

Chifundo UK

(a Charitable Incorporated Organisation)

Trustees Report and Financial Statements

for the period

1 January 2019 to 31 December 2019

Registered charity: 1160791

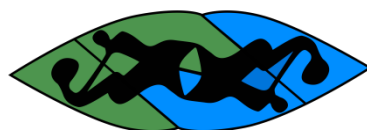


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Report of the Trustees

The trustees of Chifundo UK present their annual report and accounts for the period 1 January 2019 to 31 December 2019 and confirm that they comply with the requirements of the Charities Act 2011, its constitution as a Charitable Incorporated Organisation, and the charities SORP 2005. The trustees also confirm that section 4 (the public benefit requirement) of the Charities Act 2011 has been complied with.

Legal and administrative information

Name	Chifundo UK
Charity number	1160791
Charity address	1 St Christophers Close Upton Chester CH2 1EJ

Trustees

Trustees serving during this period and their positions held were as follows:

Susan Flynn, Chair
Lynn Walton, Treasurer
Jean Gorman (from Nov 2019), Secretary
Gloria Morrison
Derrie Lizi
Princy Johnson

Independent Examiner

David Lewis F.C.A.

Structure, governance and management

Governing Documents

Chifundo UK is a Charitable Incorporated Organisation (CIO) with a Constitution founded on 20 November 2014. Chifundo UK was entered on the Register of Charities of England and Wales on 9 March 2015. The financial statements comply with the current statutory requirements of the Charities Act 2011.

Trustee Recruitment, Induction and Training

Trustees are encouraged to attend external training events and to read the relevant literature provided by the Charity Commission.

Organisation

The charity trustees shall manage the affairs of the CIO and may, for that purpose, exercise all the powers of the CIO. The membership of the CIO is its trustees.

The trustees met three times during 2019.

Objectives and Activities

The objectives of the CIO are:

- To empower girls and women in Malawi through tertiary education.
- To empower girls and women in Malawi through income generation.

To further these objectives the activities for the year 2019 were:

- Raising awareness and money through giving talks with fashion shows and sales of goods.
- Selling ethical goods made in Malawi through Fair Trade Shops and at events.
- Selling ethical goods made by sewing group volunteers in the UK at events.
- Obtaining orders from large organisations for products to be made in Malawi.
- Organising the making of Lotus Packs of reusable sanitary products and giving these to girls in Malawi alongside training in Menstrual Health Management.
- Enabling women to attend tailoring courses in Malawi.
- Buying and maintaining equipment.
- Funding the rent of premises for each group to work in.
- Funding the employment of a part time manager in Malawi.

Achievements and performance

HIGHLIGHTS

Highlights from 2019 include:

- The successful completion of an order for 1,300 tote bags for a conference on Africa at Edinburgh University.
- The manufacture and distribution with training of over 800 Lotus Packs to needy schoolgirls at seven schools in Malawi.
- Funding the rent of four premises for all of the women's groups in Malawi.
- The completion of three weeks of Business Management skills training for 40 Chanasa women.
- The purchase of four new treadle sewing machines for the women's groups in Malawi.

SUPPORT FOR CHANASA MALAWI

Chanasa women's groups in the four different locations in Blantyre's poor suburbs now have rented premises, which gives them more independence and a more appropriate environment in which to work. A total of 42 women are involved together with a part time Coordinator.

This year a large order of 1,300 tote bags for a European Conference on Africa at the University of Edinburgh in June 2019 was successfully completed. This was a challenge both for the women in Malawi to purchase the materials, have the panels printed and make the bags and for Chifundo in the UK to ensure the air freighting, importing and delivery process went smoothly. The order was delivered on time and overall made a profit of over £ 2,000. Part of this has been used to pay all the women a £10 Christmas bonus. The remainder will be used by the Chanasa Trustees in Malawi for repairs and replacement of equipment and for funding courses at the Beehive Tailoring School.

Funding was obtained for Business Management skills training, which had to be postponed until

summer 2019 because of the Edinburgh University order and the Lotus Project work for schools. All the women had the opportunity to attend 3 weeks of business skills training to help them organise and run their groups in a more business-like manner, to improve their financial literacy and hopefully to become more entrepreneurial. As a result they have set up their own small savings scheme with their own constitution and the appointment of officers. We are grateful to the Rotary Club of Chester, the Souter Trust and SMB Trust as well as individual donors for funding this business training.

The frequent power cuts in Malawi are an issue when using electric sewing machines. A grant was obtained from The Friends of Malawi Association in the UK for the purchase of four treadle sewing machines, one for each of the four groups.

The Chair visits Malawi twice a year for 4 weeks at a time. This year the Treasurer joined her for two weeks in September 2019. The visits this year enabled the accounts for both Chanasa Malawi and the Lotus Project to be organised, for the Edinburgh Order and freighting from Malawi to be organised, and the Business Management Skills Training to be monitored. Collaborative meetings for the Lotus Project took place and the production of pads and bags was supported and organised.

LOTUS PROJECT

The Lotus Project with Chifundo UK and Chanasa Malawi and the Gift of the Givers Foundation in Malawi working together continued from October 2018 until the end of October 2019. Up to that point four schools had had building work completed and over 600 girls were provided with Menstrual Hygiene Training and Lotus Packs. Lotus Packs comprise four washable, reusable sanitary pads, two new pairs of panties, a small waterproof bag, a flannel, salt and soap in a cotton chitenje bag. From the beginning of November 2019 Chanasa Malawi with the support of Chifundo UK has started to deliver the project themselves. One hundred girls at a school have had training delivered by Chanasa women and 200 packs were provided at two schools. In addition, at all seven schools mothers' groups have been trained by Chanasa women to make pads and provided with start-up materials with the aim of them setting up small businesses.

SEWING GROUP

There are now only four ladies in the sewing group in the UK, all faithful supporters of the charity. They not only create new products as samples for the Chanasa women but also sometimes alter products that arrive from Malawi so that they can be sold in the UK. Clothes are embellished for fashion shows and to be sold. The ladies go to events and sell products which is vitally important for the Chanasa women as well as raising money for Chifundo UK.

WOMEN MAKING A DIFFERENCE

Additional help comes from the women who model at mini fashion shows and come and help at events. Chifundo UK needs a designated woman with time to lead, promote and recruit additional women supporters. Two meetings are held each year on a Saturday morning so that those who work can attend. Those meetings provide an opportunity to hear about developments at Chifundo UK as well as news from Malawi and for everyone to be consulted. Any decisions made by the Trustees are also shared with this support group.

FUNDRAISING AND SALES IN THE UK

Chifundo UK continues to be a member of BAFTS (The British Association of Fair Trade Shops and

Suppliers). The Chair is a member of Chester Fair Trade Steering Group and through it Chifundo UK has become involved in Fair Trade events during the year.

A Coffee morning was held at Hoole United Reformed Church in February 2019 and was successful. Another after-Mass Coffee Morning was held at St Columba's Church in autumn 2019 which again was worthwhile.

A Charity Concert was held in April 2019 in conjunction with Christian Aid, Chester Cathedral Mission Group and Chester Women's Aid. It was a well-supported and a very successful evening with the proceeds being shared between the organisations and a larger allocation given to Chifundo UK for organising it.

Chifundo UK held their fourth Christmas Craft Fair and had some new Fair Trade stall holders. More people attended and it was successful. Hoole URC catering team helped with refreshments and also raised money for the church.

Chifundo UK decided to target stalls at the Stockport Fair Trade Christmas Fair and Poynton Methodist Charity Fair where they sold more products. Poynton was successful while Stockport was not as good as in the previous year.

In addition a number of stalls at smaller events and by individuals were successful.

There have been a few sales to a Fair Trade shop in the Lake District but supplying small orders for the work involved is difficult. The use of our website for sales and recruitment of new women continues to need improvement.

CONCLUSION AND THE FUTURE

During the past year Chifundo UK and Chanasa Malawi have received support from Gift of the Givers Foundation in Malawi, particularly transport during visits. It has been a receiving and giving relationship. The Chair and Treasurer have played a large part in this, as they not only support Chanasa but have also supported the Lotus Project ensuring its overall coordination as well as making a contribution as one of three organisations.

Jean Gorman has been attending the trustees' meetings of Chifundo UK as a Business Adviser. Her support and advice have continued to be highly valued. In November 2019 she became a trustee and was appointed as Secretary of the charity.

Fundraising is another area which needs attention. The Chair continues to be concerned about the reliance of Chifundo UK on her contributions and input to fundraising events in the UK as well as her fundraising activities for Malawi. There continues to be an urgent need for Chifundo UK to develop a number of funding streams and a commitment is needed by the trustees to address this issue plus the development of Women Making a Difference. It could be that a staff member is needed to do this if the trustees do not have the skills and time to do it.

The vision remains that Chanasa Malawi will be driven and managed as a successful women's enterprise based on a business model in Malawi but it is going to need a competent full time lead staff member as well as an active Board of Trustees.

Thanks go to all those who have helped in various ways, including those who have given very generous donations and those who continue to work hard supporting the activities of Chifundo.

Financial review

Overview

Total income for this period was £22,523 (£10,516 in 2018). The increase is due to the large Edinburgh University order of £6,300, some very generous individual donations and grants from The Peter Stebbings Memorial Charity, SMB Trust, and Soutar Trust.

Total expenditure for the period was £20,111 (£10,517 in 2018). Almost £6,000 of this went to Malawi for the Edinburgh order, £4,000 for Capacity Building (Business training) and over £3,000 for the Lotus Project. This left a surplus for the year of £2,411.

All restricted income received during the year has been spent during the year.

Reserves Policy

Chifundo UK will hold reserves of at least £1,000 to act as a cushion against any shortfall in revenue and in order to continue to fulfil its charitable purposes.

Restricted Funds

Charities have an obligation to account to donors of funds and the public in general that they are using monies entrusted to them for the purpose for which they are given. Chifundo UK received new restricted funds as detailed in Note 1 on page 11 below where the donor required that the money is spent on a particular purpose.

Independent Examiner's Report on the Accounts

I report on the accounts of the company for the period 1 January 2019 to 31 December 2019 which are set out on pages 9 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention (other than that disclosed below)

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:  Date: 18.2.20

Name: David Lewis

Relevant professional qualification(s) or body (if any): F.C.A.

Address: 39 Earlsway, Chester CH4 8AY, United Kingdom.

Statement of Financial Activities for the period 1 January 2019 to 31 December 2019

	Notes	2019	2019	2018	2018
		Unrestricted	Restricted	Unrestricted	Restricted
Incoming Resources					
Voluntary Income					
Donations with Gift Aid	1	£ 4,457	£ 500	£ 1,702	£ 542
Donations without Gift Aid	1	£ 1,304	£ 2,434	£ 1,157	£ 2,000
Lotus Project Donations with Gift Aid	1	£ -	£ -	£ -	£ -
Lotus Project Donations without Gift Aid	1	£ -	£ 3,051	£ -	£ -
Small Donations with Gift Aid	2	£ 107	£ -	£ 119	£ -
Income Tax recovered	3	£ 1,228	£ 125	£ 410	£ 108
			£ 13,206		£ 6,037
Activities for Generating Funds					
Sales of Chanasa Products at Events		£ 1,128		£ 779	
Sales of Chanasa Products to Shops		£ 114		£ 160	
Sales of Chanasa Products to Glasgow Uni		£ -		£ 556	
Sales of Chanasa Products to Edinburgh Uni		£ 6,300		£ 1,500	
Sales of Chifundo Products		£ 391		£ 707	
Internet Sales		£ 32		£ 96	
Craft Fair		£ 441		£ 350	
Postage charged		£ 13		£ 23	
Other Fundraising		£ 899		£ 309	
			£ 9,317		£ 4,480
Total Income			£ 22,523		£ 10,516
Resources Expended					
Cost of Generating Funds					
Chanasa Products	1	£ 516		£ 1,947	£ 1,000
Glasgow University Products		£ -		£ 570	
Edinburgh University Products		£ 5,852		£ 1,500	
Raw materials	1	£ 34		£ 369	£ 350
Postage		£ 19		£ 39	
Table Fees		£ 35		£ 35	
			£ 6,456		£ 5,810
Course Fees in Malawi					
Beehive Tailoring School		£ 457		£ 153	
			£ 457		£ 153
Grants to Chanasa					
Equipment Grants		£ -	£ 849	£ -	
Meeting Grants		£ 276	£ -	£ 409	
Capacity Building	1	£ 655	£ 3,345	£ 92	£ 55
Staff Salaries and Administration		£ 2,898	£ -	£ 3,138	
Rent		£ 1,025	£ -	£ -	
Other grants		£ 272	£ 85	£ 263	
			£ 9,405		£ 3,956
Lotus Project Costs					
Lotus Project	1	£ 363	£ 3,056		
			£ 3,420		£ -
Administration					
Website		£ 95		£ 96	
Printing etc		£ -		£ 46	
Monthly bank account fees		£ 60		£ 60	
Other Admin costs		£ 40		£ 296	

Cost of Overseas payments	1	<u>£ 178</u>		<u>£ 80</u>	<u>£ 20</u>	
			£ 373			£ 598
Total Resources Expended			<u>£ 20,111</u>			<u>£ 10,517</u>
Net incoming / (outgoing) resources			£ 2,412			-£ 1

Statement of Assets and Liabilities at 31 December 2019

	Notes	2019	2018
Fixed Assets			
Tangible Assets		£ -	£ -
Current Assets			
Cash at Bank		£ 6,859	£ 4,446
Creditors: amounts falling due within a year		£ -	£ -
Liabilities		<u>£ -</u>	<u>£ -</u>
Net Assets		£ 6,859	£ 4,446
Funds			
Unrestricted Funds		£ 6,859	£ 3,221
Restricted Funds - Lotus Project		£ -	£ 5
Restricted Funds - Business Training		£ -	£ 1,220
Restricted Funds - Sewing Machines & Materials		<u>£ -</u>	<u>£ -</u>
Total		£ 6,859	£ 4,446

Notes to Financial Statements for the period 1 January 2019 to 31 December 2019

Note 1 - Restricted Funds are for the **Lotus Project**, for **Business Training**, and for **Sewing Machines and Materials**:

Lotus Project

Incoming Resources

Balance from 2018	£	5	
Donations with Gift Aid			
Donations without Gift Aid	£	51	
The Peter Stebbings Memorial Charity	£	3,000	
Income tax recovered			
			<hr/>
			£ 3,056

Outgoing Resources

Lotus Project Costs	£	3,056	<hr/>
			£ 3,056

Net incoming / (outgoing) resources

<hr/>	£	0	<hr/>
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Business Training

Incoming Resources

Balance from 2018	£	1,220	
Donations with Gift Aid	£	500	
Donations without Gift Aid	£	1,500	
Income tax recovered	£	125	
			<hr/>
			£ 3,345

Outgoing Resources

Capacity building	£	3,345	<hr/>
			£ 3,345

Net incoming / (outgoing) resources

<hr/>	£	0	<hr/>
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Sewing Machines and Materials

Incoming Resources

Donations without Gift Aid	£	934	<hr/>
			£ 934

Outgoing Resources

Equipment Grants	£	849	
Other Grants	£	85	
			<hr/>
			£ 934

Net incoming / (outgoing) resources

<hr/>	£	0	<hr/>
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Note 2 - Small Donations claim is for the period from 6 April 2018 to 5 April 2019.

Note 3 - Gift Aid claim is for the period from 21 Nov 2018 to 20 Nov 2019.

Accounts have been prepared using the Receipts and Payments method. As the gross income is below £25,000 there is no requirement from the Charity Commission to have the accounts independently examined or audited. However, the trustees have chosen to have the accounts independently examined.

Lynn Walton
Treasurer
Chifundo UK