers receive from their work has been essential in allowing them to feed their families and educate their children. The country suffers from one of the highest rates of HIV in the world today, so many of the weavers are grandparents looking after their orphaned grandchildren.

The past year has been almost identical to the previous one, as the global COVID-19 pandemic continued in Eswatini. The borders were closed for large parts of the year and local travel and movement was restricted through COVID regulations. However, workers were able to find ways to circumnavigate these restrictions and get their products to Madwa's two Weaving Centres. Bibi Msweli and Vanessa Stephens, Madwa project managers, often with great difficulty, managed to get the orders out of the country to customers in South Africa and Internationally.

Due to COVID restrictions, Madwa were unable to develop further their workshops that deal with literacy, gender-based violence and other social issues that impact heavily on the lives of the women in Eswatini. Madwa are confident that when the current restrictions are lifted, the planned workshops will take place.

A further problem during the past year has been the political unrest that has flared up across the country. The Government have used brutal methods to quell the unrest and roadblocks and a strong police and army presence have created an atmosphere of fear and repression that has impacted on the lives of everybody living and working in Eswatini.

FUTURE AIMS

The charity would like to focus on expanding their offering with new products, as well as aiming to run a series of workshops that can grow and develop the skills of the women they support and building awareness with their new website.

Social media has also become an important marketing tool for the charity, along with its website, and when the borders re-open, the charity is optimistic that it can get back to the level of activity that existed in prior years.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of MADWA Foundation for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing those financial statements, the Trustees are required to.

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgments 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 to operate.

**MADWA FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2021**

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

ON BEHALF OF THE BOARD:

Trustee: I Philips
Date:



16/3/2022

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MADWA FOUNDATION FOR THE YEAR ENDED 31 MAY 2021

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of Madwa Foundation ('the charitable company') for the year ended 31 May 2021 which comprise the Statement of Financial Activities, the Balance Sheet and related notes set out on pages 7 to 10.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charitable company, you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 ('the 2011 Act') and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

As permitted by Direction 2, issued by the Charity Commission the firm for which I work has provided the Company with bookkeeping services during the year ended 31 May 2021. As a consequence I have followed the requirement of the FRC's Ethical Standard when undertaking this assignment.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

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 that in any material respect:

- (1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- (2) the financial statements do not accord with those records; or
- (3) the financial statements 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

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MADWA FOUNDATION (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2021**

(4) the financial statements 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.

**Nikki Crane FCA
Wilson Wright LLP
Chartered Accountants
Thavies Inn House,
3-4 Holborn Circus,
London, EC1N 2HA**

Date: 31 March 2022

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2021**

		Unrestricted Funds £	2021 Restricted Funds £	Total Funds £	Unrestricted Funds £	2020 Restricted Funds £	Total Funds £
	Notes						
INCOME							
Donations		5,000	24,300	29,300	22,375	24,300	46,675
Other income		9	-	9	-	-	-
Total income		5,009	24,300	29,309	22,375	24,300	46,675
EXPENDITURE							
Expenditure on Charitable activities	3	8,755	21,591	30,346	14,106	38,515	52,621
Total expenditure		8,755	21,591	30,346	14,106	38,515	52,621
Net (expenditure)/income and Net movement in funds for the period		(3,746)	2,709	(1,037)	8,269	(14,215)	(5,946)
Total funds at 1 June 2020		14,472	177	14,649	6,203	14,392	20,595
Total funds at 31 May 2021		10,726	2,886	13,612	14,472	177	14,649

MADWA FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2021**

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors	6	-	2,288
Cash at bank		<u>19,265</u>	<u>17,761</u>
		19,265	20,049
 CREDITORS			
Amounts falling due within one year	7	<u>(5,653)</u>	<u>(5,400)</u>
 NET ASSETS		<u><u>13,612</u></u>	<u><u>14,649</u></u>
 Represented by:			
FUNDS			
Unrestricted funds		10,726	14,472
Restricted funds	8	<u>2,886</u>	<u>177</u>
 TOTAL FUNDS		<u><u>13,612</u></u>	<u><u>14,649</u></u>

For the financial year ended 31 May 2021 the company 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 company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board for issue on

Trustee: I. Philips

 16/3/2022

Company Registration No. 09598741

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2021**

1 Accounting policies

The principal accounting policies adopted and judgements in the preparation of the financial statements are as follows:

1.1 Basis of preparation of accounts

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charitable company 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.

1.2 Going Concern

The charity has continued to be impacted by the global COVID-19 pandemic, and the subsequent restrictions that been put in place in the UK and globally to contain the spread of this disease. Whilst the charity has had to make some operational changes because of this, the trustees still have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. On this basis, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Incoming resources

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

Donations are recognised when the charity has entitlement to the funds and it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.4 Cash at bank

Cash at bank includes cash and short term highly liquid investments with a short maturity from the date of opening the deposit.

1.5 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.6 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments which include bank balances. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.7 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support it.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Unconditional grant offer is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Governance costs include the costs associated with meeting the constitutional and statutory requirements of the charity and are allocated to charitable expenditure.

Value added tax is not recoverable and as such is included in the relevant costs in the Statement of Financial Activities.

2 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the of the Charity's work or are raised for particular related purposes.

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2021**

2 LEGAL STATUS OF THE CHARITABLE COMPANY

The charitable company is a company limited by guarantee and has no share capital. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member.

3 EXPENDITURE ON CHARITABLE ACTIVITIES

	2021		2020
	£	£	£
Grants (Swaziland)			
- Weaving Shed Project		21,591	43,728
Bank charges	210		240
Independent examination	1,500		1,500
Accountancy	6,792		6,900
Legal and professional	253		253
	<u>8,755</u>		<u>8,893</u>
	<u>30,346</u>		<u>52,621</u>

Expenditure on charitable activities was £30,346 (2020: £52,621) of which £21,591 (2020: £38,515) was restricted and £8,755 (2020: £14,106) was unrestricted.

4 TRUSTEES AND EMPLOYEES

There were no persons employed by the Charity during the period.

No remuneration was paid to the trustees in the period, nor were any expenses reimbursed to them.

5 RELATED PARTY TRANSACTIONS

There were no related party transactions during the period that require disclosure.

6 DEBTORS

	2021	2020
	£	£
Other debtors	<u>-</u>	<u>2,288</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	253	-
Accruals	<u>5,400</u>	<u>5,400</u>
	<u>5,653</u>	<u>5,400</u>

Movements in Funds

	As at 01.06.20	Incoming	Outgoing	As at 31.05.21
		£	£	£
8 RESTRICTED FUNDS				
Weaving shed project	177	24,300	(21,591)	2,886

The weaving shed project is in respect of building work housing and associated running costs for unemployed women in Eswatini.