

Company number: 10551265
Charity number: 1178655

The Malala Fund UK

Report and financial statements

For the year ended 31 March 2023

Contents

For the year ended 31 March 2023

Reference and administrative information	1
Trustees' annual report	2
Independent auditor's report	15
Statement of financial activities (incorporating an income and expenditure account)	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22

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.

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.

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)	
		<u>(199,859)</u>		<u>(118,990)</u>	
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

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

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)	–
	<u>967</u>	<u>47,365</u>	<u>–</u>	<u>(48,332)</u>	<u>–</u>
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 No.	2022 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 No.	2022 No.
Programmes & advocacy	19.1	21.0
Raising funds	0.5	–
Support	2.1	3.0
	<u>21.7</u>	<u>24.0</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. 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
	<u>69,934</u>	<u>134,208</u>

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
	199,859	118,990

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	–