Charity Number: 1119600

Malawi Relief Fund UK

Trustees' report and audited financial statements

for the year ended 31 December 2019

Malawi Relief Fund UK

Contents

Malawi Relief Fund UK

Legal and administrative information

Charity number	1119600
Address	63-65 Victoria Street Blackburn Lancashire BB1 6DN
Trustees	Faruk Ibrahim Bharucha Ahmed Bobat Ismail Valli Yusuf Mohammed Mangera Zunaid A Saeed Chunara Qari Ismail
Secretary	Mohammed Yusuf Mangera
Chairman	Faruk Ibrahim Bharucha
Accountants	Ilyas Patel (Accountants) Limited Chartered Certified Accountants 34 Watling Street Road Fulwood Preston Lancashire PR2 6BP
Bankers	Natwest Bank Plc King William Street Blackburn Lancashire BB1 TDJ

Report of the trustees for the year ended 31 December 2019

The Trustees have pleasure in presenting their report for the year ended 31 December 2019. This report is prepared in accordance with the Statement of Recommended Practice - Accounting and reporting by the Charities and complies with applicable law.

Status and administration

The charity started its operations in 2004 and is constituted under a 2007 constitution and registered with The Charity Commissioners under charity number 1119600.

This year MRF was registered as an NGO in Malawi.

Charity objects

The objectives of the charity are:

- To advance, support and deliver humanitarian relief aid in Malawi (central Africa) to help relieve poverty and respond to natural disasters.
- To support, and improve access to education and healthcare, and clean water and sanitation.
- Develop and support livelihood and sustainability programmes.

Activities and Achievements

The charity is entirely run by volunteers. Members offer their services as trustees and committee members.
Our Programmes are focused on alleviating poverty and our priorities are:

- Providing Humanitarian Aid
- Improving Access to Education and Health care and clean water
- Promoting empowerment and Economic Development initiatives

The charity has been successful in developing effective working partnerships with organisations (NGO's) based in Malawi with similar objectives as ourselves to deliver a range of projects and programmes or by way of providing funds to them to further their work in achieving our objectives.

Orphanage: Our Shukran Orphanage was established in 2012 and continues to develop into a well-managed and successful facility to meet the needs of the orphans. Our local Management Board have responsibility for the effective management, supervision and financial accountability of the orphanage as well as ensuring the children receive valuable care, support, and physical, social, and emotional development.
We have 60 children at the orphanage.

The primary school on site to ensure the children receive the highest standard of education within the complex to ensure the children are provided a good start to life and well prepared for secondary education.

Livelihood and Sustainability: Through our sustainability programme we continue to deliver the women development programme which provides educational and vocational support equip them with life skills, knowledge and tools to help to earn a living. For the tailoring programme the participants are provided with sewing machines, so they can return to their homes and easily sustain themselves and their families. Some are provided nursery nurse training who secure employment in the nursery sector.

Farmers packs: Over 80% of the population rely on smallholder farming to sustain their families. As part of our goal to address food insecurity and help people escape hunger and poverty, we have supported over 10,000 the small-holder farmers with farming inputs. As they start to harvest the crops, we hope to have increased their self-reliance and sustainability.

Our Goat Rearing programme: aims to empower resource-poor rural communities with the intention that the families will benefit to generate income by rearing goats given to them by MRF. The beneficiaries can use the milk for home consumption, and build a stock of animals which they can sell to generate income. This year we supported over 100 families.

Bicycles: To further improve livelihood this year we delivered Goods and Transport Bicycles to 200 beneficiaries providing with a meaningful means to ern a living. The bicycle taxi is popular.

Fishing Boats: Another livelihood project delivered saw 10 boats provided to beneficiaries to support the fishing industry. The beneficiaries are able to maximise their fishing potential and earn a decent living.

Food Packs: Food security is a major challenge in Malawi. In an attempt to mitigate hunger due to food shortage, we provided food packs to over 60,000 families reaching some of the most remote and hard to reach areas of the country. We also provided cooked meals during the blessed month at over 220 centers providing a hot meal to between 40 to 100 people every night.

Shelter Housing: Our ambitious Shelter programme has continued to build home at a pace, delivering 350 new homes and the addition of WC and Washrooms has been most welcomed. This is part of our objective to improve access to sanitation and clean water.

Access to education is one of key priorities and we sponsored 200 children in secondary schools.

Teacher Training: We have also sponsored 100 students at the Mariam Girls Teacher Training Centre. The students who are unable to afford their fees will complete the course and be in a position to take up employment as a teacher in a government school improving their life chances and choices.

Talha Graduate Scholarship: Through the Talha Scholarship Programme we have provided scholarships for 235 Students to study at universities in different discipline, including, optometry, dentistry, midwifery, Radiography, nursing, etc. We believe they will be able secure employment and help meet the acute shortage in health sector workers and make a positive impact on the local economy.

Vocational Training: Through our Vocational Training Centre over 280 students have benefitted from the TEVET training equipping them with new skills and preparing them for work in the construction industry. Our training is focused on three disciplines namely, in Joinery and Carpentry, Brickwork and Plumbing. The students are also offered work placement in leading industry companies where many of them secure employment.

Nursery: Our Nursery at Shukran provides early-years education and support to over 120 children preparing for primary education. We also provide them with a meal which for many children is their main meal of the day. We have extended the Nursery programme to five other centers and aim to extend this to further 10 centers next year. The aim is in providing children with a good start in life to improve the social, emotional and physical development and to prepare them for Primary Schooling.

Access to Clean Water - Through our access to water programme, we have managed to improve access to clean water to 180 locations serving many small villages thereby providing clean water to thousands of people in remote rural villages who would otherwise have to travel several miles every day to access clean water.

We have ordered a borehole water rig which should be in place mid-2020. This game changer will allow MRF to provide deep bore holes and more locations more cost effective providing clean safe water.

Gift of Sight: Our flagship Gift of sight programme has this year maintained our amazing schedule delivering just under 8,000 cataract operations, making MRF one of largest providers of free cataract operations in the country. Along with the cataract operations we provide basic treatment to thousands of people when they are screened. Many are referred to hospitals for more serious eye conditions.

The Eid Gifts programme targets young children during the festive time. We delivered gift packs to 30,000 children filling them with joy and happiness.

Winter Warmth: Our winter warmth programme provided blankets to over 10,000 vulnerable people in remote areas, hospitals, prisons, etc. We also targeted the elderly, widows and children through schools.

This we launched the Improving Mobility as part of or People with Disability initiative. The aim of the project is to alleviate poverty and improve the life of those suffering from immobility due to their disability. Over 50 beneficiaries were provided with wheelchairs, tricycles, or walking aid to ensure they can improve their quality of life.

Access to Healthcare: To help improve access to healthcare we delivered 20 rural bicycle ambulance. The rural bicycle ambulance is a low-cost solution to improve access to clinics in rural areas which could several miles away.

This year we launched the health Support for healthcare and treatment Programme aimed to provide people with financial support to pay for retreatment and medication for individuals unable to afford it.

The Direct Support Programme has also provided targeted vital aid to 200 individuals who are vulnerable and living in acute poverty with little or no income and no other support. They are provided with packs very month including food and daily essentials and at times money to help them survive. The beneficiaries are the elderly, sick, widows and disabled.

Risk Management

The current account funds are held with a leading bank to minimise disruption to activities and reduce risk.

All investment decisions are made to achieve a reasonable return from acceptable sources according to Islamic Jurisprudence whilst minimising the risk.

Trustees' Responsibilities

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of charity and of the incoming resources and application of resources of the charity for that year. 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial portion of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. 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.

On behalf of the board

Ahmed Bobat
Trustee

Faruk Ibrahim Bharucha
Chairman

Auditors Report

Independent auditor's report to the trustees of Malawi Relief Fund UK

Opinion

We have audited the financial statements of Malawi Relief Fund UK for the year ended 31st December 2019 which are set out on pages 7 to 11 and notes to the financial statements, 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 Charity's affairs, of 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 Charities Act 2011

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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity 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 Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Our 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.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:

15th September 2020

Ilyas Patel (FCCA) Senior Statutory Auditor

For and on behalf of Ilyas Patel (Accountants) Ltd — Registered Auditors
Chartered Certified Accountants
34 Watling Street Road
Preston
Lancashire
PR2 8BP

Statement of Financial Activities for the year ended 31st December 2019

	Notes	Unrestricted funds £	Restricted Income funds £	2019 Total £	2018 Total £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income	2	29,005	2,769,947	2,798,952	1,685,284
Total incoming resources		29,005	2,769,947	2,798,952	1,685,284
Resources expended					
Charitable Activities	3	0	2,487,099	2,487,099	1,837,223
Support Costs	4	32,836	0	32,836	25,010
Total resources expended		32,836	2,487,099	2,519,935	1,862,233
Net Incoming Resources before Transfers		-3,831	282,848	279,017	-176,949
Net Movement In Funds		-3,831	282,848	279,017	-176,949
Total Funds Brought Forward		46,612	243,962	290,574	467,523
Total Funds Carried Forward		42,781	526,810	569,591	290,574

Balance Sheet as at 31st December 2019

	Notes	Unrestricted funds £	Restricted income funds £	2019 Total £	2018 Total £
Fixed Assets					
Tangible assets	6	919		919	0
Total Fixed Assets		919	0	919	0
Current Assets					
Debtors	7	40,702	0	40,702	25,784
Cash at bank and in hand		5,260	526,810	532,070	270,290
Total Current Assets		45,962	526,810	572,772	296,074
Creditors: amounts falling due within one year	8	4,100	0	4,100	5,500
Net Current Assets		41,862	526,810	568,672	290,574
Net Assets		42,781	526,810	569,591	290,574
Funds of the Charity					
Restricted funds	9		526,810	526,810	243,962
Unrestricted funds		42,781		42,781	46,612
Total Funds		42,781	526,810	569,591	290,574

Signed by two of the trustees on behalf of all the trustees:

Farok Bharucha Date: 3/9/2020

Ahmed Bobat Date: 3 - 09 - 2020.

Notes forming part of the financial statements for the year ended 31st December 2019

1. **Principal Accounting Policies**

(a) **Basis of accounting**

These accounts have been prepared on the basis of historical cost (except that investments are shown at market value) in accordance with:
- Accounting and Reporting by Charities - Statement of Recommended Practice (SORP 2005);
- and with Accounting Standards or Financial Reporting Standards for Smaller Enterprises (FRSSE);
- and with the Charities Act.

(b) **Change in basis of accounting**

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

(c) **Changes to previous accounts**

No changes have been made to accounts for previous years.

2. **Accounting policies**

INCOMING RESOURCES

Recognition of incoming resources These are included in the Statement of Financial Activities (SoFA) when:
- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliably.

Incoming resources with related expenditure Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

Grants and donations Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.

Tax reclaims on donations and gifts Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.

Gifts in kind Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity.

Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable.

Donated services and facilities These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer help The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment income This is included in the accounts when receivable.

Investment gains and losses This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

EXPENDITURE AND LIABILITIES

Liability recognition Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance costs Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

Support costs Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

ASSETS

Tangible fixed assets for use by charity Investment These are capitalised if they can be used for more than one year. They are valued at cost or, if gifted, at the value to the charity on receipt. Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market

Depreciation Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office Equipment 25% Straight line

2. Voluntary income

	Unrestricted funds £	Restricted income funds £	2019 Total £	2018 Total £
Admin	15,782		15,782	
Aqiqah		590	590	265
General		327,641	327,641	231,287
Gift Aid	13,223	27,479	40,702	24,220
Iftari/ Fitra/ Fidya/ Kafara		64,536	64,536	22,261
Interest		55,563	55,563	71,742
Qurbani		31,566	31,566	36,740
Sadka		49,597	49,597	53,621
Zakat		2,212,975	2,212,975	1,245,148
	29,005	2,769,947	2,798,952	1,685,284

3. Charitable activities

	Unrestricted £	Restricted £	2019 Total £	2018 Total £
General		428,926	428,926	244,711
Iftari/ Fitra/ Fidya/ Kafara		37,300	37,300	
Interest		44,505	44,505	68,666
Qurbani		31,170	31,170	35,710
Sadka		53,699	53,699	62,528
Zakat		1,891,499	1,891,499	1,425,608
	0	2,487,099	2,487,099	1,837,223

4. Support Costs

	Unrestricted £	Restricted £	2019 Total £	2018 Total £
Accountancy Charges	500		500	500
Audit Fee	3,900		3,900	2,100
Bank Charges	610		610	545
Casual Wages			0	1,500
Depreciation	307		307	
Insurance			0	559
Internet & Domain	184		184	
Office and Admin Support	20,650		20,650	
Paypal Fees	563		563	1,150
Postage	342		342	
Professional Fees	2,600		2,600	12,500
Printing, Stationery & Advertisment			0	2,281
Rent			0	1,200
Repairs & Renewals			0	160
Sundry Expenses	150		150	1,205
Travelling Expenses	3,030		3,030	1,310
	32,836	0	32,836	25,010

5. Details of certain items of expenditure

5.1 Trustee expenses

Trustees are not remunerated for their services but thier out of pocket expenses were paid this year.

5.2 Fees for Audit of the accounts

	2019 Total £	2018 Total £
Auditor's fees for reporting on the accounts	3,900	2,100
Other fees paid to the independant examiner or auditor	500	500
	4,400	2,600

6. Tangible fixed assets

	Equipmen £
Cost	
At 31 December 2018	
Additions	1,226
At 31 December 2019	1,226
Depreciation	
At 31 December 2018	
Additions	307
At 31 December 2019	307
Net book value	
At 31 December 2019	919
At 31 December 2018	0

7. Debtors: amounts falling due within one year

	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
Accruals	40,702		40,702	25,784
	40,702	0	40,702	25,784

8. Creditors: amounts falling due within one

	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
Accruals	4,100		4,100	5,500
	4,100	0	4,100	5,500

9. Restricted funds

Restricted funds comprises of donations given by the general public for the sole purpose of supporting the poor Muslims and the destitute Muslims of Malawi and Interest Received which cannot be used by the Society other than to help the poor.