

THE MALALA FUND UK

England & Wales · Charity number 1178655

Details

Other names	MYCF UK LTD
Status	Registered
Legal form	Charitable company
Company number	10551265
Registered	2018-06-05
Register	View on the Charity Commission register

Contact

Address	10 Ely Place London UK
Phone	+12027948744
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Website	https://www.malala.org/financial-information-uk

Activities

Objects: TO PROMOTE EDUCATION WORLDWIDE, PARTICULARLY (BUT NOT LIMITED TO) SECONDARY SCHOOL AGE GIRLS IN THE DEVELOPING WORLD DENIED EDUCATION DUE TO POVERTY, VIOLENCE, DISCRIMINATION OR TRADITION.

Activities: With more than 130 million girls out of school today, Malala Fund is breaking down barriers that hold girls back by supporting the work of local education activists through our Education Champions Network; advocating for resources and policy changes needed to give all girls access to 12 years of free, safe, quality education; and amplifying girls' voices.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- Nigeria
- Pakistan
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,914,697	£2,520,881	£560,045	21
2024-03-31	£2,637,155	£2,845,134	£166,229	23
2023-03-31	£2,406,499	£2,145,810	£374,209	22
2022-03-31	£1,973,457	£1,910,517	£113,447	24
2021-03-31	£1,282,622	£1,582,464	£50,507	19

Trustees

Name	Role	Appointed
Akhter Mateen	Chair	2017-12-12
Lucy Ann Ariel Lake		2024-10-03
Malala Yousafzai		2019-03-21
Vanessa Kingori		2025-09-30

THE MALALA FUND UK

England & Wales - Charity number 1178655

Accounts

Company number: 10551265
Charity number: 1178655

The Malala Fund UK

Report and financial statements
For the year ended 31 March 2025

The Malala Fund UK

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The Malala Fund UK

Reference and administrative information

For the year ended 31 March 2025

Company number 10551265
Country of incorporation United Kingdom

Charity number 1178655
Country of registration England and Wales

Registered office and operational address 10 Ely Place
London, EC1N 6RY

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Akhter Mateen	Director and Board Chair
Fayeeza Naqvi	Director
Malala Yousafzai	Director
Lucy Lake	Director (appointed 3 October 2024)
Susan McCaw	Director (resigned 28 February 2025)

Key Management Lena Alfi, CEO

Bankers Citibank
Canada Square
Canary Wharf
LONDON
E14 5LB

Solicitors Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
110 Golden Lane
LONDON
EC1Y 0TG

The trustees present their report and the audited financial statements for the year ended 31 March 2025.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law and the Statement of Recommended Practice — Accounting and Reporting by the Charities Statement of Recommended Practices (SORP) applicable to charities preparing their accounts in accordance with FRS 102.

Purposes, aims and objectives

Together with the Malala Fund US and Malala Fund Nigeria, the Malala Fund UK is working toward a world where every girl can learn and lead. Malala Yousafzai and her father, Ziauddin Yousafzai, co-founded and launched Malala Fund in the US in early 2013 in response to a swell of public support following the 2012 attack on Malala's life. Since then, Malala has become the leader for the girls' education movement, and her continued activism has progressed girls' education and gender equality around the world.

As stated in the Malala Fund UK's Articles of Association, the objects of the charity are to promote education around the world, particularly (but not limited to) secondary school-age girls denied education due to poverty, violence, discrimination or tradition.

Since incorporation in 2017 and registration as a public charity in England and Wales in 2018, the Malala Fund UK has worked alongside the Malala Fund US to support programmes that improve access to high-quality education in Afghanistan, Bangladesh, Brazil, Ethiopia, India, Lebanon, Nigeria, Pakistan, Tanzania and Turkey. The charity also advocates for the resources and policy changes needed to give all girls a secondary education, informing policymakers and the general public in the UK and elsewhere about the importance and benefits of girls' education around the world.

Throughout the year, the trustees of the Malala Fund UK review the aims, objectives and activities of the charity. This report looks at the Malala Fund UK's achievements and the outcomes of its work against its charitable objectives during the reporting period. Regular reviews and the process of putting together this annual report help the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning its future activities. In particular, the trustees consider how planned activities will contribute to the charity's set aims and objectives.

People served, activities and progress to date

Together with our board, grantee partners, young women advisory council, staff, leadership council and donor partners, we are creating a more equal, safer and healthier world by ensuring all girls can access and complete 12 years of education. Through grantmaking and advocacy, we strengthen girls' right to secondary education and unlock the resources needed for all girls to enjoy this right.

The charity (along with the Malala Fund US and Malala Fund Nigeria) engages in two overarching activities:

- 1. Strengthen rights:** We advocate for governments and global institutions to uphold girls' right to secondary education and implement the policies needed to realise it. We also protect girls' right to learn when crises interrupt their education.
- 2. Secure resources:** We advocate for governments and global institutions to increase education funding and invest the resources to realise girls' rights.

Specifics on the charity's activities and progress towards its objectives from FY 2024-25 are provided below.

Investing in education advocates and activists

Malala Fund invests in the work of educators, advocates and activists to help more girls go to and complete school in their communities and countries. This fiscal year (April 2024 - March 2025), Malala Fund awarded \$10.2 million in grant funding to 57 organisations in 10 countries. We directed the majority of funds to our Education Champion Network (ECN), Afghanistan Initiative and Girl Programme. We awarded additional grants to key partners responding to crises disrupting girls' education.

Malala Fund supports local education advocates changing education systems from the ground up in communities, regions and countries where significant numbers of girls are out of school or at risk of dropping out. Through our grantmaking, we support them in scaling their influence and impact, shifting power and resources to those best positioned to dismantle girls' education barriers.

Highlights from our focus countries

We share a small selection of our impact and our partners' incredible work in our six focus countries below. In addition to grantmaking in Nigeria and Pakistan, we advocate directly alongside partners for state, provincial and national policy reforms that enable more girls in each country to complete secondary school.

Nigeria

In Nigeria, nearly 5 million adolescent girls are out of school. To address this challenge, our partners are advancing gender-responsive budgeting and policy reform, while strengthening civil society capacity and community accountability to push for inclusive education.

- In Kano state, BridgeConnect Africa Initiative (BCAI)'s advocacy led to the institutionalisation of the gender responsive education budgeting (GREB) framework, training more than 50 government stakeholders and establishing a 15-member GREB Committee. These efforts contributed to an increase in the education budget from 19% to 35% for girls' education, and resulted in the reopening of 15 girls' secondary schools, expanded access to free transportation and uniforms and recruitment of more female teachers.
- In Adamawa state, Center for Advocacy, Transparency and Accountability Initiative (CATAI) partnered with the government to launch the state's first comprehensive education policy. This policy addresses gender disparities through mentorship, safe school environments, gender-sensitive leadership and strong parental engagement.

Pakistan

In Pakistan, lack of government investment and school expenses contribute to 6 million adolescent girls being out of school. Our partners are driving policy solutions to reduce education costs and make it easier for girls to access school, especially in rural areas.

- Continuous advocacy by Blue Veins and other ECN members including Thar Education Alliance and Institute of Social and Policy Sciences (I-SAPS) contributed to the Khyber Pakhtunkhwa (KP) government announcing free school transportation for girls in 2025. The services target girls in grades 6–8 living 1.5 km away or more from school in 10 provincial districts, and aim to reduce dropout rates in underserved regions. Since 2022, ECN partners have been engaging with and advocating to the KP government to tackle girls' education barriers in rural areas and implement specific recommendations, including rolling out free transportation services.
- During a convention with key policymakers, 45 fellows from Teach for Pakistan directly contributed to the development of the new Federal Foundational Learning Policy, aimed at strengthening the reading and basic math skills of students in federal regions, and a teacher training course. By bringing insights from their classrooms into policy discussions, these educators sparked systemic improvements to teacher quality and early learning. Foundational literacy and math skills are critical to keeping girls in school and ensuring they complete their secondary education.

Afghanistan

Afghanistan is the only country in the world that bans girls' secondary education. In response, our partners are delivering flexible alternatives — through home-based schools, satellite television and digital platforms — to keep adolescent girls learning. Collectively, these programmes can reach 2 million students across the country.

- Education Bridge for Afghanistan (EBA) blends live virtual classes with downloadable lessons and in-person testing hubs, so students can keep learning even with limited internet access. In just one year, EBA scaled their programme to reach over 10,000 girls, providing structure, peer connection and internationally recognised certification for grade 12 graduates.

- Rahela Trust launched a new programme for 100 girls in grades 11–12, pairing structured online classes with skills-building workshops and one-on-one mentorship by Afghan women professionals. Designed to restore connection, confidence and learning, the programme also supports transitions to higher education.

Brazil

Persistent inequalities lead to high dropout rates among Black, Indigenous and quilombola girls in Brazil. Our partners are pushing for inclusive, rights-based education policies and resisting measures that undermine them.

- Ação Educativa strengthened coalitions resisting school militarisation, produced legal advocacy tools and helped influence the national debate on teacher protections.
- Campanha Nacional pelo Direito à Educação played a key role in blocking efforts to divert public education funding from core needs such as teacher salaries and school infrastructure, and pushed for a more inclusive, participatory process in the drafting of Brazil's new National Education Plan.

Both organisations also shaped global conversations on education justice and teacher rights. They provided input to U.N. special rapporteurs on issues including gender and technology, academic freedom and the negative impacts of school militarisation on inclusion and equity.

Ethiopia

In Ethiopia, conflict has worsened girls' education barriers including child marriage, gender-based violence and funding gaps. Our partners are securing resources and working with families and communities to dismantle education barriers.

- Positive Action for Development (PAD) in Ethiopia's East Hararghe Zone championed policy, finance and social norm shifts leading to a historic first: a specific allocation for girls' education in the sub-regional budget. This directly funded basic provisions including school supplies and menstrual kits for girls most in need. Complementing this policy win, PAD's door-to-door outreach supported 177 girls who were out of school to re-enrol.
- Center of Concern creates strong parent teacher student associations (PTSAs), providing training for parents and teachers on the education barriers girls face. By working with these groups in collaboration with district school officials, they advocated for girls' education and challenged social norms keeping girls out of school.

Tanzania

Our partners are ensuring adolescent mothers can reintegrate into secondary schools. While the Tanzanian government lifted its ban on pregnant girls and adolescent mothers' school attendance in 2021, social stigma, limited policy awareness within communities and lack of implementation

have hindered re-enrollment. Our partners are ensuring adolescent mothers can reintegrate into secondary schools.

- Tanzania Education Network/Mtandao wa Elimu Tanzania (TEN/MET), KINNAPA and HakiElimu jointly advocated for solutions to these challenges, including legislation to facilitate girls' return to school. To reduce the stigma towards adolescent mothers, they conducted community sensitisation sessions and events and radio advocacy to target key influencers including village elders and local leaders. As a result, more than 1,200 young mothers across eight regions re-enrolled in school.
- Msichana Initiative conducted extensive community outreach and advocacy campaigns to address the stigma around young mothers returning to schools. Their work in Tabora and Dodoma regions focused on spreading awareness of young mothers' education rights and reached nearly 150,000 people.

Driving global movements for girls

Malala Fund uses its voice, networks and platforms to secure the commitments and resources girls need to complete 12 years of school. We advocate to expand every child's right to education to include free, full secondary education. With our partners, we advance the global movement to end gender apartheid in Afghanistan, the only country that bans girls from secondary school. This year, we built legal, diplomatic and public momentum toward codifying gender apartheid in international law — a breakthrough that could hold the Taliban accountable, protect Afghan girls and deter future violations of girls' rights everywhere. We also launched a new initiative to reform global debt structures and unlock billions for education, as the current debt crisis cripples governments' ability to build schools, pay teachers and ensure safe transport for girls. Here are some highlights from our global advocacy this year:

Progress in guaranteeing 12 years of education for every child

Over the last few years, Malala Fund and partners have been advocating for extending every child's fundamental right to education to include free, full secondary education. In July 2024, the U.N. Human Rights Council agreed to begin exploring a new optional protocol to the Convention on the Rights of the Child — with the aim to guarantee 12 years of education for all children in international law. The Dominican Republic, Luxembourg and Sierra Leone advanced the resolution, which was co-sponsored by 46 other countries thanks in part to advocacy by Malala Fund and other civil society partners, including Human Rights Watch and Child Rights Connect.

Advancing the movement to end gender apartheid in Afghanistan

Malala and Ziauddin Yousafzai, alongside our Afghanistan Initiative Senior Director Sahar Halaimzai, played pivotal roles in advancing justice for Afghan girls and women, complementing and uplifting the efforts of our grantee partners. Their advocacy and engagements contributed to the adoption of the term gender apartheid by the U.N., legal experts, activists and global media. Malala and Sahar led high-level diplomacy with key U.N. member states, securing Albania's public

support for codification of gender apartheid. They convened senior leaders at the U.K. Parliament and urged Muslim leaders to reject Taliban policies.

In recognition of this work, Malala accepted the American Society of International Law's Champion of the International Rule of Law Award on behalf of Malala Fund and our Afghan partners. Partners attending the award gala included leaders from Rahela Trust, the End Gender Apartheid Campaign, Women and Children Research and Advocacy Network and Malala Fund Education Champions. Following our advocacy efforts, the U.K. issued political support for the International Court of Justice case against the Taliban. Ziauddin amplified the voices of Afghan fathers advocating for girls' education.

Through grantmaking, convenings and coalition-building, our Afghanistan Initiative is strengthening legal pathways to hold the Taliban accountable, protecting girls' education and elevating Afghan women in the fight for justice. We led high-level engagements at the U.N., convening legal experts and political leaders to push for codification. Our sustained diplomacy helped move the Crimes Against Humanity Treaty into formal negotiations. Our campaigns marking 1,000 days of the secondary education ban and Father's Day amplified Afghan voices globally, generating millions of views and deep engagement.

Launching Girls' Vision for Education

At the U.N.'s 69th session of the Commission on the Status of Women (CSW69), Malala Fund launched its "Girls' Vision for Education" report, presenting insights from more than 800 girls in 30 low- and middle-income countries. The event, featuring our grantee partners, focused on menstrual health and equitable, inclusive education, key priorities identified by girls. Through the Girls' Vision process, we partnered with girls and girl-focused organisations to centre the voices of those most marginalised. Their message was clear: they want empowering, inclusive education in schools fit for the 21st century — and for governments to reduce education barriers. We will continue to amplify and centre these insights and girls' voices as we push for better-resourced education systems that truly deliver for them.

Unlocking billions for education through debt reform

Malala Fund began shaping its advocacy initiative aimed at achieving debt justice for girls. Our advocacy efforts focused on reform of the G20 Common Framework for Debt Treatments: we supported U.K. parliamentary action to bring private lenders into G20-led relief efforts, and built coalitions linking economic justice and girls' rights. Through our content and platforms, we raised public awareness of the debt crisis, making global financing issues and debates relevant to girls' rights and education. We also established key relationships across governments, multilaterals and civil society, positioning Malala Fund as a leading voice for girls in global financial reform.

Plans for the future

The Malala Fund UK and the Malala Fund US have shared goals for the coming years. Building on lessons learned from past endeavours, the charity's future work will focus on its new five-year strategic plan launched in April 2025, which is looking to restore and strengthen girls' right to education through shifting global norms, policies and priorities through advocacy. The charity will use all platforms to call on global leaders to focus their attention on barriers to girls' education. Between April 2025 and March 2030, the charity will invest \$50 million (\$9million in 2025/2026 fiscal year) in organisations through our Education Champion Network and our response to education in emergencies, with 20% of that dedicated to organisations specifically led by girls and young women.

The Charity will work alongside partners to tackle the barriers that prevent girls from going to school in in-country offices, with some of the highest rates of out-of-school girls, to drive forward domestic policy and advocacy efforts aimed at bringing those percentages down and also continue grantmaking efforts in tandem with their advocacy approach.

Financial review

Per the Malala Fund UK's FY 2024–2025 financial statements, total expenditures for the period were £2,520,881 against £2,779,612 in net revenue (and £135,085 in in-kind contributions). The Malala Fund UK continues to be almost completely funded by a grant from its sole member, the Malala Fund US.

During the course of the financial year, the Malala Fund US transferred US board-approved disbursements to cover operational costs as needed, with limited carry-over balances from month to month. All operational costs for the Malala Fund UK were in alignment with the annual budget independently approved by its trustees.

At the close of the Malala Fund UK's financial year, on 31 March 2025, the charity reported £560,045 in funds carried forward. In accordance with the standing inter-company cooperation agreement between the Malala Fund US and the Malala Fund UK, the US entity will continue to financially support the operations of the UK until the time that the UK entity becomes self-sustaining. For this reason, FY 2024–2025's carry-over balance at the close of the financial year is not cause for concern.

Principal risks and uncertainties

In early 2020, the Malala Fund UK (along with the Malala Fund US) finalised a formal risk register and risk management policy, which necessitates review of all risks by the CEO and the organisation's Audit and Risk Committee at least bi-annually and a review of select, key risks by the full board at least annually. Identified risks are rated based on probability and severity of impact. In each area, the charity is taking critical steps to mitigate risk, including significant investments in a robust due diligence process for vendors, staff and other partners, safeguarding measures for children and at-risk adults and guidance and support from security experts.

At present the specific areas for risks identified jointly by the trustees and staff, along with related mitigation strategies, are:

Risk	Proactive Measures
1. Fundraising	1) Help cultivate partnerships and expand the organisation's network of global allies 2) Act as ambassadors for the organisation, promoting its vision and amplifying its impact globally.
2. Our strategic decision to focus on policy and implementation does not lead to change in girls' secondary education access and completion quickly enough.	In partnership with our Monitoring, Evaluation, and Learning partner we will develop a narrative to most strategically and effectively communicate the progress that has been made.
3. Inconsistencies in defining and communicating political risk appetite may hinder the effective advancement of girls' education, particularly across country-level grantmaking and outreach efforts.	Discuss and agree on comfort level with how progressive and/or conservative Malala Fund's position should be when designing advocacy and grantmaking initiatives – and approval initiatives.

Reserves policy

Given the Malala Fund UK's nearly exclusive reliance on the Malala Fund US for funding, the charity does not have a reserves policy yet. The charity will establish such a policy if and when it has scaled up independent fundraising in the United Kingdom that represents at least 50% of total revenue.

Per the inter-company cooperation agreement between the Malala Fund UK and the entity in the US, in event of a revenue shortfall, the US entity is prepared to cover any payment and other resources to cover the Malala Fund UK's contractual obligations in accordance with annual budgets or as approved in writing by the boards of the two entities, utilising US reserve funds or other sources. At the end of the year the Malala Fund UK had free reserves (defined as unrestricted funds excluding fixed assets) of £560,045.

Fundraising

One of Malala Fund's global fundraising goals is to focus on UK revenue streams and reduce Malala Fund UK's reliance on the Malala Fund US. Approximately 86% of the charity's £2,914,697 in net revenue for FY 2024-2025 arrived in the form of a grant from the Malala Fund US, in alignment with the inter-company cooperation agreement between the two entities to support a shared mission. In addition, the Malala Fund US and Malala Fund Nigeria also provided the charity with £135,085 in in-kind contributions, respectively, which is included in the £2,914,697. The charity did not employ professional fundraisers and it received no complaints.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 6 January 2017 and registered as a charity on 5 June 2018. The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

Trustees of the Malala Fund UK are recruited and retained based on their talents and ability to add significant value in some or all of the following areas:

1. Subject matter expertise on global (girls') education, with an understanding of the constituencies Malala Fund serves;
2. Core business experience in advocacy, grantmaking, operational programming, etc.;
3. Innovative, strategic communications experience; and
4. Board governance experience and experience in organisational management, particularly in the charity sector.

As a matter of formal vote, the trustees of the Malala Fund UK may appoint new board directors as they deem beneficial. The Malala Fund UK's member organisation, the Malala Fund US, may also appoint trustees, as was the case at the time of the Malala Fund UK's initial establishment. All trustees give their time voluntarily and receive no benefits from the charity.

In terms of trustee induction, key trustee documents are provided to all new trustees, including a detailed overview of trustee roles, responsibilities and expectations. Induction for new trustees includes a handover of key documents and a series of weekly meetings with individual departments covering topics such as organisational history, key programmatic priorities, fundraising plans and financial health and planning.

Governance activities of the Malala Fund UK's trustees include the following:

- Approval of the Articles of Association, board policies and amendments thereof;
- Approval of the annual budget and top-line organisational strategy;
- Establishment of committees and committee charters;
- Oversight of the Malala Fund UK's organisational and financial sustainability;
- Evaluation of major areas of risk via regular discussion;
- Ensuring that the Malala Fund UK is legally and financially compliant with the intentions of its donors and its status as a charity in England and Wales;
- Appointing a chair, new trustees and officers;
- Hiring and setting the CEO's compensation rate;
- Conducting regular performance reviews on the CEO, remediating concerns if necessary;
- The handling of Serious Incident Reports (SIRs) to the Charity Commission and whistleblower complaints, in the event that they arise; and
- Providing general support to the CEO and other senior leadership.

The Malala Fund UK's CEO (a shared employee with The Malala Fund US and The Malala Fund Nigeria) is authorised to make decisions relating to office expansion, staff changes, major campaigns, employee policies and security or reputational concerns, but in all of these cases must first consult with the trustees. The CEO is also responsible for day-to-day management and decision-making for the charity and implementation of trustee-approved strategic plans. They are

supported by an Executive Leadership Team composed of two senior department heads who are employees of the Malala Fund UK and four senior department heads employed by the Malala Fund in the US.

The trustees of the Malala Fund UK conducted two formal meetings in FY 2023–2024 (both virtual), in October 2023 and March 2024, with a quorum of trustees present. Most trustees were also present as observers during two additional board calls of the Malala Fund US's board of directors during the same financial year.

Related parties and relationships with other organisations

In earlier years, the sole member of the charity was the Malala Fund (US), a registered not-for-profit United States 501(c)(3) charitable organisation. In April 2021, the two entities were joined by a third member, The Malala Fund Nigeria LTD, a Nigerian company limited by guarantee with a charitable purpose. The Malala Fund US is also registered as an INGO in Pakistan as of July 2021. While the three organisations are independent entities, they do cooperate around a shared mission in service to the same beneficiaries.

Remuneration policy for key management personnel

The Malala Fund UK maintains a shared policy with the Malala Fund US and Malala Fund Nigeria for determining the compensation level of the charity's CEO. Under the policy, the trustees set the salary level for the CEO and in doing so must rely on comparability data that demonstrates the reasonableness of the proposed CEO compensation. For example, when setting compensation, the trustees must secure data that documents compensation levels paid by similarly situated organisations for functionally comparable positions.

The compensation levels for all other staff of the Malala Fund UK are authorised by the charity's CEO. The salary levels of the charity are based on comparability data sourced by the charity's operations and human resources staff. In January 2022, the boards of The Malala Fund U.K. and Malala Fund (US) engaged a third-party consultant to perform a salary review for the CEO and all executive-level leaders. In addition, in early 2023 Malala Fund's leadership and Human Resources staff performed a formal review of compatibility data along with help from an outside consultant to inform the salary levels of all other Malala Fund staff. This project was continued in late 2023 and into 2024 to ensure equity across all country offices in terms of compensations, benefits, and opportunities for growth.

Statement of responsibilities of the trustees

The trustees (who are also directors of the Malala Fund UK 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 that 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 period.

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 and statements of recommended practice 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 adequate accounting records that 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Malala Fund US guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees have no beneficial interest in the charity.

The Malala Fund UK

Trustees' annual report

For the year ended 31 March 2025

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 28 November 2025 and signed on their behalf by:

Akhter Mateen
Chair, Board of Trustees
The Malala Fund UK

Independent auditor's report

To the trustees of

The Malala Fund UK

Opinion

We have audited the financial statements of The Malala Fund UK (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Malala Fund UK's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the trustees of

The Malala Fund UK

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 the trustees determine

Independent auditor's report

To the trustees of

The Malala Fund UK

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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

To the trustees of

The Malala Fund UK

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the board of trustees charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report - or for the opinions we have formed.

Farrah Kitabi (Senior statutory auditor)
11 December 2025
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

The Malala Fund UK

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Donations and legacies	2	2,912,197	2,500	2,914,697	2,637,155	-	2,637,155
Total income		2,912,197	2,500	2,914,697	2,637,155	-	2,637,155
Expenditure on:							
Raising funds	3a	108,865	-	108,865	97,141	-	97,141
Charitable activities	3a	2,409,515	2,500	2,412,015	2,747,993	-	2,747,993
Total expenditure		2,518,381	2,500	2,520,881	2,845,134	-	2,845,134
Net income / (expenditure) for the year before foreign exchange losses		393,816	-	393,816	(207,979)	-	(207,979)
(Loss) on foreign exchange transactions		-	-	-	(1)	-	(1)
Net income / (expenditure) for the year	4	393,816	-	393,816	(207,980)	-	(207,980)
Reconciliation of funds:							
Total funds brought forward		166,229	-	166,229	374,209	-	374,209
Total funds carried forward		560,045	-	560,045	166,229	-	166,229

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movement in funds are disclosed in note 12a to the financial statements.

The Malala Fund UK

Balance sheet

Company no. 10551265

As at 31 March 2025

	Note	£	2025 £	£	2024 £
Current assets:					
Debtors	9	42,505		81,943	
Cash and cash equivalents		659,951		218,491	
		<u>702,456</u>		<u>300,434</u>	
Liabilities:					
Creditors: amounts falling due within one year	10	(142,411)		(134,205)	
Total net current assets and total net assets			<u><u>560,045</u></u>		<u><u>166,229</u></u>
The funds of the charity:					
Restricted funds			-		-
General unrestricted funds			<u>560,045</u>		<u>166,229</u>
Total charity funds			<u><u>560,045</u></u>		<u><u>166,229</u></u>

Approved by the trustees on 28 November 2025 and signed on their behalf by

Akhter Mateen
Chair, Board of Trustees

The Malala Fund UK

Statement of cash flows

For the year ended 31 March 2025

	Note	2025 £	£	2024 £	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		393,816		(207,980)	
Decrease / (Increase) in debtors		39,438		(12,009)	
Increase / (Decrease) in creditors		8,206		(65,654)	
Net cash provided by / (used in) operating activities		441,460		(285,643)	
Change in cash and cash equivalents in the year		441,460		(285,643)	
Cash and cash equivalents at the beginning of the year		218,491		504,134	
Cash and cash equivalents at the end of the year		659,951		218,491	
Analysis of cash and cash equivalents and of net debt					
		At 1 April 2024 £	Cash flows £	Other non- cash changes £	At 31 March 2025 £
Cash at bank and in hand		218,491	441,460	-	659,951
Total cash and cash equivalents		218,491	441,460	-	659,951

1 Accounting policies

a) Statutory information

The Malala Fund UK is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is 10 Ely Place, 2nd Floor Ely Place, London, England, EC1N 6RY.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees have not made any key judgements that have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

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.

h) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

i) Expenditure and irrecoverable VAT

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:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on direct costs incurred, of the amount attributable to each activity:

- | | |
|--------------------------|-------|
| ● Costs of raising funds | 4.3% |
| ● Charitable activities | 95.7% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £4,000 (\$5,000).

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting policies (continued)

o) Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

The charity operates a defined contribution pension scheme with Royal London. Employer contributions of 9% are charged to the statement of financial activities for the period to which they relate. The company has no liability under the scheme other than payments of these contributions.

r) Joint Venture

Malala Fund UK has 50% of voting rights in Malala Fund Nigeria, a charitable company registered in Nigeria. Under the SORP, the accounts of Malala Fund Nigeria do not have to be consolidated with those of Malala Fund UK.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Grant from Malala Fund US	2,512,620	-	2,512,620	2,349,326	-	2,349,326
Individual donations	214,188	2,500	216,688	173,063	-	173,063
Gift Aid	4,011	-	4,011	524	-	524
Donated services	135,085	-	135,085	57,768	-	57,768
Corporate and Foundation donations	46,293	-	46,293	56,474	-	56,474
	2,912,197	2,500	2,914,697	2,637,155	-	2,637,155

The Malala Fund UK

Notes to the financial statements

For the year ended 31 March 2025

3a Analysis of expenditure (current year)

	<u>Charitable activities</u>				2025	2024
	Raising funds £	Programmes and advocacy £	Support costs £	Governance costs £	Total £	Total £
Staff costs (Note 5)	73,945	1,604,279	203,997	-	1,882,221	2,275,767
Staff training	-	-	-	-	-	1,240
Bank fees	-	-	1,415	-	1,415	1,583
Insurance	-	-	4,858	-	4,858	38,416
Professional services	-	17,858	94,481	-	112,339	147,633
Travel	2,218	30,292	244	527	33,281	58,862
Occupancy	15,461	297,454	29,520	-	342,436	291,468
Communications	226	5,388	620	-	6,234	14,591
Office expenses	150	2,567	-	-	2,717	6,028
Meetings and events	-	25	-	-	25	7,694
Honorariums	-	269	-	-	269	1,851
Donated services	-	80,066	55,020	-	135,085	1,851
	92,000	2,038,199	390,155	527	2,520,881	2,845,134
Support costs	16,843	373,313	(390,155)	-	-	-
Governance costs	23	504	-	(527)	-	-
Total expenditure 2025	108,865	2,412,015	-	-	2,520,881	
Total expenditure 2024	97,141	2,747,993	-	-		2,845,134

The Malala Fund UK

Notes to the financial statements

For the year ended 31 March 2025

3b Analysis of expenditure (prior year)

	Charitable activities				2024
	Raising funds £	Programmes and advocacy £	Support costs £	Governance costs £	Total £
Staff costs (Note 5)	72,817	2,033,628	169,322	-	2,275,767
Staff training	-	-	1,240	-	1,240
Bank fees	-	88	1,495	-	1,583
Insurance	-	-	38,416	-	38,416
Professional services	-	1,375	139,779	6,479	147,633
Travel	83	58,779	-	-	58,862
Occupancy	11,605	266,573	13,290	-	291,468
Communications	264	13,427	900	-	14,591
Office expenses	-	-	6,028	-	6,028
Meetings and events	-	7,694	-	-	7,694
Honorariums	-	1,851	-	-	1,851
	84,770	2,383,415	370,470	6,479	2,845,134
Support costs	12,158	358,312	(370,470)	-	-
Governance costs	213	6,266	-	(6,479)	-
Total expenditure 2024	97,141	2,747,993	-	-	2,845,134

Notes to the financial statements

For the year ended 31 March 2025

4 Net income / (expenditure) for the year

This is stated after charging:

	2025 £	2024 £
Operating lease rentals payable:		
Property	278,624	265,356
Auditor's remuneration (excluding VAT):		
Audit	9,700	9,250
Other services	1,785	1,700
Foreign exchange gains / (losses)	-	1
	<u> </u>	<u> </u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	1,456,843	1,772,581
Redundancy and termination costs	59,365	118,322
Social security costs	216,391	224,125
Employer's contribution to defined contribution pension schemes	136,646	155,684
Other forms of employee benefits:		
Life and ADD insurance	4,598	5,056
Other benefits – Flexible Work Stipend, Employee Training & Professional Development	8,378	-
	<u>1,882,221</u>	<u>2,275,768</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2025 No.	2024 No.
£60,000 – £69,999	5	3
£70,000 – £79,999	3	3
£80,000 – £89,999	1	1
£90,000 – £99,999	1	1
£100,000 – £129,999	2	4

The total employee benefits (including pension contributions and employer's social security) of the key management personnel were £53,056 (2024: £50,999). The CEO's salary and benefits are paid by The Malala Fund USA and so only a proportion has been allocated to The Malala Fund UK, in line with the staff time spent on The Malala Fund UK work.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses in the year were £219 for one trustee (2024: £nil).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 21 (2024: 23).

Staff are split across the activities of the charity as follows:

	2025 No.	2024 No.
Programmes & advocacy	17.8	19.9
Raising funds	1.0	1.0
Support	2.0	2.0
	20.8	22.9
	20.8	22.9

Average head count is based on the number of UK staff working for The Malala Fund UK each month. This excludes donated time of 4 (2024: 4) staff employed by The Malala Fund US for the months where a portion of the cost of their employment has been allocated to The Malala Fund UK. A portion of the CEO, COO and Controller's time has been allocated to Raising Funds.

7 Related party transactions

The Malala Fund, the parent charity of The Malala Fund UK, made a grant of £2,512,620 (2024: £2,349,326) to Malala Fund UK in the year. In addition it provided in kind support totalling £53,056 (2024: £55,254). This is recognised as income in the accounts (see note 2).

Malala Fund Nigeria Ltd/Gte, a joint venture between The Malala Fund US and The Malala Fund UK (see note 16), provided in kind support totalling £7,587 (2024: £2,514). This is recognised as income in the accounts (see note 2).

There were unrestricted donations from one trustee in the year of £2,710 (2024: £1,833).

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Debtors

	2025 £	2024 £
Trade debtors	8,274	–
Other debtors – Deposits	25,272	47,787
Accrued income	–	524
Prepayments	8,959	33,632
	42,505	81,943
	42,505	81,943

10 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	34,134	9,280
Taxation and social security	50,093	57,082
Other creditors	13,688	15,150
Accruals	44,496	52,693
	<u>142,411</u>	<u>134,205</u>

11a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Net current assets	560,045	-	560,045
Net assets at 31 March 2025	<u>560,045</u>	<u>-</u>	<u>560,045</u>

11b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Net current assets	166,229	-	166,229
Net assets at 31 March 2024	<u>166,229</u>	<u>-</u>	<u>166,229</u>

12a Movements in funds (current year)

	At 1 April 2024 £	Income & gains £	Expenditure & losses £	At 31 March 2025 £
Restricted fund – Afghanistan	-	2,500	(2,500)	-
Unrestricted general funds	166,229	2,912,197	(2,518,381)	560,046
Total funds	<u>166,229</u>	<u>2,914,697</u>	<u>(2,520,881)</u>	<u>560,046</u>

12b Movements in funds (prior year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	At 31 March 2024 £
Restricted funds– Afghanistan	-	-	-	-
Unrestricted general funds	374,209	2,637,155	(2,845,135)	166,229
Total funds	374,209	2,637,155	(2,845,135)	166,229

Purposes of restricted funds – Afghanistan

The funds received were restricted to support local educators and activists in Afghanistan.

13 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of the sole member, The Malala Fund, in the event of winding up is limited to £1.

14 Ultimate controlling party

The company's ultimate parent undertaking and controlling party is The Malala Fund, a Section 501(c)(3) charitable corporation incorporated in the State of Delaware, U.S.A.

15 Operating leases

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	2025 £	2024 £
Less than one year	276,413	263,250
One to five years	46,437	322,850
	322,850	586,100

The Malala Fund UK

Notes to the financial statements

For the year ended 31 March 2025

16 Joint Venture

Malala Fund Nigeria Ltd/Gte is a joint venture between The Malala Fund US and The Malala Fund UK, with The Malala Fund UK therefore having an equal 50% share of voting rights. The information below shows the full activities, liabilities and assets, of which the Malala Fund UK has a 50% interest. The 50% share of these amounts are not consolidated into The Malala Fund UK's financial statements. The figures shown below have been converted to GBP using HMRC's average and year end spot rates respectively.

	2025 £'000	2024 £'000
Income	558,148	459,935
Expenditure	(541,494)	(483,938)
Net income	16,654	(24,003)
Loss / (Gain) on conversion to GBP	(7,020)	16,925
Net movement in funds	<u>9,634</u>	<u>(7,078)</u>

The aggregate of assets, liabilities and funds was:

Assets	57,359	31,970
Liabilities	47,725	39,048
Net assets	<u>9,634</u>	<u>(7,078)</u>
Total funds	<u><u>9,634</u></u>	<u><u>(7,078)</u></u>

THE MALALA FUND UK

England & Wales - Charity number 1178655

Accounts

Company number: 10551265
Charity number: 1178655

The Malala Fund UK

Report and financial statements
For the year ended 31 March 2024



The Malala Fund UK

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For the year ended 31 March 2024

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The Malala Fund UK

Reference and administrative information

For the year ended 31 March 2024

Company number 10551265
Country of incorporation United Kingdom

Charity number 1178655
Country of registration England and Wales

Registered office and operational address 10 Ely Place
London, EC1N 6RY

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Akhter Mateen	Director and Board Chair
Susan McCaw	Director
Fayeeza Naqvi	Director
Malala Yousafzai	Director
Lucy Lake	Director (appointed 3 October 2024)

Key Management Lena Alfi, CEO

Bankers Citibank
Canada Square
Canary Wharf
LONDON
E14 5LB

Solicitors Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
110 Golden Lane
LONDON
EC1Y 0TG

The trustees present their report and the audited financial statements for the year ended 31 March 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law and the Statement of Recommended Practice — Accounting and Reporting by the Charities Statement of Recommended Practices (SORP) applicable to charities preparing their accounts in accordance with FRS 102.

Purposes, aims and objectives

Together with the Malala Fund US and Malala Fund Nigeria, the Malala Fund UK is working toward a world where every girl can learn and lead. Malala Yousafzai and her father, Ziauddin Yousafzai, co-founded and launched Malala Fund in the US in early 2013 in response to a swell of public support following the 2012 attack on Malala's life. Since then, Malala has become the leader for the girls' education movement and her continued activism has progressed girls' education and gender equality around the world.

As stated in the Malala Fund UK's Articles of Association, the objects of the charity are to promote education around the world, particularly (but not limited to) secondary school-age girls denied education due to poverty, violence, discrimination or tradition.

Since incorporation in 2017 and registration as a public charity in England and Wales in 2018, the Malala Fund UK has worked alongside the Malala Fund US to support programmes that improve access to high-quality education in Afghanistan, Bangladesh, Brazil, Ethiopia, India, Lebanon, Nigeria, Pakistan, Tanzania and Turkey. The charity also advocates for the resources and policy changes needed to give all girls a secondary education, informing policymakers and the general public in the UK and elsewhere about the importance and benefits of girls' education around the world.

Throughout the year, the trustees of the Malala Fund UK review the aims, objectives and activities of the charity. This report looks at the Malala Fund UK's achievements and the outcomes of its work against its charitable objectives during the reporting period. Regular reviews and the process of putting together this annual report help the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning its future activities. In particular, the trustees consider how planned activities will contribute to the charity's set aims and objectives.

People served, activities and progress to date

The Malala Fund UK works to support the nearly 120 million girls who are out of school around the world and the millions more who are not receiving quality education. To the Malala Fund, “quality education” means children are retaining knowledge, and this knowledge translates into a wider set of personal, social and developmental benefits. Two aspects of quality education that are particularly pertinent for girls are the relevance of education to their lives and aspirations, and the extent to which education is gender responsive so that it supports girls in pursuing their goals.

Specifically, the charity (along with the Malala Fund US and Malala Fund Nigeria) engages in three overarching activities:

1. **We invest in and build networks of education advocates:** Through our Education Champion Network, we invest in local educators and activists — the people who best understand girls in their communities — in regions where the most girls are missing out on secondary school. We leverage their collective power to create broader change and make it easier for all girls to learn.
2. **We advocate to hold leaders accountable:** We advocate — at local, national and international levels — for resources and policy changes needed to give every girl a secondary education. The girls we serve have high goals for themselves — and we have high expectations for leaders who can help them.
3. **We help develop the next generation of young leaders:** We give girls the tools they need to advocate for education and equality in their communities and a platform for the world to hear their voices. Girls should speak for themselves and tell leaders what they need to learn and achieve their potential.

All of the Malala Fund UK’s charitable activities focus on getting more girls into school and ensuring every girl receives 12 years of quality education. The activities are undertaken to further the charity’s mission and to serve a public benefit. Specifics on the charity’s activities and progress towards its objectives from FY 2023-24 are provided below.

Investing in education advocates and activists

Malala Fund invests in the work of educators, advocates and activists to help more girls go to and complete school in their communities and countries. This fiscal year, Malala Fund awarded \$9.7 million in grants — the majority of which went to educators and advocates through our Education Champion Network, and to girl activists and girl- and women-led groups through our Girl Programme. Malala Fund welcomed 12 new Education Champions leading initiatives ranging from delivering quality education to girls in climate vulnerable areas to pushing for national policies to guarantee 12 years of free education for all. Some of our Champions’ country-level accomplishments are outlined below:

Afghanistan: Our partners provide alternative and digital learning programmes for girls banned from secondary school and raise global awareness of gender apartheid in Afghanistan. LEARN provides alternative education opportunities for more than 300 girls aged 13-18. The organisation

runs underground schools in two provinces and provides digital platforms to teach girls core curriculum subjects and digital skills.

Girls and young women in Afghanistan are facing immense trauma and mental health challenges from being deprived of their freedom and rights. Women and Children Legal Research Foundation (WCLRF) provides online education and psychological and social support through live group counselling sessions for close to 400 adolescent girls across three provinces. WCLRF also offers offline educational and counselling resources for girls while they are excluded from the school system.

Bangladesh: Our partners expand access to education in regions with high rates of poverty, child marriage and gender-based violence. They also work in climate vulnerable areas to ensure girls can continue to learn when extreme weather disrupts school.

Disabled Rehabilitation and Research Association (DRRA) established dignity corners stocked with menstrual hygiene products and provided sexual and reproductive health sessions for more than 1,050 adolescent girls in schools in Khulna division, a coastal area prone to climate disasters. As a result of DRRA's efforts, two local government authorities allocated budgets to improve menstrual management provisions in schools.

Friends In Village Development Bangladesh (FIVDB) provided remedial education to 240 adolescent girls at risk of dropping out of school among marginalised, isolated tea garden communities in Sylhet division, where girls have limited access to mainstream education. Participating students increased their test scores in Bengali, English and mathematics by an average of 40%. Despite initial resistance from the community, FIVDB also organised the tea gardens' first ever girls' football tournament. Through football, girls developed communication, decision-making and problem-solving skills, all while having fun and challenging gender stereotypes.

Brazil: Our partners support Black, Indigenous and quilombola girls from rural communities and poor urban areas to access quality education. They also advocate for anti-racist, inclusive school environments and to expand national education funding.

Grupo Curumim uses essay contests in public schools in Pernambuco state to spark discussions on topics such as gender-based violence, sexual and reproductive health and rights (SRHR) and racism, reaching more than 600 girls. Young women from Grupo Curumim teach girls about these issues and train teachers and school managers to support girls in crafting their essays. This approach helps change educators' attitudes and behaviours towards these issues. To further engage students, they bring Batucada — a group of girls who play the drums, sing and recite poems about women and girls' rights — to perform at the schools.

Campanha Nacional pelo Direito à Educação played a key role in organising the National Education Conference in January 2024, one of the main political spaces for the development of Brazil's new 10-year National Education Plan. Campanha's work resulted in a final document to guide the implementation of the Fund for Maintenance and Development of Basic Education and Valuing Education Professionals (FUNDEB) and the promotion of racial equity as a pillar of education delivery. FUNDEB, a government fund representing 40% of Brazil's public education budget, makes sure marginalised schools get the resources they need to support their students.

Ethiopia: Our partners support girls in rebuilding their lives and completing school after the conflict in Tigray. They also work in other regions to make schools more inclusive and address obstacles that keep girls from learning including gender-based violence and discrimination.

Roots and Wings converted textbooks into sign language videos for more than 500 deaf students in Addis Ababa and ran sign language training for teachers to better support their students. To help support deaf girls to campaign for their rights, Roots and Wings helped create the National

Association for Parents of Deaf Children of Ethiopia and are supporting girls to create a Deaf Students Association.

Women Empowerment Action (WE-Action) developed the Gender Safe School Bill to create safe and inclusive learning environments for girls, particularly to combat gender-based violence and foster gender equality in schools. Currently implemented in selected schools in Amhara, the bill includes seven key declarations and actions for schools to undertake. WE-Action aims for the bill to be made into law and rolled out across Ethiopia.

Nigeria: Initiative For Leadership Development and Youth Empowerment (Young Leaders Network) advocated for adopting the National Policy for School Safety and Violence-Free Schools in Bauchi state, one of the states with the highest number of out-of-school children in Nigeria. The policy became a key focus of the Commissioner of Education's tenure, and the state government started implementing the national Safe School Plan, which outlines measures to provide safe learning and teaching environments.

Oyo and Gombe states are working to incorporate Invictus Africa's Gender Responsive Education Budgeting framework into various phases of their education budgets. The framework helps policymakers address gender inequalities in education by ensuring that they consider gender in all steps of the budget process. It also outlines activities to improve girls' enrolment and completion rates.

Pakistan: Our partner Durbeen collaborated with the Sindh government and local stakeholders to develop the landmark Sindh Teaching Licence Policy. Durbeen's advocacy helped Sindh become the first province in Pakistan to require new government teachers to be professionally qualified to teach. Qualified teachers are critical to maintain high education standards and provide inclusive, supportive learning environments for girls.

Bedari trained 220 teachers from 110 girls' secondary schools in Vehari, Punjab, on counselling skills to help their students deal with personal challenges like their sexual and reproductive health and rights. Bedari's training was so effective that the Punjab government asked them to establish district-wide Child Protection Committees, each consisting of two trained teachers, in girls' secondary schools. The committees counsel and assist students, and escalate cases of street and cyber harassment and child marriage to committees at the Assistant Education Officer level when necessary.

Tanzania: Our partners advocate for policies to reduce Tanzania's high rates of early marriage and ensure adolescent mothers can complete their education.

KINNAPA are working with village elders and local government officials in pastoral communities in northeastern Tanzania to develop bylaws, or local laws, that help keep girls in school. The bylaws forbid parents from receiving marriage payments for their daughters if they have not completed secondary school and are under 18. KINNAPA have helped create these laws in 19 villages so far, raising awareness of the importance of girls' education and reducing girls' dropout rates.

Six of our partner organisations in Tanzania jointly ran a campaign to raise awareness of law changes that allow pregnant girls and young mothers to return to school. Additionally, Msichana Organisation Initiative trained 120 education stakeholders from across three regions on the "re-entry guidelines" and supported them to implement and raise awareness of the guidelines in their communities to enable young mothers to continue their education.

Girl Programme Fellowship

Girls have bold visions for the future — and strong opinions about what leaders should do to achieve them. Through our Girl Programme Fellowship and Assembly publication, Malala Fund

puts girls at the forefront of our work, providing them with training to hone their advocacy skills and a platform to deliver their message.

Our Girl Fellows shared their experiences and challenges with accessing and completing their education at the Women Deliver conference in Rwanda in July 2023. Our fellows joined Malala in connecting with activists and decision-makers from around the world, and met with other young activists to build connection, community and knowledge.

At the Forum for African Women Educationalists' Conference on Girls' Education in Kenya, our fellows met with researchers, students, governments and innovators from across Africa who are advancing girls' education. They provided recommendations on how teachers and other stakeholders can better support girls in and through school.

As part of their 18-month programme, Girl Fellows choose and carry out a project to benefit girls in their communities. Here are some highlights from this year:

- Tamilore Omojola's project equipped girls in Nigeria with skills to improve their confidence and independence. She hosted weekly sessions with girls and young women in her community in Ibadan on topics like financial literacy, continuing education, climate change and sexual and reproductive health. She also organised an advocacy event where they voiced their perspectives.
- Dr. Ayesha Kareem, who focuses on climate justice, conducted extensive research around climate change in some of Pakistan's most populated provinces, including Punjab, Khyber Pakhtunkhwa, Gilgit and Sindh. She reached 12 schools and completed 140 interviews, resulting in a framework to introduce climate education in Pakistan that she now advocates for.

Assembly: Our digital publication and newsletter gives girls the space to articulate their challenges, needs and opinions on today's issues, including education access, mental health and gender apartheid in Afghanistan. Assembly is a publication by girls, for girls. From April 1, 2023 to March 31, 2024, Assembly's Instagram (on.assembly) audience grew by 9%. We published 36 videos featuring Assembly contributors with 3.2 million total video views.

Global Advocacy

Keeping the world's attention on girls' education is an important part of Malala Fund's mission to see all girls in school. At global events this year, we spoke out for the need to expand the international right to education to 12 years. We continued to call for global leaders to act on the Taliban's increasing, systematic oppression of women and girls and their ban on girls' secondary education in Afghanistan. We championed and supported Afghan activists' efforts to get gender apartheid recognised in international law. We built momentum and support for advancing gender equality in and through education and unlocking more funding for girls' education.

Highlights from our work this year include:

Drawing global attention to gender apartheid in Afghanistan

On December 5, 2023, Malala delivered the 21st annual Nelson Mandela Lecture in Johannesburg, South Africa, as the youngest-ever speaker in the lecture series' history. Malala spoke about the Taliban's systematic oppression of women and girls in Afghanistan and raised the visibility of a growing effort to expand the definition of apartheid to include gender-based oppression. The lecture launched our Afghanistan Initiative's efforts to raise global awareness of gender apartheid and strengthen networks of Afghan women activists and organisations campaigning for the recognition of gender apartheid in international law.

Building on momentum from the Nelson Mandela lecture, Malala co-hosted an event on International Women's Day in New York City to discuss gender apartheid in Afghanistan, with partners including the International Peace Institute and Atlantic Council. Malala, legal experts and Afghan activists made the case for the codification of gender apartheid to a room of senior diplomats, Afghan partners and government officials. Malala and our team also met with senior representatives from Malta, Mexico, South Africa and Albania to broaden support ahead of an important U.N. General Assembly 6th Committee meeting to discuss the topic's inclusion as part of the draft Crimes Against Humanity treaty.

Expanding the global right to education to 12 years

Malala Fund worked with partners to advocate for expanding the international right to education to 12 years — to include free, full secondary education and one year of free pre-primary education — ahead of the U.N. Human Rights Council session in Geneva in June 2023. More than 70 countries pledged their support for changing international law on free education at the session. Luxembourg, Sierra Leone and the Dominican Republic are taking the initiative forward, aiming to agree on next steps to develop a new legal instrument that expands the right to education to the secondary level.

Advancing and tracking gender equality in and through education

As part of our work to promote gender equality in and through education, also known as gender-transformative education (GTE), we consulted with education activists around the world, including at the Women Deliver conference in Rwanda in July 2023 and the U.N. General Assembly in September 2023. The consultations aimed to better understand activists' visions for education systems, what policies can best advance gender-transformative education systems at national levels and how global processes and initiatives can progress GTE.

In July 2023, Malala Fund launched the girls' education report cards website, which scores countries based on multiple criteria including school completion rates, quality of climate education and social policies. Our site provides girls' education activists with easy access to girl-focused education and gender equality data to support their work. It is also featured as a key resource on the Global Accountability Dashboard, established by the U.N. and partners, including Malala Fund, to track progress against government commitments to gender equality and education.

Increasing financing for girls' education

Throughout the year, Malala Fund met with and convened girls' rights and education groups to better understand how we can work together to unlock more funding for girls' education by advocating for changes to the global financial architecture. Our team met with dozens of campaigners, organisations, and multilateral institution partners at the U.N. General Assembly, the IMF-World Bank annual meetings, COP28 and the Commission on the Status of Women (CSW) to discuss how reforming global debt and tax policies and practices could free up billions more dollars for education in lower-income countries. At CSW, our proposed language on debt, tax and reform was incorporated in the Commission's agreed conclusions.

Plans for the future

The Malala Fund UK and the Malala Fund US have shared goals for the coming years. Building on lessons learned from past endeavours, the charity's future work will focus on encouraging governments to provide more funding for education and campaigning to change social norms that

deny girls' potential. The charity will also focus efforts on promoting quality education that prepares young women to shape the world around them.

In terms of investments, the Malala Fund US intends to focus on renewing grants with existing partners, budgeting approximately \$7.2 million for the Education Champions and Girl Programme fund renewals in FY 2024-2025. At the same time, the organisation plans to expand its Afghanistan Integrated Programme, with the intent on bringing in new grantees focused on either digital and alternative learning or advocacy and awareness around gender apartheid in Afghanistan.

While the Malala Fund UK does not plan to engage in direct grantmaking for the foreseeable future, its staff will continue to support grantees of the Malala Fund US. Specifically, staff of the Malala Fund UK will develop and refine programmatic approaches benefitting both the Malala Fund UK and the Malala Fund US. Staff of the charity will also work with the grantees of the Malala Fund US to produce a joint advocacy agenda for every country where the Malala Fund US invests grant funding. Staff of the Malala Fund UK will also oversee and evaluate the overall programme process and MEL activity. Malala Fund also intends to release its new five year strategic plan in 2025.

Financial review

Per the Malala Fund UK's FY 2023–2024 financial statements, total expenditures for the period were £2,845,134 against £2,579,387 in net revenue (and £57,768 in in-kind contributions). The Malala Fund UK continues to be almost completely funded by a grant from its sole member, the Malala Fund US.

During the course of the financial year, the Malala Fund US transferred US board-approved disbursements to cover operational costs as needed, with limited carry-over balances from month to month. All operational costs for the Malala Fund UK were in alignment with the annual budget independently approved by its trustees.

At the close of the Malala Fund UK's financial year, on 31 March 2024, the charity reported £166,229 in funds carried forward. In accordance with the standing inter-company cooperation agreement between the Malala Fund US and the Malala Fund UK, the US entity will continue to financially support the operations of the UK until the time that the UK entity becomes self-sustaining. For this reason, FY 2023–2024's carry-over balance at the close of the financial year is not cause for concern.

Principal risks and uncertainties

In early 2020, the Malala Fund UK (along with the Malala Fund US) finalised a formal risk register and risk management policy, which necessitates review of all risks by the CEO and the organisation's Audit and Risk Committee at least bi-annually and a review of select, key risks by the full board at least annually. Identified risks are rated based on probability and severity of impact. In each area, the charity is taking critical steps to mitigate risk, including significant

investments in a robust due diligence process for vendors, staff and other partners, safeguarding measures for children and at-risk adults and guidance and support from security experts. At present the specific areas for risks identified jointly by the trustees and staff, along with related mitigation strategies, are:

Risk	Proactive Measures
1. Fundraising	Reduced the FY2025 budget by 22% from FY2024, hired a new Chief Development Officer, and restructured the Development team to meet revenue projections.
2. Change management	Onboarded change management consultants and focusing on a robust communication strategy
3. Reputational risks in the event of failure to comply with policies	Hired an experienced Global HR Director to mitigate employee risk, and in the future keeping Audit & Risk Committee updated on key operational decisions by CEO
4. Risk concerning long-term sustainability of legacy projects in Pakistan	Clear ownership and direction from board, hiring a Chief position in Pakistan, long-term business plan for Pakistan in process
5. Hiring three new Chief roles and the next CEO and revamping the executive leadership team disrupts work flow and risks mission creep	Clear expectation setting around the future direction of the organization
6. Strategic plan and focus too wide to see impact	The board worked with consultants to assess strategic choice points. Senior Advisor position created to focus on strategic plan strategy and implementation.
7. Failure to live up to values around diversity, equity, and inclusion	Strategy and DEI Committee formed to better integrate DEI into all work. Consultant was hired to ensure equitable pay across offices.
8. Failure to deliver on the FY25 budget	Team is developing new budget and fundraising tools to share updates.
9. Co-Founders' public voice/image is challenged	Staff directly supporting co-founders are refining a process for notifying the organisation regarding public statements.
10. Malala Fund's public voice/image is challenged	Team is refining a process for seeking board approval on public statements to assess risk prior to release.

Reserves policy

Given the Malala Fund UK's nearly exclusive reliance on the Malala Fund US for funding, the charity does not have a reserves policy yet. The charity will establish such a policy if and when it has scaled up independent fundraising in the United Kingdom that represents at least 50% of total revenue.

Per the inter-company cooperation agreement between the Malala Fund UK and the entity in the US, in event of a revenue shortfall, the US entity is prepared to cover any payment and other resources to cover the Malala Fund UK's contractual obligations in accordance with annual budgets or as approved in writing by the boards of the two entities, utilising US reserve funds or other sources. At the end of the year the Malala Fund UK had free reserves (defined as unrestricted funds excluding fixed assets) of £166,229.

Fundraising

One of Malala Fund's global fundraising goals is to focus on UK revenue streams and reduce Malala Fund UK's reliance on the Malala Fund US. Approximately 89% of the charity's £2,637,155 in net revenue for FY 2023–2024 arrived in the form of a grant from the Malala Fund US, in alignment with the inter-company cooperation agreement between the two entities to support a shared mission. In addition, the Malala Fund US and Malala Fund Nigeria also provided the charity with £57,768 in in-kind contributions, respectively, which is included in the £2,637,155. The charity did not employ professional fundraisers and it received no complaints.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 6 January 2017 and registered as a charity on 5 June 2018. The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

Trustees of the Malala Fund UK are recruited and retained based on their talents and ability to add significant value in some or all of the following areas:

1. Subject matter expertise on global (girls') education, with an understanding of the constituencies Malala Fund serves;
2. Core business experience in advocacy, grantmaking, operational programming, etc.;
3. Innovative, strategic communications experience; and
4. Board governance experience and experience in organisational management, particularly in the charity sector.

As a matter of formal vote, the trustees of the Malala Fund UK may appoint new board directors as they deem beneficial. The Malala Fund UK's member organisation, the Malala Fund US, may also appoint trustees, as was the case at the time of the Malala Fund UK's initial establishment. All trustees give their time voluntarily and receive no benefits from the charity.

In terms of trustee induction, key trustee documents are provided to all new trustees, including a detailed overview of trustee roles, responsibilities and expectations. Induction for new trustees includes a handover of key documents and a series of weekly meetings with individual departments covering topics such as organisational history, key programmatic priorities, fundraising plans and financial health and planning.

Governance activities of the Malala Fund UK's trustees include the following:

- Approval of the Articles of Association, board policies and amendments thereof;
- Approval of the annual budget and top-line organisational strategy;
- Establishment of committees and committee charters;
- Oversight of the Malala Fund UK's organisational and financial sustainability;
- Evaluation of major areas of risk via regular discussion;
- Ensuring that the Malala Fund UK is legally and financially compliant with the intentions of its donors and its status as a charity in England and Wales;
- Appointing a chair, new trustees and officers;

- Hiring and setting the CEO's compensation rate;
- Conducting regular performance reviews on the CEO, remediating concerns if necessary;
- The handling of Serious Incident Reports (SIRs) to the Charity Commission and whistleblower complaints, in the event that they arise; and
- Providing general support to the CEO and other senior leadership.

The Malala Fund UK's CEO (a shared employee with The Malala Fund US and The Malala Fund Nigeria) is authorised to make decisions relating to office expansion, staff changes, major campaigns, employee policies and security or reputational concerns, but in all of these cases must first consult with the trustees. The CEO is also responsible for day-to-day management and decision-making for the charity and implementation of trustee-approved strategic plans. They are supported by an Executive Leadership Team composed of two senior department heads who are employees of the Malala Fund UK and four senior department heads employed by the Malala Fund in the US.

The trustees of the Malala Fund UK conducted two formal meetings in FY 2023–2024 (both virtual), in October 2023 and March 2024, with a quorum of trustees present. Most trustees were also present as observers during two additional board calls of the Malala Fund US's board of directors during the same financial year.

Related parties and relationships with other organisations

In earlier years, the sole member of the charity was the Malala Fund (US), a registered not-for-profit United States 501(c)(3) charitable organisation. In April 2021, the two entities were joined by a third member, The Malala Fund Nigeria LTD, a Nigerian company limited by guarantee with a charitable purpose. The Malala Fund US is also registered as an INGO in Pakistan as of July 2021. While the three organisations are independent entities, they do cooperate around a shared mission in service to the same beneficiaries.

Remuneration policy for key management personnel

The Malala Fund UK maintains a shared policy with the Malala Fund US and Malala Fund Nigeria for determining the compensation level of the charity's CEO. Under the policy, the trustees set the salary level for the CEO and in doing so must rely on comparability data that demonstrates the reasonableness of the proposed CEO compensation. For example, when setting compensation, the trustees must secure data that documents compensation levels paid by similarly situated organisations for functionally comparable positions.

The compensation levels for all other staff of the Malala Fund UK are authorised by the charity's CEO. The salary levels of the charity are based on comparability data sourced by the charity's operations and human resources staff. In January 2022, the boards of The Malala Fund U.K. and Malala Fund (US) engaged a third-party consultant to perform a salary review for the CEO and all executive-level leaders. In addition, in early 2023 Malala Fund's leadership and Human Resources staff performed a formal review of compatibility data along with help from an outside consultant to inform the salary levels of all other Malala Fund staff. This project was continued in late 2023

and into 2024 to ensure equity across all country offices in terms of compensations, benefits, and opportunities for growth.

Statement of responsibilities of the trustees

The trustees (who are also directors of the Malala Fund UK 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 that 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 period.

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 and statements of recommended practice 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 adequate accounting records that 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Malala Fund US guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 13 December 2024 and signed on their behalf by:

Akhter Mateen
Chair, Board of Trustees
The Malala Fund UK

Independent auditor's report

To the trustees of

The Malala Fund UK

Opinion

We have audited the financial statements of The Malala Fund UK (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Malala Fund UK's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the trustees of

The Malala Fund UK

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 the trustees determine

Independent auditor's report

To the trustees of

The Malala Fund UK

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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

To the trustees of

The Malala Fund UK

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the board of trustees charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report - or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

13 December 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

The Malala Fund UK

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income from:							
Donations and legacies	2	2,637,155	-	2,637,155	2,405,999	500	2,406,499
Total income		2,637,155	-	2,637,155	2,405,999	500	2,406,499
Expenditure on:							
Raising funds	3a	97,141	-	97,141	81,422	-	81,422
Charitable activities	3a	2,747,993	-	2,747,993	2,063,888	500	2,064,388
Total expenditure		2,845,134	-	2,845,134	2,145,310	500	2,145,810
Net (expenditure)/income for the year before foreign exchange losses		(207,979)	-	(207,979)	260,689	-	260,689
(Loss)/Gain on foreign exchange		(1)	-	(1)	73	-	73
Net (expenditure)/income for the year	4	(207,980)	-	(207,980)	260,762	-	260,762
Reconciliation of funds:							
Total funds brought forward		374,209	-	374,209	113,447	-	113,447
Total funds carried forward		166,229	-	166,229	374,209	-	374,209

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movement in funds are disclosed in note 12a to the financial statements.

The Malala Fund UK

Balance sheet

Company no. 10551265

As at 31 March 2024

	Note	£	2024 £	£	2023 £
Current assets:					
Debtors	9	81,943		69,934	
Cash and cash equivalents		218,491		504,134	
			<u>300,434</u>	<u>574,068</u>	
Liabilities:					
Creditors: amounts falling due within one year	10	(134,205)		(199,859)	
				<u>(199,859)</u>	
Total net current assets and total net assets			<u>166,229</u>		<u>374,209</u>
The funds of the charity:					
Restricted funds			-		-
General unrestricted funds			166,229		374,209
			<u>166,229</u>		<u>374,209</u>
Total charity funds			<u>166,229</u>		<u>374,209</u>

Approved by the trustees on 13 December 2024 and signed on their behalf by

Akhter Mateen
Chair, Board of Trustees

The Malala Fund UK

Statement of cash flows

For the year ended 31 March 2024

	Note	2024 £	£	2023 £	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(207,980)		260,762	
(Increase) / decrease in debtors		(12,009)		64,274	
(Decrease)/ Increase in creditors		(65,654)		80,869	
Net cash used in operating activities		(285,643)		405,905	
Change in cash and cash equivalents in the year		(285,643)		405,905	
Cash and cash equivalents at the beginning of the year		504,134		98,229	
Cash and cash equivalents at the end of the year		218,491		504,134	
Analysis of cash and cash equivalents and of net debt					
	At 1 April 2023	Cash flows	Other non- cash changes	At 31 March 2024	
	£	£	£	£	
Cash at bank and in hand	504,134	(285,643)	-	218,491	
Total cash and cash equivalents	504,134	(285,643)	-	218,491	

1 Accounting policies

a) Statutory information

The Malala Fund UK is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is 10 Ely Place, 2nd Floor Ely Place, London, England, EC1N 6RY.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees have not made any key judgements that have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

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.

h) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

i) Expenditure and irrecoverable VAT

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:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on direct costs incurred, of the amount attributable to each activity:

- | | |
|--------------------------|-------|
| ● Costs of raising funds | 3.3% |
| ● Charitable activities | 96.7% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £4,000 (\$5,000).

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting policies (continued)

o) Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

The charity operates a defined contribution pension scheme with Royal London. Employer contributions of 9% are charged to the statement of financial activities for the period to which they relate. The company has no liability under the scheme other than payments of these contributions.

r) Joint Venture

Malala Fund UK has 50% of voting rights in Malala Fund Nigeria, a charitable company registered in Nigeria. Under the SORP, the accounts of Malala Fund Nigeria do not have to be consolidated with those of Malala Fund UK.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Grant from Malala Fund US	2,349,326	–	2,349,326	2,224,433	–	2,224,433
Individual donations	173,063	–	173,063	137,595	500	138,095
Gift Aid	524	–	524	406	–	406
Donated services	57,768	–	57,768	33,853	–	33,853
Corporate and Foundation donations	56,474	–	56,474	9,712	–	9,712
	2,637,155	–	2,637,155	2,405,999	500	2,406,499

The Malala Fund UK

Notes to the financial statements

For the year ended 31 March 2024

3a Analysis of expenditure (current year)

	Charitable activities				2024	2023
	Raising funds £	Programmes and advocacy £	Support costs £	Governance costs £	Total £	Total £
Staff costs (Note 5)	72,817	2,033,628	169,322	-	2,275,767	1,702,292
Staff training	-	-	1,240	-	1,240	380
Fundraising costs	-	-	-	-	-	313
Bank fees	-	88	1,495	-	1,583	1,080
Insurance	-	-	38,416	-	38,416	29,548
Professional services	-	1,375	139,779	6,479	147,633	112,628
Travel	83	58,779	-	-	58,862	60,776
Occupancy	11,605	266,573	13,290	-	291,468	221,837
Communications	264	13,427	900	-	14,591	15,142
Office expenses	-	-	6,028	-	6,028	1,212
Meetings and events	-	7,694	-	-	7,694	(64)
Honorariums	-	1,851	-	-	1,851	666
	84,770	2,383,415	370,470	6,479	2,845,134	2,145,810
Support costs	12,158	358,312	(370,470)	-	-	-
Governance costs	213	6,266	-	(6,479)	-	-
Total expenditure 2024	97,141	2,747,993	-	-	2,845,134	
Total expenditure 2023	81,422	2,064,388	-	-		2,145,810

The Malala Fund UK

Notes to the financial statements

For the year ended 31 March 2024

3b Analysis of expenditure (prior year)

	<u>Charitable activities</u>				2023
	Raising funds £	Programmes and advocacy £	Support costs £	Governance costs £	Total £
Staff costs (Note 5)	42,245	1,532,150	127,897	-	1,702,292
Staff training	-	-	380	-	380
Fundraising costs	313	-	-	-	313
Bank fees	-	-	1,080	-	1,080
Insurance	124	26,079	3,345	-	29,548
Professional services	-	-	79,069	33,559	112,628
Travel	2,917	57,819	40	-	60,776
Occupancy	-	-	221,837	-	221,837
Communications	154	14,082	906	-	15,142
Office expenses	-	-	1,212	-	1,212
Meetings and events	-	(64)	-	-	(64)
Honorariums	-	666	-	-	666
	<u>45,753</u>	<u>1,630,732</u>	<u>435,766</u>	<u>33,559</u>	<u>2,145,810</u>
Support costs	33,118	402,648	(435,766)	-	-
Governance costs	2,550	31,009	-	(33,559)	-
Total expenditure 2023	<u>81,422</u>	<u>2,064,388</u>	<u>-</u>	<u>-</u>	<u>2,145,810</u>

4 Net (expenditure)/income for the year

This is stated after charging:

	2024	2023
	£	£
Operating lease rentals payable:		
Property	265,356	–
Auditor's remuneration (excluding VAT):		
Audit	9,250	8,650
Other services	1,700	1,560
Foreign exchange gains / (losses)	1	(73)
	<u>276,307</u>	<u>10,137</u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	1,772,581	1,403,168
Redundancy and termination costs	118,322	–
Social security costs	224,125	173,754
Employer's contribution to defined contribution pension schemes	155,684	121,650
Other forms of employee benefits:		
Life and ADD insurance	5,056	3,963
Other benefits – child benefit vouchers	–	(243)
	<u>2,275,768</u>	<u>1,702,292</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024	2023
	No.	No.
£60,000 – £69,999	3	4
£70,000 – £79,999	3	3
£80,000 – £89,999	1	–
£90,000 – £99,999	1	1
£100,000 – £109,999	1	2
£110,000 – £119,999	1	–
£120,000 – £129,999	2	–
	<u>14</u>	<u>10</u>

The total employee benefits (including pension contributions and employer's social security) of the key management personnel were £50,999 (2023: £33,853). The CEO's salary and benefits are paid by The Malala Fund USA and so only a proportion has been allocated to The Malala Fund UK, in line with the staff time spent on The Malala Fund UK work.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses in the year were £nil (2023: £nil).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 23 (2023: 22).

Staff are split across the activities of the charity as follows:

	2024 No.	2023 No.
Programmes & advocacy	19.9	19.1
Raising funds	1.0	0.5
Support	2.0	2.1
	22.9	21.7
	22.9	21.7

Average head count is based on the number of UK staff working for The Malala Fund UK each month. This excludes donated time of 4 (2023: 4) staff employed by The Malala Fund US for the months where a portion of the cost of their employment has been allocated to The Malala Fund UK. A portion of the CEO, COO and Controller's time has been allocated to Raising Funds.

7 Related party transactions

The Malala Fund, the parent charity of The Malala Fund UK, made a grant of £2,349,326 (2023: £2,224,433) to Malala Fund UK in the year. In addition it provided in kind support totalling £55,254 (2023: £33,853). This is recognised as income in the accounts (see note 2).

Malala Fund Nigeria Ltd/Gte, a joint venture between The Malala Fund US and The Malala Fund UK (see note 16), provided in kind support totalling £2,514 (2023: £nil). This is recognised as income in the accounts (see note 2).

There were unrestricted donations from one trustee in the year of £1,833 (2023: £nil).

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Debtors

	2024 £	2023 £
Trade debtors	–	32,526
Other debtors – Deposits	47,787	22,515
Other debtors – funds held on behalf of The Malala Fund UK	–	200
Accrued income	524	–
Prepayments	33,632	14,693
	81,943	69,934
	81,943	69,934

10 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	9,280	7,689
Taxation and social security	57,082	47,554
Other creditors	15,150	29,630
Accruals	52,693	54,200
Deferred income	–	60,786
	<u>134,205</u>	<u>199,859</u>

Deferred income brought forward of £60,786 relates to grant funds received due in the year relating to the next financial period which has been released.

11a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Net current assets	166,229	–	166,229
Net assets at 31 March 2024	166,229	–	166,229

11b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Net current assets	374,209	–	374,209
Net assets at 31 March 2023	374,209	–	374,209

12a Movements in funds (current year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	At 31 March 2024 £
Restricted fund – Afghanistan	–	–	–	–
Unrestricted general funds	374,209	2,637,155	(2,845,135)	166,229
Total funds	374,209	2,637,155	(2,845,135)	166,229

12b Movements in funds (prior year)

	At 31 March 2022 £	Income & gains £	Expenditure & losses £	At 1 April 2023 £
Restricted funds– Afghanistan	-	500	(500)	-
Unrestricted general funds	113,447	2,406,072	(2,145,310)	374,209
Total funds	113,447	2,406,572	(2,145,810)	374,209

Purposes of restricted funds – Afghanistan

The funds received were restricted to support local educators and activists in Afghanistan.

13 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of the sole member, The Malala Fund, in the event of winding up is limited to £1.

14 Ultimate controlling party

The company's ultimate parent undertaking and controlling party is The Malala Fund, a Section 501©(3) charitable corporation incorporated in the State of Delaware, U.S.A.

15 Operating leases

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	2024 £	2023 £
Less than one year	263,250	15,436
One to five years	322,850	-
	586,100	15,436

16 Joint Venture

Malala Fund Nigeria Ltd/Gte is a joint venture between The Malala Fund US and The Malala Fund UK, with The Malala Fund UK therefore having an equal 50% share of voting rights. The information below shows the full activities, liabilities and assets, of which the Malala Fund UK has a 50% interest. The 50% share of these amounts are not consolidated into The Malala Fund UK's financial statements. The figures shown below have been converted to GBP using HMRC's average and year end spot rates respectively.

	12 months to 31 March 2024 £'000	9 months to 31 March 2023 £'000
Income	459,935	399,059
Expenditure	(483,938)	(381,766)
Net income	(24,003)	17,293
(Gain) / Loss on conversion to GBP	<u>16,925</u>	<u>(777)</u>
Net movement in funds	<u>(7,078)</u>	16,516

The aggregate of assets, liabilities and funds was:

Assets	31,970	31,360
Liabilities	<u>39,048</u>	<u>14,844</u>
Net assets	<u>(7,078)</u>	16,516
Total funds	<u><u>(7,078)</u></u>	<u><u>16,516</u></u>

THE MALALA FUND UK

England & Wales - Charity number 1178655

Accounts

Company number: 10551265
Charity number: 1178655

The Malala Fund UK

Report and financial statements

For the year ended 31 March 2023

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For the year ended 31 March 2023

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The Malala Fund UK

Reference and administrative information

For the year ended 31 March 2023

Company number 10551265
Country of incorporation United Kingdom

Charity number 1178655
Country of registration England and Wales

Registered office and operational address 10 Ely Place
London, EC1N 6RY

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Akhter Mateen	Director and Board Chair
Susan McCaw	Director
Fayeeza Naqvi	Director
Malala Yousafzai	Director

Key Management Lena Alfi, Acting CEO

Bankers Citibank
Canada Square
Canary Wharf
LONDON
E14 5LB

Solicitors Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law and the Statement of Recommended Practice — Accounting and Reporting by the Charities Statement of Recommended Practices (SORP) applicable to charities preparing their accounts in accordance with FRS 102.

Purposes, aims and objectives

Together with the Malala Fund US and Malala Fund Nigeria, the Malala Fund UK is working toward a world where every girl can learn and lead. Malala Yousafzai and her father, Ziauddin Yousafzai, co-founded and launched Malala Fund in the US in early 2013 in response to a swell of public support following the 2012 attack on Malala's life. Since then, Malala has become the leader for the girls' education movement and her continued activism has progressed girls' education and gender equality around the world.

As stated in the Malala Fund UK's Articles of Association, the objects of the charity are to promote education around the world, particularly (but not limited to) secondary school-age girls denied education due to poverty, violence, discrimination or tradition.

Since incorporation in 2017 and registration as a public charity in England and Wales in 2018, the Malala Fund UK has worked alongside the Malala Fund US to support programmes that improve access to high-quality education in Afghanistan, Bangladesh, Brazil, Ethiopia, India, Lebanon, Nigeria, Pakistan, Tanzania and Turkey. The charity also advocates for the resources and policy changes needed to give all girls a secondary education, informing policymakers and the general public in the UK and elsewhere about the importance and benefits of girls' education around the world.

Throughout the year, the trustees of the Malala Fund UK review the aims, objectives and activities of the charity. This report looks at the Malala Fund UK's achievements and the outcomes of its work against its charitable objectives during the reporting period. Regular reviews and the process of putting together this annual report help the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning its future activities. In particular, the trustees consider how planned activities will contribute to the charity's set aims and objectives.

People served, activities and progress to date

The Malala Fund UK works to support the nearly 120 million girls who are out of school around the world and the millions more who are not receiving quality education. To the Malala Fund, “quality education” means children are retaining knowledge, and this knowledge translates into a wider set of personal, social and developmental benefits. Two aspects of quality education that are particularly pertinent for girls are the relevance of education to their lives and aspirations, and the extent to which education is gender responsive so that it supports girls in pursuing their goals.

Specifically, the charity (along with the Malala Fund US and Malala Fund Nigeria) engages in three overarching activities:

1. **Advocating to hold leaders accountable:** The charity advocates — at local, national and international levels — for resources and policy changes needed to give all girls a secondary education.
2. **Investing in local education activists:** Through its Education Champion Network (formerly the “Gulmakai Network” programme) the Malala Fund US awards grants to local educators and advocates — the people who best understand girls in their communities — in regions where the most girls are missing out on secondary school. The Malala Fund UK supports these grantees through capacity building, advocacy support, networking opportunities and programme monitoring, evaluation and learning (MEL).
3. **Amplifying girls’ voices:** The charity believes that girls should speak for themselves and tell leaders what they need to learn and achieve their potential. To this end, the charity amplifies girls’ voices and shares their stories through Assembly, its digital publication and newsletter. In 2020, the organisation also launched a new portfolio of grants through its new Girl Programme to support organisations informing girls of their rights and working directly with them to build advocacy skills.

All of the Malala Fund UK’s charitable activities focus on getting more girls into school and ensuring every girl receives 12 years of quality education. While the Malala Fund UK does not engage in direct grantmaking, its staff do support grantee capacity building, advocacy, networking opportunities and programme MEL. The activities are undertaken to further the charity’s mission and to serve a public benefit. Specifics on the charity’s activities and progress towards its objectives from FY 2022-23 are provided below.

Key advocacy activities and successes

Keeping global attention on Afghan girls and women: Afghanistan is the only country with an effective ban on girls’ education, one of many Taliban restrictions that prevent girls and women from participating in public life. When the Taliban assumed control of the Afghan government in 2021, Malala Fund paused in-country grantmaking to refocus our efforts on keeping Education Champions secure and restoring the rights of Afghan girls and women.

Malala Fund continues to urge political leaders, international institutions and high-level officials to end the Taliban's imposed gender apartheid. We also facilitated the relocation of 266 Afghan girls' education activists and human rights defenders and their families and continue to support their resettlement, livelihood and advocacy efforts. In July 2022, we launched the Afghanistan Response Fund to distribute \$567,000 in grants to provide alternative learning and support local campaigning to reopen girls' schools.

At the Transforming Education Summit, held around the U.N. General Assembly in September 2022, youth activists Somaya Faruqi and Aydin Sahba Yaquoby and Education Champions Enayat Nasir and Deema Hiram shared their demands to restore equal rights for Afghan women and girls. We also partnered with the Swedish Ministry for Foreign Affairs and the Georgetown Institute for Women, Peace and Security to organise a closed-door discussion between foreign policy officials and Afghan activists with the goal of identifying ways the international community could support girls and women in the region.

To counter the Taliban's argument that there is religious reasoning for perpetuating gender discrimination, Malala Fund supported the Egyptian Center for Women's Rights (ECWR) publication of *Girls' Rights to Education in Islam* in November 2022. The research report was fully reviewed and accredited by scholars at Al-Azhar University, the oldest university in the world and centre of Islamic scholarship.

Protecting girls' education amid conflict in Ethiopia: Ethiopia has made transformational strides in advancing girls' and women's rights in the last decade. The outbreak of conflict in Tigray in 2022 forced 2.3 million children — 1.7 million of whom were girls — out of school and put that progress at risk. Malala Fund mobilised Education Champions and offered learning lifelines to girls. Once fighting ended, we worked with local organisations to ensure that recovery efforts prioritised the needs of girls.

Malala Fund US provided \$400,000 to partner organisations to protect displaced children at risk of exploitation and neglect and ensure girls could return to school safely. While the war has ended, Ethiopia Education Champions are furthering their efforts by helping displaced students continue their studies and lobbying governments for psychosocial services to help them recover.

Education Champions brought attention to the ongoing conflict and how it could undo years of hard-earned education gains by distributing a spotlight report at side events during the U.N. High Level Policy Forum. Saba Gebremedhin, of the Network of Ethiopian Women Associations (NEWA), delivered remarks on the crisis to U.N. high-level officials on behalf of the Women's Major Group.

On International Day of the Girl, Education for Sustainable Development and WE-Action organised a dialogue with the Ministry of Women and Social Affairs and 10 girls living in conflict-affected areas. The young women shared their perspectives and asked that the government provide financial resources, so girls can return to school and mental healthcare to cope with traumatic events they experienced during war and COVID-19.

Building resilience to climate change: Ahead of the 2022 U.N. Climate Change Conference held in Egypt, Malala Fund Girl Fellows — Tamilore from Nigeria and Arooj and Ayesha from Pakistan — led an online workshop with feminist youth climate activists to understand their demands for how global decision-makers should address climate change.

During COP27, Malala Fund Education Champions from Pakistan and Bangladesh met with climate ministers to make the case for increasing investment in girls' education as a way to mitigate the impacts of climate change. Malala Fund US also helped cover travel and registration costs for nine African climate activists from the Rise Up Movement and Nalafem Collective so they could participate in the conference, and published accompanying pieces on Assembly to highlight their perspectives and experiences.

From June through October 2022, floods submerged nearly one-third of Pakistan, damaging or destroying more than 27,000 schools. After the water subsided, Malala and Ziauddin visited their home country to assess its damage on education systems and meet with government representatives to strengthen and restore them. Through emergency relief grants, Malala Fund US invested \$700,000 in funding to partner organisations supporting impacted communities. Malala Fund will continue to support relief efforts and provide aid to girls and young women. After Education Champions published *Towards a Resilient Education Recovery from Pakistan's Floods*, a report laying out plans for a multi-level government response, Pakistan's Education Minister quoted it verbatim at Education Cannot Wait's Financing Conference.

In Nigeria, Anambra state experienced worse-than-predicted flooding in 2022, with devastating impacts on educational and health facilities that served girls and women. Malala Fund US deployed \$170,000 in emergency funding to two community organisations providing food and basic essentials to households in Jigawa and Anambra States.

Promoting STEAM Education for girls across Pakistan: In its first year, STEAM Education for Girls clubs have welcomed 7,000 students in 422 schools from 45 districts. By 2027, the programme — a partnership with Pakistan's federal government to teach girls science, technology, engineering, art and mathematics — hopes to reach 13,000 public high schools in the country and encourage 5 million girls to study STEAM. The initiative will also further national education policy and make the case for investing in girls' education.

Supporting a network of local educators and activists

Malala Fund's Education Champion Network invests in the work of educators and advocates to improve access to girls' secondary education in their countries and communities. This fiscal year the Malala Fund US distributed \$6.5 million in grants and welcomed 23 new Education Champions to address issues ranging from calling for an end to prohibitive policies for student mothers in Tanzania, to improving digital access in Bangladesh's coastal areas and reducing child labour rates in Lebanon.

By the close of FY 2022–2023, the Malala Fund US supported 151 local educators and advocates in 10 countries with \$39.7 million in grants to their organisations, capacity building and networking opportunities.

Together, the Malala Fund US and the Malala Fund UK are working to cultivate a network of Education Champions around the world who can pursue joint advocacy strategies, share innovative models for increasing access to quality education and learn from each other's work. Specifically, the Malala Fund UK has undertaken the following activities in support of this effort:

- Facilitating collective action within the network and increasing local advocates' ability to realise their agendas and create impact;
- Supporting capacity building for advocates through in-person, online and individual training programmes; and
- Raising the profile of individual Education Champions and providing access to decision-makers.

Examples of Education Champion successes during FY 2022–2023 included:

- In **Bangladesh**, Campaign for Popular Education (CAMPE) organised two education financing policy debates broadcasted on Channel I, one of the Bangladesh's most-watched television channels. In the debates, high school and college students argued that the government should resource schools to improve the safety of buildings and provide learning stipends during climate-related events.
- In **Brazil**, ahead of national elections, Champions worked with civil society organisations across the country to draft a Letter of Commitment for the Right to Education, a 40-point pact for quality, fully-funded education which secured signatures from 500 political candidates, including President Luiz Inácio Lula da Silva. Champions convened a nationwide coalition of 20 Black, Indigenous and quilombola girls; transgender girls; girls with disabilities and girls who work in rural areas to draft the #MeninasDecidem (#GirlsDecide) manifesto to outline their demands for government officials.
- In **India**, Education Champions have established working relationships with School Management Committees (SMCs) for government schools in 26 districts throughout the country. These associations include local government officials, students and parents and provide governance for schools. Champions worked with local partners to understand how they could influence SMCs' decision-making process to address girls' needs. SMC members worked with administrators to monitor meal quality, weigh in on maintenance budgets and file complaints about building infrastructure and bathrooms to create a safer and more nurturing learning environment for students.
- In **Lebanon**, Lebanese Organisation for Studies and Training (LOST) launched the "Education for girls' empowerment" project to install solar panels in six public high schools in the underserved areas of Baalbek Hermel and provide electricity to 4,000 students during widespread power outages. The programme has also helped 800 students who were falling behind by providing remedial classes and is ramping up efforts to address school closures and change official exams to a pass/fail system to give students a better chance of succeeding.

- In **Tanzania**, Pastoral Women Council (PWC) is establishing PTAs in five high schools in remote areas of northern Tanzania to increase enrolment for female students and encourage parents to be involved in their daughters' educations. Girls are more likely to stay in school when families care about their child's academic performance and can help resolve issues that make it difficult for them to learn. Through PWC's initiative, PTAs celebrated international days and hosted church events and community meetings to raise awareness of the importance of girls' education. Ngorongoro Girls School PTA advocated for clean water and bathrooms, while Engarenaibor Secondary School sought to fight high absenteeism by rallying motorcyclists to end child marriage and gender-based violence.

Youth activism and awareness raising

Girls have bold visions for the future — and strong opinions about what leaders should do to achieve them. Through our Girl Programme and digital publication Assembly, Malala Fund puts girls at the forefront of our work, providing them with training to hone their advocacy skills and a platform to deliver their message.

Girl Programme: Girl Fellows made their voices heard at COP27, the Future Impact Summit and the 67th Commission on the Status of Women, where they met with government officials, participated in panels and gave speeches demanding action on girls' education. At the 10th African Conference on Sexual Health and Rights held in Sierra Leone, Tamilore and Meti, two Fellows from Nigeria and Ethiopia, networked with peer activists from across the continent to foster relationships, share campaign strategies and find ways to align on efforts championing for their rights.

As part of their 18-month programme, Girl Fellows choose and carry out a capstone project to benefit girls in their communities. Here are some highlights from this year:

- At Arooj's Climate Action Club, young people in Pakistan can learn about what causes climate change and what they can do about its impact on their lives.
- In Nigeria, Amina uses radios and games to teach STEM to senior secondary schoolgirls with special needs.
- After the floods in Pakistan, Ayesha created a climate disaster manual to train rescue workers and students in emergency response tactics that are considerate of girls' needs.
- Meti's Safe Space app is an educational platform for young women in Ethiopia to access individual and group counselling and resources for dealing with personal issues.

Grants totalling \$1.575 million also supported 23 organisations, groups and movements led by women or are centred on girls and are working to address barriers to education.

Assembly: Our digital publication and newsletter gives girls a place to share their opinions, experiences and reflections on the year's most pressing issues — from climate change and racial justice to gender inequality and girls' education access. Some of our most-read stories featured girls' perspectives on local issues that grabbed international attention:

- *Climate:* From Fridays for Future strikes to COP27, young women called on leaders around the world to take more action to protect our planet

- *Girls' Education Access*: From public funding to better student representation, young women shared how leaders can better invest in education access for girls around the world.
- *Racial Justice*: On Assembly, young women shared their experiences with racial discrimination and advocated for more inclusion in their communities.

Plans for the future

The Malala Fund UK and the Malala Fund US have shared goals for the coming years. Building on lessons learned from past endeavours, the charity's future work will focus on encouraging governments to provide more funding for education and campaigning to change social norms that deny girls' potential. The charity will also focus efforts on promoting quality education that prepares young women to shape the world around them.

In terms of investments, the Malala Fund US intends to grow its grantmaking portfolio over the coming years, budgeting approximately \$7.4 million for the Education Champions in FY 2023-2024. At the same time, the organisation plans to support girls' training and movement building around education advocacy and launch new programmes that form strategic education coalitions in the countries where Malala Fund has already established strong partner networks.

While the Malala Fund UK does not plan to engage in direct grantmaking for the foreseeable future, its staff will continue to support grantees of the Malala Fund US. Specifically, staff of the Malala Fund UK will develop and refine programmatic approaches benefitting both the Malala Fund UK and the Malala Fund US. Staff of the charity will also work with the grantees of the Malala Fund US to produce a joint advocacy agenda for every country where the Malala Fund US invests grant funding. Staff of the Malala Fund UK will also oversee and evaluate the overall programme process and MEL activity. They will also engage in education research and awareness raising efforts to benefit audiences in the UK and globally. Malala Fund is also over halfway through its five-year strategic plan ending March 2025, so the work on the next five-year strategy has begun in earnest.

Financial review

Per the Malala Fund UK's FY 2022-2023 financial statements, total expenditures for the period were £2,145,810 against £2,406,499 in net revenue (including £33,853 in in-kind contributions). The Malala Fund UK continues to be almost completely funded by a grant from its sole member, the Malala Fund US.

During the course of the financial year, the Malala Fund US transferred US board-approved disbursements to cover operational costs as needed, with limited carry-over balances from month to month. All operational costs for the Malala Fund UK were in alignment with the annual budget independently approved by its trustees.

At the close of the Malala Fund UK's financial year, on 31 March 2023, the charity reported £374,209 in funds carried forward. In accordance with the standing inter-company cooperation agreement between the Malala Fund US and the Malala Fund UK, the US entity will continue to financially support the operations of the UK until the time that the UK entity becomes self-

sustaining. For this reason, FY 2022–2023's carry-over balance at the close of the financial year is not cause for concern.

Principal risks and uncertainties

In early 2020, the Malala Fund UK (along with the Malala Fund US) finalised a formal risk register and risk management policy, which necessitates review of all risks by the CEO and the organisation's Audit and Risk Committee at least bi-annually and a review of select, key risks by the full board at least annually. Identified risks are rated based on probability and severity of impact. In each area, the charity is taking critical steps to mitigate risk, including significant investments in a robust due diligence process for vendors, staff and other partners, safeguarding measures for children and at-risk adults and guidance and support from security experts.

Organisational risks identified by the Malala Fund UK are categorised as follows:

- **Management and government risks**, including failure to make an impact as a result of strategic approach, loss of board members or key staff, and failures in policies, procedures and systems.
- **Public perception**, including reputational risks and the risk of losing supporters.
- **Programmes and operational risks**, including economic or political turmoil, the negative impact of COVID-19 or other possible force majeure events on programmatic implementation and oversight and a potential incident involving a staff member or programme participant.
- **Financial**, including failure to raise funds in the future or an act of theft or abuse of funds.
- **Security risks**, including acts of terrorism or a cyber breach involving donor or partner data.

At present, the specific areas for risks identified by the trustees, which they track most closely with staff are:

1. Appropriate composition of the board of trustees;

This is owned by the Board of Directors Governance Committee.

Proactive Measures: New Governance Committee Chair and Strategy Chairs selected following board departures. Discussions continuing around recruitment following board transitions. Ongoing discussions around leadership gap left after two board members will reach their 9 year consecutive term limit in Feb 2025 (they head three committees).

Further Action Required: Continue board recruitment, mindful of gaps left by board members who have transitioned and/or transitioning. Identify back up chairs for each committee.

2. Risks concerning delivery of programming in Pakistan, including the Shangla Girls' School;

This is owned by the Board of Directors Pakistan Committee

Proactive Measures: More frequent Pakistan subcommittee meetings are taking place; safeguarding expert is now on staff at the Shangla School and a safeguarding focal point has been assigned in Pakistan.

Further Action Required: Further discussion around the implications of creating a new S42 company to house the Shangla School (less legal risk, but how will continued reputational risk be managed)

3. Living out organisational values of diversity, equity and inclusion;

This is owned by Strategy & DEI Committee, with commitments from all Members.

Proactive Measures: Strategy & DEI committee formed to better integrate DEI work into strategic oversight and all MF work.

Further Action Required: Develop Strategy & DEI committee MOU and scope alongside leadership team.

4. Fundraising;

This is owned by all Board

Proactive Measures: Plans in place to catch Malala Fund's core revenue up with annual operational spending over the next two years. Operational budget planning to hold steady through end of strategic plan. In addition, the board manages an investment account holding at least six months of operating expenses in reserves. UK board is being engaged on UK-based fundraising efforts.

5. Reputational risks in the event of failure to comply with policies;

This is owned by all Board

Proactive Measures: Assignment of a board whistleblower and safeguarding point of contact. Team is conducting regular policy reviews to ensure they are up to date.

Reserves policy

Given the Malala Fund UK's status as a fairly new charity and its modest financial activity during FY 2022–2023 (relative to the financial activity of its nearly exclusive funding source for the period, the Malala Fund US), the charity does not have a reserves policy yet. The charity will establish such a policy once it has scaled up independent fundraising in the United Kingdom. In 2021–2022 Malala Fund developed a UK-specific fundraising strategy, which it began to implement at the start of FY 2022–2023.

Per the inter-company cooperation agreement between the Malala Fund UK and the entity in the US, in event of a revenue shortfall, the US entity is prepared to cover any payment and other resources to cover the Malala Fund UK's contractual obligations in accordance with annual budgets or as approved in writing by the boards of the two entities, utilising US reserve funds or other sources. At the end of the year the Malala Fund UK had free reserves (defined as unrestricted funds excluding fixed assets) of £374,208.

Fundraising

For the first year in its four years as a registered charity, the Malala Fund UK hired local fundraising staff to focus on UK revenue streams and reduce reliance on the Malala Fund US. Approximately 92% of the charity's £2,406,499 in net revenue for FY 2022–2023 arrived in the form of a grant from the Malala Fund US, in alignment with the inter-company cooperation agreement between the two entities to support a shared mission. Malala Fund US also provided the charity with £33,853 in in-kind contributions to support the newer charity, which is included in the £2,406,499. The charity did not employ professional fundraisers and it received no complaints.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 6 January 2017 and registered as a charity on 5 June 2018. The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

Trustees of the Malala Fund UK are recruited and retained based on their talents and ability to add significant value in some or all of the following areas:

1. Subject matter expertise on global (girls') education, with an understanding of the constituencies Malala Fund serves;
2. Core business experience in advocacy, grantmaking, operational programming, etc.;
3. Innovative, strategic communications experience; and
4. Board governance experience and experience in organisational management, particularly in the charity sector.

As a matter of formal vote, the trustees of the Malala Fund UK may appoint new board directors as they deem beneficial. The Malala Fund UK's member organisation, the Malala Fund US, may also appoint trustees, as was the case at the time of the Malala Fund UK's initial establishment. All trustees give their time voluntarily and receive no benefits from the charity.

In terms of trustee induction, key trustee documents are provided to all new trustees, including a detailed overview of trustee roles, responsibilities and expectations. Induction for new trustees includes a handover of key documents and a series of weekly meetings with individual departments covering topics such as organisational history, key programmatic priorities, fundraising plans and financial health and planning.

Governance activities of the Malala Fund UK's trustees include the following:

- Approval of the Articles of Association, board policies and amendments thereof;
- Approval of the annual budget and top-line organisational strategy;
- Establishment of committees and committee charters;
- Oversight of the Malala Fund UK's organisational and financial sustainability;
- Evaluation of major areas of risk via regular discussion;
- Ensuring that the Malala Fund UK is legally and financially compliant with the intentions of its donors and its status as a charity in England and Wales;
- Appointing a chair, new trustees and officers;
- Hiring and setting the CEO's compensation rate;
- Conducting regular performance reviews on the CEO, remediating concerns if necessary;
- The handling of Serious Incident Reports (SIRs) to the Charity Commission and whistleblower complaints, in the event that they arise; and
- Providing general support to the CEO and other senior leadership.

The Malala Fund UK's CEO (a shared employee with The Malala Fund US and The Malala Fund Nigeria) is authorised to make decisions relating to office expansion, staff changes, major campaigns, employee policies and security or reputational concerns, but in all of these cases must first consult with the trustees. The CEO is also responsible for day-to-day management and

decision-making for the charity and implementation of trustee-approved strategic plans. They are supported by an Executive Leadership Team composed of two senior department heads who are employees of the Malala Fund UK and four senior department heads employed by the Malala Fund in the US.

The trustees of the Malala Fund UK conducted two formal meetings in FY 2022–2023 (both virtual), in October 2022 and March 2023, with a quorum of trustees present. Most trustees were also present as observers during two additional board calls of the Malala Fund US's board of directors during the same financial year.

Related parties and relationships with other organisations

In earlier years, the sole member of the charity was the Malala Fund (US), a registered not-for-profit United States 501(c)(3) charitable organisation. While the Malala Fund (US) remains the sole member of the Malala Fund UK, in April 2021, the two entities were joined by a third member, The Malala Fund Nigeria LTD, a Nigerian company limited by guarantee with a charitable purpose. The Malala Fund US and Malala Fund UK are both members of Malala Fund Nigeria. The Malala Fund US is also registered as an INGO in Pakistan as of July 2021. While the three organisations are separate legal entities, they do cooperate around a shared mission in service to the same beneficiaries.

Remuneration policy for key management personnel

The Malala Fund UK maintains a shared policy with the Malala Fund US and Malala Fund Nigeria for determining the compensation level of the charity's CEO. Under the policy, the trustees set the salary level for the CEO and in doing so must rely on comparability data that demonstrates the reasonableness of the proposed CEO compensation. For example, when setting compensation, the trustees must secure data that documents compensation levels paid by similarly situated organisations for functionally comparable positions.

The compensation levels for all other staff of the Malala Fund UK are authorised by the charity's CEO. The salary levels of the charity are based on comparability data sourced by the charity's operations and human resources staff. In January 2022, the boards of The Malala Fund U.K. and Malala Fund (US) engaged a third-party consultant to perform a salary review for the CEO and all executive-level leaders. In addition to this, Malala Fund Human Resources Department completed a review of our compensation philosophy in March 2023 to be aligned with Malala Fund's values of equity, inclusion and courage and to better meet our unique global need. The Governance Committee (Pearl) commissioned this 2022 initiative. There was a separate executive compensation review in 2022 led by the previous CEO and governance committee that resulted in a salary increase for the former CEO. In 2023, the CHRO led the compensation project and all employees (except for ELT) received salary increases based on the findings of the initiative.

Statement of responsibilities of the trustees

The trustees (who are also directors of the Malala Fund UK 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 that 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 period.

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 and statements of recommended practice 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 adequate accounting records that 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Malala Fund US guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees have no beneficial interest in the charity.

The Malala Fund UK

Trustees' annual report

For the year ended 31 March 2023

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 4 December 2023 and signed on their behalf by:

Akhter Mateen
Chair, Board of Trustees
The Malala Fund UK

Independent auditor's report

To the trustees of

The Malala Fund UK

Opinion

We have audited the financial statements of The Malala Fund UK (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Malala Fund UK's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the trustees of

The Malala Fund UK

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 the trustees determine

Independent auditor's report

To the trustees of

The Malala Fund UK

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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

To the trustees of

The Malala Fund UK

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the board of trustees charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report - or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

6 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Malala Fund UK

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	2,405,999	500	2,406,499	1,973,457	-	1,973,457
Total income		2,405,999	500	2,406,499	1,973,457	-	1,973,457
Expenditure on:							
Raising funds	3a	81,422	-	81,422	22,450	-	22,450
Charitable activities	3a	2,063,888	500	2,064,388	1,888,067	-	1,888,067
Total expenditure		2,145,310	500	2,145,810	1,910,517	-	1,910,517
Net income for the year before foreign	9	260,689	-	260,689	62,940	-	62,940
Gain on foreign exchange transactions	5	73	-	73	-	-	-
Net income for the year	4	260,762	-	260,762	62,940	-	62,940
Reconciliation of funds:							
Total funds brought forward		113,447	-	113,447	50,507	-	50,507
Total funds carried forward		374,209	-	374,209	113,447	-	113,447

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movement in funds are disclosed in note 12a to the financial statements.

The Malala Fund UK

Balance sheet

Company no. 10551265

As at 31 March 2023

	Note	£	2023 £	£	2022 £
Current assets:					
Debtors	9	69,934		134,208	
Cash and cash equivalents		504,134		98,229	
		<u>574,068</u>		<u>232,437</u>	
Liabilities:					
Creditors: amounts falling due within one year	10	(199,859)		(118,990)	
Total net current assets and total net assets			<u>374,209</u>		<u>113,447</u>
The funds of the charity:					
Restricted funds			-		-
General unrestricted funds			<u>374,209</u>		<u>113,447</u>
Total charity funds			<u>374,209</u>		<u>113,447</u>

Approved by the trustees on 4 December 2023 and signed on their behalf by

Akhter Mateen
Chair, Board of Trustees

The Malala Fund UK

Statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Net income for the reporting period (as per the statement of financial activities)		260,762		62,940	
Decrease / (increase) in debtors		64,274		(47,074)	
Increase in creditors		80,869		27,721	
Net cash provided by operating activities		405,905		43,587	
Change in cash and cash equivalents in the year		405,905		43,587	
Cash and cash equivalents at the beginning of the year		98,229		54,642	
Cash and cash equivalents at the end of the year	a	504,134		98,229	
Analysis of cash and cash equivalents and of net debt					
		At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £
Cash at bank and in hand		98,229	405,905	-	504,134
Total cash and cash equivalents		98,229	405,905	-	504,134

1 Accounting policies

a) Statutory information

The Malala Fund UK is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is 10 Ely Place, 2nd Floor Ely Place, London, England, EC1N 6RY.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees have not made any key judgements that have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

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.

h) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

i) Expenditure and irrecoverable VAT

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:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on direct costs incurred, of the amount attributable to each activity:

- | | |
|--------------------------|-------|
| ● Costs of raising funds | 7.6% |
| ● Charitable activities | 92.4% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £4,000 (\$5,000). Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|----------------------|---------|
| ● Computer equipment | 3 years |
| ● Computer software | 5 years |
| ● Office equipment | 5 years |

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting policies (continued)

o) Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

The charity operates a defined contribution pension scheme with Royal London. Employer contributions of 9% are charged to the statement of financial activities for the period to which they relate. The company has no liability under the scheme other than payments of these contributions.

r) Joint Venture

Malala Fund UK has 50% of voting rights in Malala Fund Nigeria, a charitable company registered in Nigeria. The SORP, the accounts of Malala Fund Nigeria do not have to be consolidated with those of Malala Fund UK.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
General donations	2,224,433	–	2,224,433	1,750,825
Individual donations	137,595	500	138,095	69,632
Gift Aid	406	–	406	280
Donated services	33,853	–	33,853	40,877
Corporate and Foundation donations	9,712	–	9,712	111,843
	2,405,999	500	2,406,499	1,973,457

The Malala Fund UK

Notes to the financial statements

For the year ended 31 March 2023

3a Analysis of expenditure (current year)

	Charitable activities				2023	2022
	Raising funds £	Programmes and advocacy £	Support costs £	Governance costs £	Total £	Total £
Staff costs (Note 5)	42,245	1,532,150	127,897	-	1,702,292	1,533,182
Staff training	-	-	380	-	380	2,500
Fundraising costs	313	-	-	-	313	-
Bank fees	-	-	1,080	-	1,080	1,840
Insurance	124	26,079	3,345	-	29,548	30,394
Professional services	-	-	79,069	33,559	112,628	124,668
Travel	2,917	57,819	40	-	60,776	14,773
Occupancy	-	-	221,837	-	221,837	189,262
Communications	154	14,082	906	-	15,142	13,291
Office expenses	-	-	1,212	-	1,212	99
Meetings and events	-	(64)	-	-	(64)	-
Honorariums	-	666	-	-	666	-
Loss on foreign exchange	-	-	-	-	-	508
	45,753	1,630,732	435,766	33,559	2,145,810	1,910,517
Support costs	33,118	402,648	(435,766)	-	-	-
Governance costs	2,550	31,009	-	(33,559)	-	-
Total expenditure 2023	81,422	2,064,388	-	-	2,145,810	
Total expenditure 2022	22,450	1,888,067	-	-		1,910,517

The Malala Fund UK

Notes to the financial statements

For the year ended 31 March 2023

3b Analysis of expenditure (prior year)

	<u>Charitable activities</u>				2022
	Raising funds £	Programmes and advocacy £	Support costs £	Governance costs £	Total £
Staff costs (Note 5)	2,457	1,444,510	86,215	-	1,533,182
Staff training	-	-	2,500	-	2,500
Fundraising costs	-	-	-	-	-
Bank fees	-	-	1,840	-	1,840
Insurance	-	-	30,394	-	30,394
Professional services	15,000	-	61,336	48,332	124,668
Travel	-	14,773	-	-	14,773
Occupancy	-	172,056	17,206	-	189,262
Communications	-	12,083	1,208	-	13,291
Office expenses	-	-	99	-	99
Loss on foreign exchange	-	-	508	-	508
	<u>17,457</u>	<u>1,643,422</u>	<u>201,306</u>	<u>48,332</u>	<u>1,910,517</u>
Support costs	4,026	197,280	(201,306)	-	-
Governance costs	967	47,365	-	(48,332)	-
Total expenditure 2022	<u>22,450</u>	<u>1,888,067</u>	<u>-</u>	<u>-</u>	<u>1,910,517</u>

4 Net income for the year

This is stated after charging:

	2023	2022
	£	£
Auditor's remuneration (excluding VAT):		
Audit	8,650	7,525
Other services	1,560	–
Foreign exchange (gains) / losses	(73)	508
	<u> </u>	<u> </u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	1,403,168	1,271,782
Social security costs	173,754	147,522
Employer's contribution to defined contribution pension schemes	121,650	110,090
Other forms of employee benefits:		
Life and ADD insurance	3,963	3,666
Other benefits – working from home allowance	–	–
Other benefits – child benefit vouchers	(243)	122
	<u>1,702,292</u>	<u>1,533,182</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023	2022
	No.	No.
£60,000 – £69,999	4	4
£70,000 – £79,999	3	–
£80,000 – £89,999	–	–
£90,000 – £99,999	1	1
£100,000 – £109,999	2	1
£110,000 – £119,999	–	–
£120,000 – £129,999	–	–
£120,000 – £129,999	–	1
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's social security) of the key management personnel were £33,853 (2022: £29,897). The CEO's salary and benefits are paid by The Malala Fund USA and so only a proportion has been allocated to The Malala Fund UK, in line with the staff time spent on The Malala Fund UK work.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses in the year were nil (2022: £nil).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 22 (2022: 24).

Staff are split across the activities of the charity as follows:

	2023	2022
	No.	No.
Programmes & advocacy	19.1	21.0
Raising funds	0.5	–
Support	2.1	3.0
	21.7	24.0

Average head count is based on the number of staff working for The Malala Fund UK each month. The figure includes 4 staff employed by The Malala Fund US for the months where a portion of the cost of their employment has been allocated to The Malala Fund UK. A portion of the CEO, COO and Controller's time has been allocated to Raising Funds.

7 Related party transactions

The Malala Fund, the parent charity of The Malala Fund UK, made a grant of £2,224,433 (2022: £1,750,825) to Malala Fund UK in the year. In addition it provided in kind support totalling £33,853 (2022: £40,877). This is recognised as income in the accounts.

There were no donations from trustees or senior management in the year (2022: £nil).

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Debtors

	2023	2022
	£	£
Trade debtors	32,526	50,552
Other debtors – Deposits	22,515	26,383
Other debtors – funds held on behalf of The Malala Fund UK	200	46,839
Prepayments	14,693	10,434
	69,934	134,208

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	7,689	6,792
Taxation and social security	47,554	46,739
Other creditors	29,630	16,131
Accruals	54,200	–
Deferred income	60,786	49,328
	<u>199,859</u>	<u>118,990</u>

There was no brought forward deferred income. Deferred income carried forward of £54,200 relates to grant funds received or due in the year relating to the next financial period.

11a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Net current assets	374,209	–	374,209
Net assets at 31 March 2023	374,209	–	374,209

11b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Net current assets	113,447	–	113,447
Net assets at 31 March 2022	113,447	–	113,447

12a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted fund – Afghanistan	–	500	(500)	–	–
Unrestricted general funds	113,447	2,406,072	(2,145,310)	–	374,209
Total funds	113,447	2,406,572	(2,145,810)	–	374,209

Purposes of restricted funds – Afghanistan

The funds received were restricted to support local educators and activists in Afghanistan.

12b Movements in funds (prior year)

	At 31 March 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds	-	-	-	-	-
Unrestricted general funds	50,507	1,973,457	(1,910,517)	-	113,447
Total funds	50,507	1,973,457	(1,910,517)	-	113,447

13 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of the sole member, The Malala Fund, in the event of winding up is limited to £1.

14 Ultimate controlling party

The company's ultimate parent undertaking and controlling party is The Malala Fund, a Section 501(c)(3) charitable corporation incorporated in the State of Delaware, U.S.A.

15 Operating leases

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	2023 £	2022 £
Less than one year	15,436	13,960
	15,436	13,960

16 Events after the balance sheet date

Malala Fund UK entered into a new lease agreement beginning 1 June 2023, committing to total expenditure of £796,700 over three years.

17 Joint Venture

Malala Fund Nigeria Ltd/Gte is a joint venture between The Malala Fund US and The Malala Fund UK, with The Malala Fund UK therefore having an equal 50% share of voting rights. The information below shows the full activities, liabilities and assets, of which the Malala Fund UK has a 50% interest. The 50% share of these amounts are not consolidated into The Malala Fund UK's financial statements. The figures shown below have been converted to GBP using HMRC's average and year end spot rates respectively.

	9 months to 31 March 2023 £'000	2022 £'000
Income	399,059	-
Expenditure	(381,766)	-
Net income	17,293	-
Loss on conversion to GBP	(777)	-
Net movement in funds	16,516	-
 The aggregate of assets, liabilities and funds was:	 16,516	
 Assets	 31,360	 -
Liabilities	14,844	-
Net assets	16,516	-
 Total funds	 16,516	 -

THE MALALA FUND UK

England & Wales - Charity number 1178655

Accounts

Registered number: 10551265
Charity number: 1178655

THE MALALA FUND UK
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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THE MALALA FUND UK
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	S McCaw F Naqvi M Yousafzai A Mateen
Company registered number	10551265
Charity registered number	1178655
Registered office	138 Holborn London EC1N 2SW
Company secretary	A Cosby
Independent auditor	Sayer Vincent LLP Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL
Bankers	Citibank Cana Square Canary Wharf London E14 5LB
Solicitors	Bates Wells 10 Queen Street Place London EC1Y 0TL
Accountants	Blick Rothenberg Limited 16 Great Queen Street London, Covent Garden WC2B 5AH

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2021 to 31 March 2022. The Annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Together with the Malala Fund US and Malala Fund Nigeria, the Malala Fund UK is working toward a world where every girl can learn and lead. Co-founded by Malala Yousafzai and her father, Ziauddin Yousafzai, Malala Fund began in the United States in early 2013 in response to a swell of public support following the 2012 attack on Malala's life. Since then, Malala has become the movement leader for girls' education and her continued activism has created progress for girls' education and equality around the world.

As stated in the Malala Fund UK's Articles of Association, the objects of the charity are to promote education around the world, particularly (but not limited to) secondary school-age girls denied education due to poverty, violence, discrimination, or tradition.

Since incorporation in 2017 and registration as a public charity in England and Wales in 2018, the Malala Fund UK has worked alongside the Malala Fund US to support programmes that improve access to high-quality education in Afghanistan, Bangladesh, Brazil, Ethiopia, India, Lebanon, Nigeria, Pakistan, Tanzania and Turkey. The charity also advocates for the resources and policy changes needed to give all girls a secondary education, informing policymakers and the general public in the United Kingdom and elsewhere about the importance and benefits of girls' education around the world.

Throughout the year, the trustees of the Malala Fund UK review the aims, objectives and activities of the charity. This report looks at what the Malala Fund UK has achieved and the outcomes of its work against its charitable objectives during the reporting period. Regular reviews and the process of putting together this annual report help the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning its future activities. In particular, the trustees consider how planned activities will contribute to the charity's set aims and objectives.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

b. Strategies for achieving objectives

The Malala Fund UK works to support the nearly 130 million girls who are out of school around the world and the millions more who are not receiving a quality education. To Malala Fund, a “quality education” means not just that children are retaining knowledge but also that what they learn translates into a wider set of personal, social and developmental benefits. Two aspects of quality education that are particularly pertinent for girls are the relevance of education to their lives and aspirations, and the extent to which education is gender responsive so that it supports girls in pursuing their goals.

c. Activities undertaken to achieve objectives

Specifically, the charity (along with the Malala Fund US and Malala Fund Nigeria) engages in three overarching activities:

1. **Advocating to hold leaders accountable:** The charity advocates — at local, national and international levels — for resources and policy changes needed to give all girls a secondary education.
2. **Investing in local education activists:** Through its Education Champion Network (formerly the “Gulmakai Network” programme) the Malala Fund US awards grants to local educators and advocates — the people who best understand girls in their communities — in regions where the most girls are missing out on secondary school. The Malala Fund UK supports these grantees through capacity building, advocacy support, networking opportunities and programme monitoring, evaluation and learning (MEL).
3. **Amplifying girls’ voices:** The charity believes that girls should speak for themselves and tell leaders what they need to learn and achieve their potential. To this end, the charity amplifies girls’ voices and shares their stories through Assembly, its digital publication and newsletter. In 2020, the organisation also launched a new portfolio of grants (through its new Girl Programme) to support organisations informing girls of their rights and working directly with them to build advocacy skills.

All of the Malala Fund UK’s charitable activities focus on getting more girls into school and ensuring every girl receives a quality education and are undertaken to further the charity’s mission and to serve a public benefit. Specifics on the charity’s activities and progress towards its objectives are provided below.

Advocacy work and victories

In FY 2021–2022, the Malala Fund UK and the Malala Fund US encouraged leaders to address the impact of the COVID-19 global pandemic on girls’ education and successfully advocated for more aid. Highlights of these efforts included:

International Women’s Day, March 2022: Malala collaborated with The Economist as the first-ever guest editor of the magazine’s opinion section. Malala’s essay focuses on the growing girls’ education emergency and how crises — from climate and COVID-19 to Afghanistan — impact girls’ education and how failing to invest in education only exacerbates and extends these crises. To help reach more audiences, The Economist agreed to lift the paywall on the essays for a limited time. The project reached an estimated 7 million people.

Afghanistan advocacy: The Malala Fund released research on the girls’ education crisis in Afghanistan, where Malala Fund has worked since 2016. Malala Fund’s new policy briefing, *Rights in jeopardy: How the international community should respond to the girls’ education crisis in Afghanistan*, outlines four key actions that international and regional communities must take to address the girls’ education crisis and deliver on their commitments to girls.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Human rights advocacy: Malala Fund called for the appointment of a Special Rapporteur to monitor the deteriorating education and human rights situation in Afghanistan. In October 2021 the Human Rights Council adopted resolution 48/1 establishing the mandate of a Special Rapporteur on the situation of human rights in Afghanistan.

Religious leaders' declaration on girls' education and women's rights: In March 2022 religious scholars came together to call upon the Taliban to revisit its decision to ban girls from attending secondary school and ensure girls can access education without discrimination. This culminated in a joint declaration — endorsed by Islamic scholars and ulemas from different schools of thought — highlighting teachings of the Quran that emphasise the importance of girls' education.

Global commitments to education: Malala Fund's advocacy efforts contributed to a number of new financial commitments to education, totalling \$2.3 billion over the next five years from Norway, the U.K., the U.S., the European Union and Germany made largely to the Global Partnership for Education (GPE) replenishment. A quote from Malala was included in the GPE's Case for Investment document and one senior GPE source stated in a call that "the fact that the case for girls' education is so well accepted [among donors] is down to Malala and Malala Fund."

Fourth international conference on the Safe School Declaration: In Nigeria on International Day of the Girl, Malala Fund partnered with the Nigeria Girl Guides Association to lead an advocacy workshop where 40 girls came together to develop their own Safe Schools Declaration. Malala Fund then shared their demands with high-level government officials and the media. This event occurred immediately before the International Conference on Safe Schools hosted by Nigeria, helping to ensure that leaders included the priorities of girls during the conference.

Supporting a network of local educators and activists

By the close of FY 2021–2022, the Malala Fund US had supported 85 local educators and advocates in ten countries with \$25.8 million (USD) in grants to their organisations, capacity building and networking opportunities. While the Malala Fund UK does not engage in direct grantmaking, its staff do support grantee capacity building, advocacy, networking opportunities and programme MEL.

Together, the Malala Fund US and the Malala Fund UK are working to cultivate a network of Education Champions around the world who can pursue joint advocacy strategies, share innovative models for increasing access to quality education and learn from each other's work. Specifically, the Malala Fund UK has undertaken the following activities in support of this effort:

- Facilitating collective action within the network and increasing local advocates' ability to realise their agendas and create impact;
- Supporting capacity building for advocates through in-person, online and individual training programmes; and
- Raising the profile of individual Education Champions and providing access to decision-makers.

Examples of Education Champion successes during FY 2021–2022 included:

In Brazil, Education Champion Cassia Jane Souza identified the factors forcing girls in Cabo de Santo Agostinho to drop out of high school and worked with them to advocate for gender-responsive education policies that will help them stay in school. In response to their efforts, the local government agreed to improve school facilities to promote safer classroom environments — including implementing a menstrual dignity programme to provide sanitary pads to girls in public schools, expanding their response to school dropouts to incorporate a gender lens and implementing a programme to address gender-based violence in public schools.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

In Ethiopia, the changing context as a result of the ongoing conflict is impacting girls' education; reports indicate that more than 1.9 million students are out of school because of the crisis. Collectively, Education Champions have initiated an emergency response focused on the 10 areas most affected by the conflict. They are responding to humanitarian needs, safeguarding girls in internally displaced people (IDP) camps and helping girls to safely return to school. The regional government has welcomed the Ethiopia chapter's focus on supporting students, schools and parents and committed to help implement the project.

In India, Education Champions initiated a postcard campaign on the International Day of Education, where more than 55,000 girls from 52 districts across six states (Assam, Bihar, Uttar Pradesh, Delhi, West Bengal and Andhra Pradesh) wrote to the prime minister of India asking him to extend the Right To Education (RTE) Act from 10 to 12 years of education. This campaign was widely covered in the media and helped advance Education Champions' education financing advocacy and connect them with the relevant government departments at district and state levels.

Youth activism and awareness raising

In recent years, the Malala Fund UK and the Malala Fund US have developed a large, diverse and active supporter base of young people around the world (the majority of the charity's 275,000+ online supporters in the United Kingdom are between the ages 18 and 34). The charity's young audience positions it well to lead regional, national and global efforts on girls' education. Young followers are often the first to take action online and share Malala Fund's campaigns, giving more visibility to the activists and girls the charity supports.

Malala Fund believes that listening to the experiences of girls and young women, amplifying their voices and building their advocacy skills to create their own movements is fundamental to achieving lasting progress for girls' education. In 2020, the Malala Fund US and UK launched its Girl Programme, which offers a fellowship for girls to develop their knowledge and skill as advocates and campaigners for education. Through its grantmaking function the Girl Programme has awarded 15 grants to organisations, groups and movements working to improve education and address the barriers girls face when accessing education. Through the voice amplification strand of the Girl Programme, Malala Fund has supported the participation of young women in global, regional and national advocacy and policymaking spaces.

Finally, on Assembly, Malala Fund's digital publication and newsletter, girls share their thoughts, their challenges and their accomplishments. Assembly is a meeting place for girls around the world and a source of ideas and inspiration in their fight for education and equality. Led by Malala's example, the charity uses the platform to encourage young people to create change for girls' education on a global scale.

Plans for the future

The Malala Fund UK and the Malala Fund US have shared goals for the coming years. Building on lessons learned from past endeavours, the charity's future work will focus on encouraging governments to provide more funding for education and on special campaigns to change social norms that deny girls' potential. The charity will also focus efforts on promoting quality education that prepares young women to shape the world around them.

In terms of investments, the Malala Fund US intends to grow its grantmaking portfolio over the coming years, expanding its Education Champion Network to up to 11 countries total by 2025. At the same time, the organisation plans to support girls' training and movement building around education advocacy and launch new programmes that form strategic education coalitions in the countries where Malala Fund has already established strong partner networks.

While the Malala Fund UK does not plan to engage in direct grantmaking for the foreseeable future, its staff will continue to support grantees of the Malala Fund US. Specifically, staff of the Malala Fund UK will develop and refine programmatic approaches benefitting both the Malala Fund UK and the Malala Fund US. Staff of the charity will also work with the grantees of the Malala Fund US to produce a joint advocacy agenda for every country where the Malala Fund US invests grant funding.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Staff of the Malala Fund UK will also oversee and evaluate the overall programme process and MEL. Staff of the Malala Fund UK will also engage in education research and awareness raising efforts to benefit audiences in the UK and globally.

COVID-19 impact and response: In response to the COVID-19 global pandemic beginning in 2020, Malala Fund made several strategic changes to its advocacy and grantmaking approaches, which continued into 2021 and are expected to continue in the future. By mid-2020, Malala Fund had initiated multiple actions in response to the pandemic. In April 2020 the organisation released a research report on the impacts of COVID-19 on education, which found that approximately 20 million secondary school-age girls are unlikely to ever return to classrooms as a result of the pandemic. This research sparked the development of Malala Fund's COVID-19 Response Framework, which entails the following through special advocacy campaigns and grantmaking to local organisations in six countries (Afghanistan, Brazil, Ethiopia, India, Nigeria, and Pakistan):

1. Respond to the immediate needs of girls displaced from in-person learning in the near-term;
2. Help ensure that countries have clear plans to assist girls in returning to school as part of national recovery in the medium-term; and
3. Work with partners and governments around education resiliency in the longer-term, building on lessons learned from the pandemic.

At the midpoint of this initiative in August 2021, Malala Fund commissioned a mid-term review to: reflect on the major social and economic implications of COVID-19 for girls around the world, particularly those in Malala Fund programme countries; evaluate the effectiveness of Malala Fund's COVID investments; and identify key changes, messaging and strategies needed to continue to advance girls' education. The intention was not to assess the impact of advocacy and programmatic efforts during this time, but rather on the relevance of the strategy and support given to partners. In December 2021, the evaluation consultants facilitated a three-day learning event to share initial research findings with Malala Fund staff, research participants and other interested partner representatives, and gather feedback on key insights. The three-day event was also a space to have conversations within Malala Fund on the COVID-19 strategy and Malala Fund's future programming. The consultants finalised and submitted their reports in January 2022. Over the period of March–May 2022, the Malala Fund Programmes and Advocacy teams engaged with the evaluation findings and developed a management response, which is Malala Fund's method of documenting teams' reactions to an evaluative product and how they intend to take forward and prioritise findings and recommendations.

Impact of the unfolding crisis in Afghanistan: Malala Fund continues to respond to the unfolding humanitarian and girls' education crisis in Afghanistan following the Taliban's takeover on 15 August 2021. At the time of writing, Afghanistan is the only country in the world where girls are effectively banned from attending secondary school. Malala Fund has supported girls' education partners in Afghanistan since 2016 and the charity's work in recent months has focused on ensuring the safety of its Afghan partners, communicating the importance of girls' education in all Afghanistan-related advocacy and communications, and identifying new ways to support education-related programming within Afghanistan and for Afghans who are displaced internationally. This work has significantly impacted budgeting and planning for FY 2021–2022 and for years to come. In response to the crisis in Afghanistan, Malala Fund has opened an Afghanistan Response Fund seeking to work with and support initiatives inside and outside Afghanistan that supports girls' access to education, including but not limited to supporting the delivery of education programmes.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Diversity, Equity and Inclusion (DEI): In 2021, the charity, including its Board of Trustees, placed great focus on ensuring that all aspects of the organisation's work reflected commitments to be decolonial, inclusive, feminist, free of abuse and promote the well-being of our staff and grantees. Critical steps taken in FY 2021–2022 included:

- Continuing our DEI work with our staff-led Anti-Discrimination and Equity (ADE) Committee, which involves regular consultations with Trustees, the CEO, and Executive Leadership Team to help shape organisational culture and ensure Malala Fund policies and practices are fairly designed and implemented; and
- Shaping the DEI roadmap to take recommendations from our external consultant forward.

Achievements and performance

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Given the Malala Fund UK's status as a fairly new charity and its modest financial activity during FY 2021–2022 (relative to the financial activity of its nearly exclusive funding source for the period, the Malala Fund US), the charity does not have a reserves policy yet. The charity will establish such a policy once it has scaled up independent fundraising in the United Kingdom. In 2021–2022 Malala Fund developed a UK-specific fundraising strategy, which it began to implement at the start of FY 2022–2023.

Per the inter-company cooperation agreement between the Malala Fund UK and the entity in the US, in event of a revenue shortfall, the US entity is prepared to cover any payment and other resources to cover the Malala Fund UK's contractual obligations in accordance with annual budgets or as approved in writing by the boards of the two entities, utilising US reserve funds or other sources. At the end of the year the Malala Fund UK had free reserves (defined as unrestricted funds excluding fixed assets) of £113,447.

c. Principal risks and uncertainties

In early 2020, the Malala Fund UK (along with Malala Fund US) finalised a formal risk register and risk management policy, which necessitates review of all risks by the CEO and the organisation's Audit and Risk Committee at least bi-annually and a review of select, key risks by the full board at least annually. Identified risks are rated based on probability and severity of impact. In each area, the charity is taking critical steps to mitigate risk, including significant investments in a robust due diligence process for vendors, staff and other partners, safeguarding measures for children and at-risk adults and guidance and support from security experts.

Organisational risks identified by the Malala Fund UK are categorised as follows:

- Management and government risks, including failure to make an impact as a result of strategic approach, loss of board members or key staff, and failures in policies, procedures and systems. These risks are mitigated by annual review of the strategic plan, regular review of policies and procedures, creation of a large and diverse board and directors and officers insurance.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

- Public perception, including reputational risks and the risk of losing supporters. These risks are mitigated by team consultations before public statements and ongoing monitoring of media responses, as well as hiring staff with experience working with youth in developing countries.
- Programmes and operational risks, including economic or political turmoil, the negative impact of COVID-19 or other possible force majeure events on programmatic implementation and oversight and a potential incident involving a staff member or programme participant. These risks are mitigated through diversification of donors and investment accounts, strong relationships with legal counsel in our program countries, grantees' and partners' signature of our Child Protection Policy and annual safeguarding policy and procedure reviews.
- Financial, including failure to raise funds in the future or an act of theft or abuse of funds. These risks are mitigated by focus on donor diversification, maintaining a 6-month operating reserve, monthly cash flow tracking, anti-fraud banking controls and insurance coverage of theft.
- Security risks, including acts of terrorism or a cyber breach involving donor or partner data. These risks are managed by keeping travel schedules confidential, limited access to cloud-based systems and our cyber-crime insurance policy.

At present, the specific areas for risks identified by the trustees, which they track most closely with staff are:

1. Performance against Malala Fund's five-year strategy;
2. Living out organisational values of diversity, equity and inclusion;
3. Appropriate composition of the board of trustees;
4. Global expansion of Malala Fund programmes and operations;
5. Risks concerning the Shangla Girls' School;
6. Risks concerning the Education Champion Network;
7. Reputational risks in the event of failure to comply with policies; and
8. Fundraising.

d. Financial risk management objectives and policies

Per the Malala Fund UK's FY 2021–2022 financial statements, total expenditures for the period were £1,910,517 against £1,932,580 in net revenue (and £40,877 in in-kind contributions). The Malala Fund UK continues to be almost completely funded by a grant from its sole member, the Malala Fund US.

During the course of the financial year, the Malala Fund US transferred US board-approved disbursements to cover operational costs as needed, with limited carry-over balances from month to month. All operational costs for the Malala Fund UK were in alignment with the annual budget independently approved by its trustees.

At the close of the Malala Fund UK's financial year, on 31 March 2022, the charity reported £113,447 in funds carried forward. In accordance with the standing inter-company cooperation agreement between the Malala Fund US and the Malala Fund UK, the US entity will continue to financially support the operations of the UK until the time that the UK entity becomes self-sustaining. For this reason, FY 2021–2022's carry-over balance at the close of the financial year is not cause for concern.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

e. Fundraising

The Malala Fund UK did not engage in any significant, solicited fundraising efforts during FY 2021–2022, its third year as registered charity. Approximately 91% of the charity's £1,932,580 in net revenue for FY 2021–2022 arrived in the form of a grant from the Malala Fund US, in alignment with the inter-company cooperation agreement between the two entities to support a shared mission. In addition, the Malala Fund US also provided the charity with £40,877 in in-kind contributions to support the newer charity. While a portion of the CEO salary was allocated to fundraising, no fundraising-specific staff were employed by the Malala Fund UK during FY 2021–2022. The charity did not employ professional fundraisers and it received no complaints.

f. Remuneration policy for key management personnel

The Malala Fund UK maintains a shared policy with the Malala Fund US and Malala Fund Nigeria for determining the compensation level of the charity's CEO. Under the policy, the trustees set the salary level for the CEO and in doing so must rely on comparability data that demonstrates the reasonableness of the proposed CEO compensation. For example, when setting compensation, the trustees must secure data that documents compensation levels paid by similarly situated organisations for functionally comparable positions.

The compensation levels for all other staff of the Malala Fund UK are authorised by the charity's CEO. The salary levels of the charity are based on comparability data sourced by the charity's operations and human resources staff. In January 2022, the boards of The Malala Fund U.K. and Malala Fund (US) engaged a third-party consultant to perform a salary review for the CEO and all executive-level leaders. This work is still ongoing as of August 2022. In addition to this, Malala Fund Human Resources Department is commencing a review of our compensation philosophy to be aligned with Malala Fund's values of equity, inclusion and courage and to better meet our unique global need.

Structure, governance and management

a. Constitution

The Malala Fund UK is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The organisation is a charitable company limited by guarantee, incorporated on 6 January 2017 and registered as a charity on 5 June 2018. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Trustees of the Malala Fund UK are recruited and retained based on their talents and ability to add significant value in some or all of the following areas: 1) Subject matter expertise on global (girls') education, with an understanding of the constituencies the Malala Fund serves; 2) Core business experience in advocacy, grant-making, operational programming, etc.; 3) Innovative, strategic communications experience; and 4) Board governance experience and experience in organisational management, particularly in the charity sector.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

As a matter of formal vote, the trustees of the Malala Fund UK may appoint new board members as they deem beneficial. The Malala Fund UK's sole member, the Malala Fund US, may also appoint trustees, as was the case at the time of the Malala Fund UK's initial establishment. All trustees give their time voluntarily and receive no benefits from the charity.

In terms of trustee induction, key trustee documents are provided to all new trustees, including a detailed overview of trustee roles, responsibilities and expectations. Induction for new trustees includes a handover of key documents and a series of weekly meetings with individual departments covering topics such as organisational history, key programmatic priorities, fundraising plans and financial health and planning.

Governance activities of the Malala Fund UK's trustees include the following:

- Approval of the Articles of Association, board policies and amendments thereof.
- Approval of the annual budget and top-line organisational strategy.
- Establishment of committees and committee charters.
- Oversight of the Malala Fund UK's organisational and financial sustainability.
- Evaluation of major areas of risk via regular discussion.
- Ensuring that the Malala Fund UK is legally and financially compliant with the intentions of its donors and its status as a charity in England and Wales.
- Appointing a Chair, new trustees and officers.
- Hiring and setting the CEO's compensation rate.
- Conducting regular performance reviews on the CEO, remediating concerns if necessary.
- The handling of Serious Incident Reports (SIRs) to the Charity Commission and whistleblower complaints, in the event that they arise.
- Providing general support to the CEO and other senior leadership.

The Malala Fund UK's CEO (a shared employee with The Malala Fund US) is authorised to make decisions relating to office expansion, staff changes, major campaigns, employee policies and security or reputational concerns, but in all of these cases must first consult with the trustees. The CEO is also responsible for day-to-day management and decision-making for the charity and implementation of trustee-approved strategic plans. They are supported by an Executive Leadership Team composed of two senior department heads who are employees of the Malala Fund UK and three senior department heads employed by the Malala Fund in the US.

The trustees of the Malala Fund UK conducted formal meetings in FY2021-2022, with all trustees present. Most trustees were also present as observers during three additional board calls of the Malala Fund US's board of directors during the same financial year. The charity takes out trustee liability insurance in relation to their duties.

d. Pay policy for key management personnel

The Malala Fund UK maintains a shared policy with the Malala Fund US for determining the compensation level of the charity's CEO. Under the policy, the trustees set the salary level for the CEO and in doing so must rely on comparability data that demonstrates the reasonableness of the proposed CEO compensation. For example, when setting compensation, the trustees must secure data that documents compensation levels paid by similarly situated organisations for functionally comparable positions.

The compensation levels for all other staff of the Malala Fund UK are authorised by the charity's CEO. The salary levels of the charity are based on comparability data sourced by the charity's operations and human resources staff.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

e. Related party relationships

The sole member of the charity is the Malala Fund (US), a registered not-for-profit United States 501(c)(3) charitable organisation. In April 2021, the two entities were joined by a third member, The Malala Fund Nigeria LTD, a Nigerian company limited by guarantee with a charitable purpose. While the three organisations are independent entities, they do cooperate around a shared mission in service to the same beneficiaries.

Statement of trustees' responsibilities

The trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' 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. 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 charity 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of information to auditor (continued)

Auditor

Sayer Vincent LLP was appointed
willingness to continue in that capacity

during the year and has expressed its

Approved by order of the members of the board of trustees and signed on their behalf by:

A Mateen
(Chair of Trustees)

Date: 15 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALALA FUND UK

Opinion

We have audited the financial statements of The Malala Fund UK (the 'charity') for the year ended 31 March 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALALA FUND UK (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALALA FUND UK (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 the trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

[Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.]

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALALA FUND UK (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

for and on behalf of
Sayer Vincent LLP

Statutory Auditor

Invicta House

108-114 Golden Lane

London

EC1Y 0TL

21 December 2022

THE MALALA FUND UK
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	1,973,457	1,973,457	1,282,622
Total income		1,973,457	1,973,457	1,282,622
Expenditure on:				
Raising funds		22,450	22,450	22,516
Charitable activities		1,888,067	1,888,067	1,559,948
Total expenditure		1,910,517	1,910,517	1,582,464
Net income/(expenditure) for the year and net movement in funds		62,940	62,940	(299,842)
Reconciliation of funds:				
Total funds brought forward		50,507	50,507	350,349
Net movement in funds		62,940	62,940	(299,842)
Total funds carried forward		113,447	113,447	50,507

The Statement of financial activities includes all gains and losses recognised in the year. All of the above results are derived from continuing activities.

The notes on pages 20 to 32 form part of these financial statements.

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Current assets			
Debtors	11	134,208	87,134
Cash at bank and in hand		98,229	54,642
		<u>232,437</u>	<u>141,776</u>
Creditors: amounts falling due within one year	12	(118,990)	(91,269)
		<u>113,447</u>	<u>50,507</u>
Net current assets		113,447	50,507
Total net assets		<u>113,447</u>	<u>50,507</u>
Charity funds			
Unrestricted funds	13	113,447	50,507
Total funds		<u>113,447</u>	<u>50,507</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

A Mateen
(Chair of Trustees)

Date: 15 December 2022

The notes on pages 20 to 32 form part of these financial statements.

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	21	43,587	(278,301)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		43,587	(278,301)
Cash and cash equivalents at the beginning of the year		54,642	332,943
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	22	98,229	54,642
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 32 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

The Malala Fund UK Limited is a charitable company limited by guarantee registered in England and Wales No. 10551265. It is also a registered charity in England and Wales No. 1178655. Its principal office address is 138 Holborn, London, EC1N 2SW.

The financial statements are presented in Sterling (£). Monetary amounts are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Malala Fund UK 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.

2.2 Going concern

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Income

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.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.4 Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.5 Expenditure

a) Expenditure and irrecoverable VAT

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:

Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose

Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

b) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on direct costs incurred, of the amount attributable to each activity:

Costs of raising funds:	2%
Charitable activities:	98%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

2.7 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.8 Pensions

The charity operates a defined contribution pension scheme with Royal London. Employer contributions of 9% are charged to the statement of financial activities for the period to which they relate. The company has no liability under the scheme other than payments of these contributions.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The charity has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

The charity's policies for its major classes of financial assets and financial liabilities are set out below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
General donations	-	1,750,825	1,750,825
Individual donations	-	69,632	69,632
Corporate and Foundation donations	-	111,843	111,843
Donated services	-	40,877	40,877
Gift aid	-	280	280
	-	1,973,457	1,973,457

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Income from donations and legacies (continued)

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
General donations	-	1,175,338	1,175,338
Individual donations	7,240	19,827	27,067
Donated services	-	79,944	79,944
Gift aid	-	273	273
	<u>7,240</u>	<u>1,275,382</u>	<u>1,282,622</u>

4. Analysis of expenditure 2022

	Raising funds	Programmes and advocacy £	Support costs £	Governance costs £	Total funds 2022 £	Total funds 2021 £
Staff costs	2,457	1,444,510	86,215	-	1,533,182	1,285,263
Staff training	-	-	2,500	-	2,500	3,466
Fundraising costs	-	-	-	-	-	18
Bank fees	-	-	1,840	-	1,840	2,728
Insurance	-	-	30,394	-	30,394	16,546
Professional services	15,000	-	61,336	48,332	124,668	75,384
Travel	-	14,773	-	-	14,773	4,280
Occupancy	-	172,056	17,206	-	189,262	175,742
Communications	-	12,083	1,208	-	13,291	8,500
Office expenses	-	-	99	-	99	9,657
Loss on foreign exchange	-	-	508	-	508	880
	<u>17,457</u>	<u>1,643,422</u>	<u>201,306</u>	<u>48,332</u>	<u>1,910,517</u>	<u>1,582,464</u>
Support costs	4,026	197,280	(201,306)	-	-	-
Governance costs	967	47,365	-	(48,332)	-	-
Total expenditure 2022	<u>22,450</u>	<u>1,888,067</u>	-	-	<u>1,910,517</u>	-
Total expenditure 2021	<u>22,516</u>	<u>1,559,948</u>	-	-	-	<u>1,582,464</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Analysis of expenditure 2021

	Raising funds	Programmes and	Support costs	Governance costs	Total funds 2021
		£	£	£	£
Staff costs	2,020	1,145,962	137,281	-	1,285,263
Staff training	-	-	3,466	-	3,466
Fundraising costs	18	-	-	-	18
Bank fees	-	-	2,728	-	2,728
Insurance	-	-	16,546	-	16,546
Professional services	-	-	57,033	18,351	75,384
Travel	-	4,280	-	-	4,280
Occupancy	-	160,733	15,009	-	175,742
Communications	-	-	8,500	-	8,500
Office expenses	-	-	9,657	-	9,657
Loss on foreign exchange	-	-	880	-	880
	2,038	1,310,975	251,100	18,351	1,582,464
Support costs	19,084	232,016	(251,100)	-	-
Governance costs	1,395	16,956	-	(18,351)	-
Total expenditure 2021	22,516	1,559,948	-	-	1,582,464

6. Net income and expenditure

	2022 £	2021 £
Net income/expenditure is stated after charging:		
Fees payable to the charity's auditor in respect of:		
Audit & accountancy preparation	9,030	7,150
Other assurance services	-	1,350
Foreign exchange losses	508	880
	9,538	9,380

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Staff costs

	2022	2021
	£	£
Salaries and wages	1,271,782	1,053,895
Redundancy and termination costs	-	30,000
Social security and private medical insurance	147,522	109,315
Defined contribution pension scheme	110,090	85,261
Life and ADD insurance	3,666	2,632
Working from home allowance	-	4,160
Childcare vouchers	122	-
	1,533,182	1,285,263

The total employee benefits (including pension contributions and employer's social security) of the key management personnel were £29,897 (2021: £30,967). The CEO's salaries and benefits are paid by The Malala Fund USA and so only a proportion has been allocated to The Malala Fund UK, in line with the staff time spent on The Malala Fund UK work.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Employees

The following number of employees received employee benefits (excluding employer pension costs and employer national insurance) during the year was;

	2022	2021
	£	£
£60,000 - £69,999	2	4
£70,000 - £79,999	3	1
£80,000 - £89,999	1	1
£100,000 - £109,999	1	-
£120,000 - £129,999	1	1
	<u>8</u>	<u>7</u>

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 24 (2021: 19).

Staff are split across the activities of the charity as follows:

Staff split

	2022	2021
	£	£
Programmes and advocacy	21	15
Raising funds	-	-
Support	3	4
	<u>24</u>	<u>19</u>

Average head count is based on the number of staff working for The Malala Fund UK each month. The figure includes 4 staff employed by The Malala Fund US for the months where a portion of the cost of their employment has been allocated to The Malala Fund UK. Portion of the CEO, COO and Controller's time has been allocated to Raising Funds, totaling to less than one full time equivalent.

9. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no trustee expenses have been incurred (2021 - £NIL).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11. Debtors

	2022	2021
	£	£
Due within one year		
Trade debtors	50,552	2,864
Funds held on behalf of The Malala Fund UK	46,839	60,236
Other debtors	26,383	21,000
Prepayments	10,434	3,034
	134,208	87,134

12. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	6,792	2,050
Other taxation and social security	46,739	32,978
Other creditors	16,131	12,675
Accruals	49,328	43,566
	118,990	91,269

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
General funds- all funds	50,507	1,973,457	(1,910,517)	113,447

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
General funds- all funds	350,349	1,275,383	(1,575,225)	50,507
Restricted fund- Pakistan	-	7,239	(7,239)	-
	350,349	1,282,622	(1,582,464)	50,507

Purposes of restricted fund - Pakistan

The funds received were restricted to support local educators and activists in Pakistan.

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Current assets	232,437	232,437
Creditors due within one year	(118,990)	(118,990)
Total	113,447	113,447

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Total funds 2021 £
Current assets	141,776	141,776
Creditors due within one year	(91,269)	(91,269)
Total	<u>50,507</u>	<u>50,507</u>

15. Operating lease commitments

At 31 March 2022 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	<u>13,960</u>	<u>-</u>

16. Members' liability

The charity is a company limited by guarantee and has no share capital. The liability of the sole member, The Malala Fund, in the event of winding up is limited to £1.

17. Related party transactions

The Malala Fund, the parent charity of Malala Fund UK, funded the costs of salaries and rental costs in the year totalling £1,750,825 (2021: £1,175,338). In addition it provided in kind support totalling £40,877 (2021: £79,994). This is recognised as income in the accounts. There were no donations from trustees or senior management in the year (2021: £nil).

18. Post balance sheet events

Subsequent to the year end, on 29 April 2022, the company signed a new rental agreement. The commitment term of this lease being 12 months from 1 May 2022. Per this agreement, the total rent per annum is £185,232 resulting in an operating lease commitment of equal amount.

19. Controlling party

The company's ultimate parent undertaking and controlling party is The Malala Fund, a Section 501(c)(3) charitable corporation incorporated in the State of Delaware, U.S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. Joint Ventures

On 12 March 2021, a corporation registration was approved in Nigeria for The Malala Fund Nigeria LTD/GTE (“Malala Fund Nigeria”). The creation of Malala Fund Nigeria will allow for hiring of local staff in Nigeria and expansion of work in that country. The Malala Fund UK and The Malala Fund are the sole members of Malala Fund Nigeria. Malala Fund Nigeria had no financial activity during the year ended 31 March 2022.

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	62,940	(299,842)
Adjustments for:		
(Increase) in debtors	(47,074)	(17,585)
Increase in creditors	27,721	39,126
Net cash provided by/(used in) operating activities	43,587	(278,301)

22. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	98,229	54,642
Total cash and cash equivalents	98,229	54,642

23. Analysis of changes in net debt

	At 1 April 2021	Movement	At 31 March 2022
	£	£	£
Cash at bank and in hand	54,642	43,587	98,229
Debt due within 1 year	(4,164)	(730)	(4,894)
	50,478	42,857	93,335

THE MALALA FUND UK

England & Wales - Charity number 1178655

Accounts

Company number: 10551265
Charity number: 1178655

The Malala Fund UK

Report and financial statements

For the year ended 31 March 2021



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Reference and administrative information

For the year ended 31 March 2021

Company number 10551265
Country of incorporation United Kingdom

Charity number 1178655
Country of registration England and Wales

Registered office and operational address 3 Waterhouse Square
138 Holborn
London, EC1N 2SW

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Akhter Mateen	Director and Board Chair
Susan McCaw	Director
Fayeeza Naqvi	Director
Malala Yousafzai	Director

Key Management Suzanne Ehlers, CEO

Bankers Citibank
Canada Square
Canary Wharf
LONDON
E14 5LB

Solicitors Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Purposes, aims and objectives

Together with the Malala Fund US, the Malala Fund UK is working toward a world where every girl can choose her own future. Co-founded by Malala Yousafzai and her father Ziauddin Yousafzai, The Malala Fund began as a United States registered organisation in early 2013 in response to a swell of public support following the 2012 attack on Malala's life. Since then, Malala has become the movement leader for girls' education and her continued activism has built momentum for girls' education and equality around the world.

As stated in the Malala Fund UK's Articles of Association, the objects of the charity are to promote education worldwide, particularly (but not limited to) secondary school age girls in the developing world denied education due to poverty, violence, discrimination or tradition.

Since incorporation in 2017 and registration as a public charity in England and Wales in 2018, the Malala Fund UK has worked alongside the Malala Fund US to support programmes that improve access to high-quality education in Afghanistan, Brazil, Ethiopia, India, Lebanon, Nigeria, Pakistan and Turkey. The charity also advocates for the resources and policy changes needed to give all girls a secondary education – informing policy makers and the general public in the United Kingdom and elsewhere about the importance and benefits of education globally.

Throughout the year, the trustees of the Malala Fund UK review the aims, objectives and activities of the charity. This report looks at what the Malala Fund UK has achieved and the outcomes of its work against its charitable objectives during the reporting period. Regular reviews and the process of putting together this annual report help the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

People served, activities and progress to date

The Malala Fund UK works to support change in the lives of the nearly 130 million girls who are out of school globally and the millions more who are not receiving a quality education. To the Malala Fund, a "quality" education means not just that children are retaining knowledge, but also

that what they learn translates into a wider set of personal, social and developmental benefits. Two aspects of education quality particularly pertinent for girls are the relevance of education to their lives and aspirations, and the extent to which education is gender responsive so that girls are supported in pursuing their goals.

Specifically, the charity (along with the Malala Fund US) engages in three overarching activities:

1. **Advocating to hold leaders accountable:** The charity advocates — at local, national and international levels — for resources and policy changes needed to give all girls a secondary education.
2. **Investing in local education activists:** Through its Education Champion Network (formerly the “Gulmakai Network” programme) the Malala Fund US awards grants to local educators and advocates — the people who best understand girls in their communities — in regions where the most girls are missing out on secondary school. The Malala Fund UK supports these grantees through capacity building, advocacy support, networking opportunities and programme monitoring, evaluation and learning (MEL).
3. **Amplifying girls' voices:** The charity believes that girls should speak for themselves and tell leaders what they need to learn and achieve their potential. To this end, the charity amplifies girls' voices and shares their stories through Assembly, its digital publication and newsletter. In 2020, the organisation also launched a new portfolio of grants (through its new “Girl Activist Programme”) to support organisations informing girls of their rights and working directly with them to build advocacy skills.

All of the Malala Fund UK's charitable activities focus on getting more girls into school and learning and are undertaken to further the charity's mission and to serve a public benefit. Specifics on the charity's activities and progress towards its objectives are provided below.

Advocacy work and victories

In FY2020-2021, the Malala Fund UK and the Malala Fund US encouraged leaders to address the impact of the COVID-19 global pandemic on girls' education and successfully advocated for more aid. Highlights of these efforts included:

2020 United Nations General Assembly: The Malala Fund US and UK used 2020's virtual UN General Assembly in September to urge world leaders to focus on girls' education in their rebuilding plans. After publishing an op-ed in The Guardian titled *After COVID-19, millions of girls may not return to the classroom. We can help them*, Co-founder Malala Yousafzai spoke at the inaugural SDG Moment event to urge participants to lead the way in creating a sustainable, healthy, educated and equitable world.

Building back equal guide: In August 2020, along with Plan International, UNICEF, UNESCO and UNGEI, the Malala Fund US and UK developed the *Building back equal: Girls back to school guide*, which recommends how policymakers can reopen schools in a way that is safe, gender-responsive and child-friendly, and meets the needs of the most marginalised girls.

Germany COVID-19 response: Following Malala Fund's advocacy, the German Bundestag voted to provide 25 million euros to the Global Partnership for Education (GPE)'s COVID-19 response, in addition to its annual contribution of 50 million euros.

National advocacy: In Ethiopia, India, Nigeria and Pakistan, the Malala Fund US and UK worked with Malala Fund Education Champions to lead campaigns calling on national governments to allocate sufficient funding towards education and implement gender-responsive back-to-school plans. A highlight from the campaign in Nigeria was a high-level virtual roundtable on girls' education and COVID-19 co-hosted by Malala Fund Co-founder Ziauddin Yousafzai and the Governor of Kaduna state. The event provided a platform for our Education Champions to present findings from our research to state governors and education commissioners across northern Nigeria and discuss the challenges girls in their communities faced during the COVID-19 crisis.

Supporting a network of local educators and activists

By the close of FY2020-2021, the Malala Fund US had supported 61 local educators and advocates in eight Global South countries with \$15.9 million (USD) in grants to their organisations, capacity building and networking opportunities. While the Malala Fund UK does not engage in direct grant-making, its staff do support grantee capacity building, advocacy, networking opportunities and programme monitoring, evaluation and learning (MEL).

Together, the Malala Fund US and the Malala Fund UK are working to cultivate a network of education champions around the world who can pursue joint advocacy strategies, share innovative models for increasing access to quality education and learn from each other's work. Specifically, the Malala Fund UK has undertaken the following activities in support of this effort:

- Facilitating collective action within the network and increasing local advocates' ability to realise their agendas and impact.
- Supporting capacity building for advocates through in-person, online and individual training programmes.
- Raising the profile of individual education champions and providing access to decision-makers.

Examples of Champion successes during FY2020-2021 included:

- In **Brazil**, after years of advocacy from Malala Fund Education Champions, the National Congress approved a constitutional amendment that makes permanent FUNDEB, a government financing mechanism that provides underfunded schools with the resources they need. This ruling is an important step in ensuring that the Brazilian government funds free and quality basic education across the country.
- In **Ethiopia**, Champion Amsale Mulugeta trained 210 iddir representatives — members of community-based organisations that create local bylaws — on how to change legislation to address barriers to girls' education like child marriage and unsafe school conditions. As a

result, eight groups have started to revise their bylaws to condemn child marriage and other harmful traditional practices and require community members to send their daughters to secondary and tertiary schools.

- In **India**, Malala Fund Champions Digambar Narzary and Raju Kumar work in districts of Assam where flooding and years of ethnic conflict prevent girls from attending school safely. With support from the Malala Fund they provide 1,220 girls who are out of school or at risk of dropping out with remedial classes and life skills training.
- In **Nigeria**, Champion Kiki James developed an educational radio programme called The ACE Radio School to support children who can't access online resources. The radio programme broadcasts reading, writing, STEM and hygiene lessons on five radio stations across northern Nigeria that have a reach of 20 million listeners during peak hours.
- In **Pakistan**, Champion Lalah Rukh engages almost 600 students — the majority of whom are girls — with science learning resources, including video experiments, live science shows, quizzes and other hands-on activities. After the pandemic began, Lalah created podcasts and weekly videos featuring female scientists and designed science kits for girls to conduct at-home experiments using basic equipment.

COVID-19 support: In response to the COVID-19 pandemic, \$3.2 million USD in FY2020-2021 grants awarded by the Malala Fund US and supported by the Malala Fund UK were focused on ensuring that girls could continue their education during COVID-19 school closures and were positioned to go back to school as soon as safely possible. These COVID-19 response grants were distributed to existing Malala Fund Education Network Champions as well as other organisations addressing the impact of COVID-19 on girls' education and their communities.

Youth activism and awareness raising

In recent years, the Malala Fund UK and the Malala Fund US have developed a large, diverse and active supporter base of young people around the world (the majority of the charity's 275,000+ online supporters in the United Kingdom are between the ages 18 and 34). The charity's young audience positions it well to lead regional, national and global efforts on girls' education. Young followers are often the first to take action online and share the Malala Fund's campaigns, giving more visibility to the activists and girls the charity supports.

The Malala Fund believes that listening to the experiences of girls and young women, amplifying their voices and building their advocacy skills to create their own movements is fundamental to achieving lasting, positive improvements in girls' education. In 2020, the Malala Fund US and UK launched the "Girl Activist Programme", which offers fellowships for girls and grants to organisations working to give girls the tools they need to advocate for education. The launch year included 10 Girl Activist Programme grants to organisations that are creating safe spaces for girls, educating girls about their rights and providing resources for youth-led advocacy.

Finally, on Assembly, the Malala Fund's digital publication and newsletter, girls have the opportunity to share their stories — and to discover ideas and inspiration from their peers around the world. Led by Malala Yousafzai's example, the charity encourages and cultivates young people to create change for girls' education on a global scale.

Plans for the future

The Malala Fund UK and the Malala Fund US have shared ambitions for the coming years. Building on lessons learned, the charity's future work will focus on encouraging governmental provision of more funding for education and on special campaigns to change social norms that deny girls' potential. The charity will also focus efforts on promoting quality education that prepares young women to shape the world around them.

In terms of investments, the Malala Fund US intends to grow its grant-making portfolio over the coming years – expanding its Education Champion network to up to 17 countries total by 2025. At the same time, the organisation plans to launch new programmes to partner with state / provincial governments in three targeted geographies (India, Nigeria and Pakistan) and to support girls' training and movement building around education advocacy.

While the Malala Fund UK does not plan to engage in direct grant-making for the foreseeable future, its staff will continue to support grantees of the Malala Fund US. Specifically, staff of the Malala Fund UK will develop and refine programmatic approaches benefitting both the Malala Fund UK and the Malala Fund US. Staff of the charity will also work with Malala Fund US' grantees to produce a joint advocacy agenda for every country where the Malala Fund US invests grant funding. Staff of the Malala Fund UK will also oversee and evaluate overall programme process, monitoring, evaluation and learning (MEL). Staff of the Malala Fund UK will also engage in education research and awareness raising efforts to benefit audiences in the UK and globally.

COVID-19 impact and response: In response to the COVID-19 global pandemic beginning in 2020, the Malala Fund made several strategic changes to its advocacy and grant-making approaches, which are expected to continue well into 2021 and beyond. By mid-2020, at the time of this report's writing, Malala Fund had initiated multiple actions in response to the pandemic. In April 2020 the organisation released a research report on the impacts of COVID-19 on education, which found that approximately 20 million secondary school age girls are unlikely to ever return to classrooms as a result of the pandemic. This research sparked the development of Malala Fund's COVID-19 Response Framework, which entails the following through special advocacy campaigns and grant-making to local organisations in six Global South countries: 1) Respond to the immediate needs of girls displaced from in-person learning in the near-term; 2) Help ensure that countries have clear plans to assist girls returning to school as part of national recovery in the medium-term; and 3) Work with partners and governments around education resiliency in the longer-term, building on lessons learned from the pandemic.

Impact of the Unfolding Crisis in Afghanistan: At the time of finalising this report, Malala Fund is responding to the unfolding humanitarian and girls' education crisis in Afghanistan. This is following the Taliban's takeover of Kabul on 15 August 2021, after the conclusion of the budget year covered in this report. At the time of writing, Afghanistan is the only country in the world

where girls are effectively banned from attending secondary school. Malala Fund has supported girls' education partners in Afghanistan since 2016 and work in recent months has focused on ensuring the safety of Afghan partners, communicating the importance of girls' education in all Afghanistan-related advocacy and communications and identifying new ways to support education-related programming within Afghanistan and for Afghans who are displaced internationally. This work has significantly impacted budgeting and planning for FY2021-2022 and for years to come.

Diversity, Equity and Inclusion (DEI): In 2020, the charity, including its Board of Trustees, placed great focus on ensuring that all aspects of the organisation's work reflected commitments to be decolonial, inclusive, feminist, free of abuse and promote the well-being of our staff and grantees. Critical steps taken in in FY 2020-2021 included:

- Establishing a staff-led Anti-Discrimination and Equity (ADE) Committee to consult regularly with Trustees and Executive Leadership Team to help shape organisational culture and ensure Malala Fund policies and practices are fairly designed and implemented.
- Hiring an external firm (identified by the ADE Committee) to conduct an initial assessment of Malala Fund's policies and culture, to inform future DEI initiatives.

Financial review

Per the Malala Fund UK's FY2020-2021 financial statements, total expenditures for the period were £1,582,464, against £1,202,678 in net revenue (and £79,944 in in-kind contributions). The Malala Fund UK continues to be almost completely funded by a grant from its sole member, the Malala Fund US.

During the course of the financial year, the Malala Fund US transferred US board-approved disbursements to cover operational costs as needed, with limited carry-over balances from month to month. All operational costs for the Malala Fund UK were in alignment with the annual budget independently approved by its trustees.

At the close of the Malala Fund UK's financial year, on 31 March 2021, the charity reported £50,507 in funds carried forward. In accordance with the standing inter-company cooperation agreement between the Malala Fund US and the Malala Fund UK, the US entity will continue to financially support the operations of the UK until the time that the UK entity becomes self-sustaining. For this reason, FY2020-2021's carry-over balance at the close of the financial year is not cause for concern.

Principal risks and uncertainties

In early 2020, the Malala Fund UK finalised a formal risk register and risk management policy, which necessitates review of all risks by the CEO and the organisation's Audit and Risk Committee at least bi-annually and a review of select, key risks by the full board at least annually. All identified risks are rated based on probability and severity of impact. In each area, the charity is taking critical steps to mitigate risk, including significant investments in a robust due diligence

process for vendors, staff and other partners, safeguarding measures for children and at-risk adults and guidance and support from security experts.

Organisational risks identified by the Malala Fund UK are categorised as follows:

- **Management and government risks**, including failure to make an impact as a result of strategic approach, loss of board members or key staff, and failures in policies, procedures and systems.
- **Public perception**, including reputational risks and the risk of losing supporters.
- **Programmes and operational risks** including economic or political turmoil, the negative impact of COVID-19 on programmatic implementation and oversight and a potential incident involving a staff member or programme participant.
- **Financial**, including failure to raise funds in the future or an act of theft or abuse of funds.
- **Security risks**, including acts of terrorism or a cyber breach involving donor or partner data.

Impact of COVID-19

Beginning in early 2020, the near and likely longer-term impacts of COVID-19 presented additional and significant organisational risks. By the close of FY2019-2020, the global pandemic rendered most international, national and even local travel unfeasible. This has in turn impacted Malala Fund's ability, albeit temporarily, to conduct some meetings, advocacy events and training, when digital alternatives are not possible. The organisation has also had to shift its approach to some of its MEL work, relying more heavily on in-country expertise and stakeholder interviews over video versus in-person site visit reports from visiting staff and third-party evaluators.

However, while the Malala Fund's approach to work has changed during the pandemic, its ultimate objectives and five-year goals are expected to remain constant. For the foreseeable future, the Malala Fund US is confident in its ability to fundraise at a level that fulfils all existing commitments, including to its staff, grantees and to the Malala Fund UK, while also fuelling programmatic expansion. The financial health of the organisation is due in large part to the consistency of funding from several well-established institutional funders giving at the multi-year level as well as steps taken by organisational leadership to cut expected spending by approximately 15% in FY2020-2021.

Reserves policy

Given the Malala Fund UK's status as a fairly new charity and its modest financial activity during FY2020-2021 (relative to the financial activity of its nearly exclusive funding source for the period, the Malala Fund US), the charity does not have a reserves policy yet. The charity will establish such a policy once it has scaled up independent fundraising in the United Kingdom.

Per the inter-company cooperation agreement between the Malala Fund UK and the entity in the US, in event of a revenue shortfall, the US entity is prepared to cover any payment and other

resources to cover the Malala Fund UK's contractual obligations in accordance with annual budgets or as approved in writing by the boards of the two entities, utilising US reserve funds or other sources. At the end of the year the Malala Fund UK had free reserves (defined as unrestricted funds excluding fixed assets) of £50,507.

Fundraising

The Malala Fund UK did not engage in any significant, solicited fundraising efforts during FY2020-2021, its third year as registered charity. Approximately 98% of the charity's £1,202,678 in net revenue for FY2020-2021 arrived in the form of a grant from the Malala Fund US, in alignment with the inter-company cooperation agreement between the two entities to support a shared mission. In addition, the Malala Fund US also provided the charity with £79,944 in in-kind contributions to support the newer charity. While a portion of the CEO salary was allocated to fundraising, no fundraising-specific staff were employed by the Malala Fund UK during FY2020-2021. The charity did not employ professional fundraisers and it received no complaints.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 6 January 2017 and registered as a charity on 5 June 2018. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Trustees of the Malala Fund UK are recruited and retained based on their talents and ability to add significant value in some or all of the following areas: 1) Subject matter expertise on global (girls') education, with an understanding of the constituencies the Malala Fund serves; 2) Core business experience in advocacy, grant-making, operational programming, etc.; 3) Innovative, strategic communications experience; and 4) Board governance experience and experience in organisational management, particularly in the charity sector.

As a matter of formal vote, the trustees of the Malala Fund UK may appoint new board members as they deem beneficial. The Malala Fund UK's sole member, the Malala Fund US, may also appoint trustees, as was the case at the time of the Malala Fund UK's initial establishment. All trustees give their time voluntarily and receive no benefits from the charity.

In terms of trustee induction, key trustee documents are provided to all new trustees, including a detailed overview of trustee roles, responsibilities and expectations. Induction for new trustees includes a handover of key documents and a series of weekly meetings with individual departments covering topics such as organisational history, key programmatic priorities, fundraising plans and financial health and planning.

Governance activities of the Malala Fund UK's trustees include the following:

- Approval of the Articles of Association, board policies and amendments thereof.
- Approval of the annual budget and top-line organisational strategy.
- Establishment of committees and committee charters.

Trustees' annual report

For the year ended 31 March 2021

- Oversight of the Malala Fund UK's organisational and financial sustainability.
- Evaluation of major areas of risk via regular discussion.
- Ensuring that the Malala Fund UK is legally and financially compliant with the intentions of its donors and its status as a charity in England and Wales.
- Appointing a Chair, new trustees and officers.
- Hiring and setting the CEO's compensation rate.
- Conducting regular performance reviews on the CEO, remediating concerns if necessary.
- The handling of Serious Incident Reports (SIRs) to the Charity Commission and whistleblower complaints, in the event that they arise.
- Providing general support to the CEO and other senior leadership.

The Malala Fund UK's CEO (a shared employee with The Malala Fund US) is authorised to make decisions relating to office expansion, staff changes, major campaigns, employee policies and security or reputational concerns, but in all of these cases must first consult with the trustees. The CEO is also responsible for day-to-day management and decision-making for the charity and implementation of trustee-approved strategic plans. They are supported by an Executive Leadership Team composed of two senior department heads who are employees of the Malala Fund UK and three senior department heads employed by the Malala Fund in the US

The trustees of the Malala Fund UK conducted two formal meetings in FY2020-2021 (both virtual), in September 2020 and February 2021, with all trustees present. Most trustees were also present as observers during three additional board calls of the Malala Fund US's board of directors during the same financial year.

Related parties and relationships with other organisations

During the entirety of FY2020-2021, the sole member of the charity was the Malala Fund (US), a registered not-for-profit United States 501(c)(3) charitable organisation. By April 2021, the two entities were joined by a third member, The Malala Fund Nigeria LTD, a Nigerian company limited by guarantee with a charitable purpose. While the three organisations are independent entities, they do cooperate around a shared mission in service to the same beneficiaries.

Remuneration policy for key management personnel

The Malala Fund UK maintains a shared policy with the Malala Fund US for determining the compensation level of the charity's CEO. Under the policy, the trustees set the salary level for the CEO and in doing so must rely on comparability data that demonstrates the reasonableness of the proposed CEO compensation. For example, when setting compensation, the trustees must secure data that documents compensation levels paid by similarly situated organisations for functionally comparable positions.

The compensation levels for all other staff of the Malala Fund UK are authorised by the charity's CEO. The salary levels of the charity are based on comparability data sourced by the charity's operations and human resources staff.

Statement of responsibilities of the trustees

The trustees (who are also directors of the Malala Fund UK 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 period.

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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 adequate accounting records that 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The sole member of the charity, The Malala Fund guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 10 December 2021 and signed on their behalf by:

Akhter Mateen
Chair, Board of Trustees
The Malala Fund UK

Independent auditor's report

To the members of

The Malala Fund UK

Independent auditor's report to the members of The Malala Fund UK

Opinion

We have audited the financial statements of The Malala Fund UK (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including 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 Companies Act 2006

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Malala Fund UK's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the members of

The Malala Fund UK

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 the trustees determine

Independent auditor's report

To the members of

The Malala Fund UK

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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

To the members of

The Malala Fund UK

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

17 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Malala Fund UK

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Income from:					
Donations and legacies	2	1,275,383	7,239	1,282,622	1,184,581
Total income		<u>1,275,383</u>	<u>-</u>	<u>1,282,622</u>	<u>1,184,581</u>
Expenditure on:					
Raising funds	3a	22,516	-	22,516	16,120
Charitable activities	3a	1,552,709	7,239	1,559,948	888,611
Total expenditure		<u>1,575,225</u>	<u>7,239</u>	<u>1,582,464</u>	<u>904,732</u>
Net (expenditure) / income for the year	4	(299,842)	-	(299,842)	279,849
Reconciliation of funds:					
Total funds brought forward		350,349	-	350,349	70,500
Total funds carried forward		<u><u>50,507</u></u>	<u><u>-</u></u>	<u><u>50,507</u></u>	<u><u>350,349</u></u>

All activities in 2020 were unrestricted.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The Malala Fund UK

Balance sheet

Company no. 10551265

As at 31 March 2021

	Note	£	2021 £	£	2020 £
Current assets:					
Debtors	9	87,134		69,549	
Cash and cash equivalents		54,642		332,943	
				<u>402,492</u>	
		141,776			
Liabilities:					
Creditors: amounts falling due within one year	10	(91,269)		(52,143)	
				<u>(52,143)</u>	
Total net current assets and total net assets			<u>50,507</u>		<u>350,349</u>
The funds of the charity:					
Restricted funds			-		-
General unrestricted funds			50,507		350,349
Total charity funds			<u>50,507</u>		<u>350,349</u>

Approved by the trustees on 10 December 2021 and signed on their behalf by

Akhter Mateen
Chair, Board of Trustees

The Malala Fund UK

Statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Net (expenditure) / income for the reporting period (as per the statement of financial activities)		(299,842)		279,849	
(Increase) / decrease in debtors		(17,585)		26,619	
Increase / (decrease) in creditors		39,126		(2,933)	
Net cash provided by operating activities		(278,301)		303,536	
Change in cash and cash equivalents in the year		(278,301)		303,536	
Cash and cash equivalents at the beginning of the year		332,943		29,407	
Cash and cash equivalents at the end of the year	a	54,642		332,943	
Analysis of cash and cash equivalents and of net debt					
		At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash at bank and in hand		332,943	(278,301)	-	54,642
Total cash and cash equivalents		332,943	(278,301)	-	54,642

1 Accounting policies

a) Statutory information

The Malala Fund UK is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is 138 Holborn, London, EC1N 2SW.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees have not made any key judgements that have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

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.

h) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

i) Expenditure and irrecoverable VAT

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:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on direct costs incurred, of the amount attributable to each activity:

- | | |
|--------------------------|-------|
| ● Costs of raising funds | 7.6% |
| ● Charitable activities | 92.4% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £3,500 (\$5,000). Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|----------------------|---------|
| ● Computer equipment | 3 years |
| ● Computer software | 5 years |
| ● Office equipment | 5 years |

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting policies (continued)

o) Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

The charity operates a defined contribution pension scheme with Royal London. Employer contributions of 9% are charged to the statement of financial activities for the period to which they relate. The company has no liability under the scheme other than payments of these contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
General donations	1,175,338	–	1,175,338	1,042,080
Individual donations	19,828	7,239	27,067	42,921
Gift Aid	273	–	273	5,088
Donated services	79,944	–	79,944	94,492
	1,275,383	7,239	1,282,622	1,184,581

All income received in 2020 was unrestricted income.

The Malala Fund UK

Notes to the financial statements

For the year ended 31 March 2021

3a Analysis of expenditure (current year)

	<u>Charitable activities</u>				2021	2020
	Raising funds £	Programmes and advocacy £	Support costs £	Governance costs £	Total £	Total £
Staff costs (Note 5)	2,020	1,145,962	137,281	-	1,285,263	648,005
Staff training	-	-	3,466	-	3,466	5,398
Fundraising costs	18	-	-	-	18	-
Bank fees	-	-	2,728	-	2,728	1,901
Insurance	-	-	16,546	-	16,546	10,403
Professional services	-	-	57,033	18,351	75,384	64,049
Travel	-	4,280	-	-	4,280	-
Occupancy	-	160,733	15,009	-	175,742	163,241
Communications	-	-	8,500	-	8,500	-
Office expenses	-	-	9,657	-	9,657	8,116
Honorariums	-	-	-	-	-	2,087
Loss on foreign exchange	-	-	880	-	880	1,532
	<u>2,038</u>	<u>1,310,975</u>	<u>251,101</u>	<u>18,351</u>	<u>1,582,464</u>	<u>904,732</u>
Support costs	19,084	232,017	(251,101)	-	-	-
Governance costs	1,395	16,956	-	(18,351)	-	-
Total expenditure 2021	<u>22,516</u>	<u>1,559,948</u>	<u>-</u>	<u>-</u>	<u>1,582,464</u>	
Total expenditure 2020	<u>16,120</u>	<u>888,611</u>	<u>-</u>	<u>-</u>		<u>904,732</u>

The Malala Fund UK

Notes to the financial statements

For the year ended 31 March 2021

3b Analysis of expenditure (prior year)

	Charitable activities				2020
	Raising funds £	Programmes and advocacy £	Support costs £	Governance costs £	Total £
Staff costs (Note 5)	3,514	560,270	84,221	-	648,005
Staff training	-	-	5,398	-	5,398
Bank fees	-	-	1,901	-	1,901
Insurance	-	-	10,403	-	10,403
Professional services	-	26,500	29,149	8,400	64,049
Travel	-	-	-	-	-
Occupancy	-	146,488	16,753	-	163,241
Communications	-	-	-	-	-
Office expenses	-	-	8,116	-	8,116
Honorariums	-	2,087	-	-	2,087
Meetings and events	-	-	-	-	-
Loss on foreign exchange	-	-	1,532	-	1,532
	3,514	735,345	157,473	8,400	904,731
Support costs	11,968	145,505	(157,473)	-	-
Governance costs	638	7,762	-	(8,400)	-
Total expenditure 2020	16,120	888,611	-	-	904,731

4 Net income for the year before foreign exchange losses

This is stated after charging:

	2021	2020
	£	£
Auditor's remuneration (excluding VAT):		
Audit	7,150	7,000
Other services	1,350	1,300
Foreign exchange losses	880	1,532
	<u>880</u>	<u>1,532</u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	1,053,896	549,774
Redundancy and termination costs	30,000	–
Social security costs	109,315	54,866
Employer's contribution to defined contribution pension schemes	85,261	42,729
Other forms of employee benefits:		
Life and ADD insurance	2,632	636
Other benefits – working from home allowance	4,160	–
	<u>1,285,264</u>	<u>648,005</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021	2020
	No.	No.
£60,000 – £69,999	4	2
£80,000 – £89,999	1	–
£90,000 – £99,999	1	–
£100,000 – £109,999	–	1
£110,000 – £119,999	–	1
£120,000 – £129,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's social security) of the key management personnel were £8,355 (2020: £17,735). The CEO's salaries and benefits are paid by The Malala Fund USA and so only a proportion has been allocated to The Malala Fund UK, in line with the staff time spent on The Malala Fund UK work.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses in the year were nil (2020: £nil).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 19 (2020: 11).

Staff are split across the activities of the charity as follows:

	2021 No.	2020 No.
Programmes & advocacy	15.3	7.8
Raising funds	0.2	0.2
Support	3.5	3.0
	19.0	11.0
	19.0	11.0

Average head count is based on the number of staff working for The Malala Fund UK each month. The figure includes 4 staff employed by The Malala Fund US for the months where a portion of the cost of their employment has been allocated to The Malala Fund UK. A portion of the CEO, COO and Controller's time has been allocated to Raising Funds.

7 Related party transactions

The Malala Fund, the parent charity of The Malala Fund UK, funded the costs of salaries and rental costs in the year totalling £1,175,338 (2020: £1,042,080). In addition it provided in kind support totalling £79,994 (2020: £94,492). This is recognised as income in the accounts.

There were no donations from trustees or senior management in the year (2020: £nil).

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Debtors

	2021 £	2020 £
Trade debtors	2,864	-
Other debtors – We Work deposit	21,000	25,500
Other debtors – funds held on behalf of The Malala Fund UK	60,236	42,458
Prepayments	3,034	1,591
	87,134	69,549
	87,134	69,549

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,050	–
Taxation and social security	32,978	27,857
Other creditors	12,675	9,526
Accruals	43,566	14,760
	<u>91,269</u>	<u>52,143</u>

11a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Net current assets	50,507	–	50,507
Net assets at 31 March 2021	<u>50,507</u>	<u>–</u>	<u>50,507</u>

11b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Net current assets	350,349	–	350,349
Net assets at 31 March 2020	<u>350,349</u>	<u>–</u>	<u>350,349</u>

12a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted fund – Pakistan	–	7,239	(7,239)	–	–
Unrestricted general funds	350,349	1,275,383	(1,575,225)	–	50,507
Total funds	<u>350,349</u>	<u>1,282,622</u>	<u>(1,582,464)</u>	<u>–</u>	<u>50,507</u>

The narrative to explain the purpose of each fund is given at the foot of the note below.

12b Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds	-	-	-	-	-
Unrestricted general funds	70,500	1,184,581	(904,732)	-	350,349
Total funds	70,500	1,184,581	(904,732)	-	350,349

Purposes of restricted fund – Pakistan

The funds received were restricted to support local educators and activists in Pakistan.

13 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of the sole member, The Malala Fund, in the event of winding up is limited to £1.

14 Ultimate controlling party

The company's ultimate parent undertaking and controlling party is The Malala Fund, a Section 501(c)(3) charitable corporation incorporated in the State of Delaware, U.S.A.