

DEDZA WELFARE TRUST

**ANNUAL REPORT AND
ACCOUNTS**

FOR YEAR ENDED 31 MARCH 2017

DEDZA WELFARE TRUST ANNUAL REPORT AND ACCOUNTS CONTENTS

	Page
Charity Information	1
Report of the Trustees	2 – 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Accounts	7 - 10

DEDZA WELFARE TRUST

CHARITY INFORMATION

CHARITY TRUSTEES

Mr Mussa A Saleh	Chairman
Mr Bashir Ahmed Adam	Vice Chairman
Mr Asif G M Omarji	Secretary
Mr Ayub Adam	Vice Secretary
Mr Suleman Ahmed Mogra	Treasurer
Mr Omar F Essat	Trustee
Mr Mehboob Mussa Sidat	Trustee
Mr Imtihaz AR Bhamjee	Trustee
Mr Mahomed Equbal Makda	Trustee
Mr Ismail Yusuf Alibhai	Trustee
Mr Yusuf Ebrahim Esat	Trustee
Mr Aboobaker Ahmed	Trustee
Mr Samad Yusuf Momoniat	Trustee
Mr Salim Mussa Jassat	Trustee
Mr Mohamed Rafik Adam Yusuf	Trustee
Mr Musa Yusuf Alibhai	Trustee

REGISTERED OFFICE

24 Vulcan House
Vulcan Road
Leicester LE5 3EF

REGISTERED CHARITY NUMBER

1139363

INDEPENDENT EXAMINER

Yusuf Ghumra
Ghumra & Co Limited
Chartered Accountant
45 Broadway Road
Leicester LE5 5TB

DEDZA WELFARE TRUST REPORT OF THE TRUSTEES

The Charity Trustees, who are the members Executive Committee of the Trust, submit their annual report and accounts for the year ended 31st March 2017. The Charity Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) in preparing the annual report and accounts of the Charity.

Governing document

The Trust is an unincorporated organisation formed by adoption of the original constitution dated 9 May 2010 and is registered as a Charity with Charity Commission for England and Wales under charity number 1139363.

Objects of the Association

The principal objects of Dedza Welfare Trust are:

- The relief of need and poverty by providing grants, equipment, emergency aid and resources as the trustees from time to time determine.
- To promote the religion of Islam and understanding of Islam for the public benefit.
- The relief of sickness and the promotion of health.
- The advance of education.
- The promotion of such other purposes as are exclusively charitable under the laws of England and Wales as the trustees from time to time determine.

Charity Trustees

The Executive Committee (and Honorary Officers) is elected by the members at the annual general meeting to serve for a period of two year commencing the end of that meeting.

The Charity Trustees who served during the year are shown on page1.

Governance and management

The Trust is governed by an Executive Committee, which is responsible to the membership for the effective management of the Trust. The Executive Committee comprises a minimum of 3 Honorary Officers members.

Meetings are held on a regular basis.

The trustees are responsible for preparing the Trustees' Report and the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2015 (FRS 102);
- 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

DEDZA WELFARE TRUST REPORT OF THE TRUSTEES

(Continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts Reports) Regulations 2015 and trust deed. 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.

Review of Activities and Future Developments

The statement of financial activities for the year is set out on page 5 of the accounts.

The trust collected voluntary donations amounting to £230,742 (2016: £198,347) from well-wishers and the general public.

This has been used in providing vital aid to affected parts of Malawi. During the year, the trust distributed £63,424 to provide food and clothing, £45,219 to improve educational facilities, £18,000 to provide for building maintenance, £24,500 for the support provided to orphans, £898 to provide clean water to the community, £17,941 to provide funding for Cataracts operations and £33,349 for global aids appeals.

Surplus is being held pending evaluation of some specific projects that the trustees feel would be of enduring benefit to alleviate poverty and disease.

The trustees always bear in mind unforeseen emergencies that may require urgent application of funds.

Public Interest

In planning activities the trustees kept in mind the Charity Commissioner's guidance on public benefit at the meetings.

Our main partners in the delivery of aid to beneficiaries and affected areas in Malawi are Bilal, Islamic Zakat Fund and Malawi Relief Fund.

Regulations and Outside Bodies

We have registered as data controller with the Information Commissioner as required by the Data Protection Act 1998.

Volunteers

On many occasions the Association involves volunteers in the delivery of its activities. We have a full range of policies and procedures operating to ensure this involvement is successful and beneficial to all parties.

Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

Reserves

It is the policy of the Charity to maintain unrestricted funds at a level in excess of annual unrestricted management and administration expenditure. Unrestricted funds are maintained at least at this level throughout the year.

Approved by the Board of the Charity Trustees on **4 December 2017** and signed on their behalf:



Mussa A Saleh
Chairman

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DEDZA WELFARE TRUST

I report on the accounts of Dedza Welfare Trust for the year ended 31 March 2017 which are set out on pages 5 to 9.

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 year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.


Basis of independent examiner's statement

My examination was carried out in accordance with the 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 you as 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 the course of my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure that:
 - proper accounting records are kept in accordance with 130 of the 2011 Act ; and
 - accounts are prepared which agree with the accounting records and comply with the accounting requirements of the 2011 Act;or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Yusuf Ghumra BSc FCA

Chartered Accountant

4 December 2017

**45 Broadway Road
Leicester
LE5 5TB**

DEDZA WELFARE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Income from:					
Voluntary donations		-	230,742	230,742	198,347
Membership fee		450	-	450	1,200
Other		-	-	-	2,180
Total income		<u>450</u>	<u>230,742</u>	<u>231,192</u>	<u>201,727</u>
Expenditure on:					
Charitable activities	2	-	203,331	203,331	261,755
Management and administration	3	3,488	-	3,488	4,115
Total expenditure		<u>3,488</u>	<u>203,331</u>	<u>206,819</u>	<u>265,870</u>
Net Income / (expenditure)		(3,038)	27,411	24,373	(64,143)
Transfers between funds		2,137	(2,137)	-	-
Net movement in funds		<u>(901)</u>	<u>25,274</u>	<u>24,373</u>	<u>(64,143)</u>
Total funds brought forward		(2,824)	113,811	110,987	175,130
Total funds carried forward		<u>(3,725)</u>	<u>139,085</u>	<u>135,360</u>	<u>110,987</u>

DEDZA WELFARE TRUST

BALANCE SHEET

AS AT 31 MARCH 2017

	Note	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
CURRENT ASSETS					
Stock		-	-	-	-
Debtors	6	-	1,550	1,550	1,135
Cash at bank and in hand		390	137,535	137,925	117,577
		<u>390</u>	<u>139,085</u>	<u>139,475</u>	<u>118,712</u>
CREDITORS					
Amounts falling due within one year	7	(4,115)	-	(4,115)	(7,725)
NET CURRENT ASSETS		<u>(3,725)</u>	<u>139,085</u>	<u>135,360</u>	<u>110,987</u>
NET ASSETS		<u>(3,725)</u>	<u>139,085</u>	<u>135,360</u>	<u>110,897</u>
INCOME FUNDS					
Restricted funds		-	139,085	139,085	113,811
Unrestricted funds		(3,725)	-	(3,725)	(2,824)
		<u>(3,725)</u>	<u>139,085</u>	<u>135,360</u>	<u>110,987</u>

Approved by the Board of the Charity Trustees on **4 December 2017** and signed on their behalf:


Suleman Mogra
Treasurer


Mussa A Saleh
Chairman

DEDZA WELFARE TRUST

NOTES TO THE ACCOUNTS

AS AT 31 MARCH 2017

1. Summary of significant accounting policies

General information and basis of preparation

Dedza Welfare Trust is an unincorporated organisation formed by adoption of the original constitution dated 9 May 2010 and is registered as a Charity with Charity Commission for England and Wales under charity number 1139363. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are:

- The relief of need and poverty by providing grants, equipment, emergency aid and resources as the trustees from time to time determine.
- To promote the religion of Islam and understanding of Islam for the public benefit.
- The relief of sickness and the promotion of health.
- The advance of education.
- The promotion of such other purposes as are exclusively charitable under the laws of England and Wales as the trustees from time to time determine.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016);
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- the Charities Act 2011; and
- UK Generally Accepted Practice as it applies from 1 January 2016.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year for the first time and has not resulted in any adjustments being required.

Funds

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

**DEDZA WELFARE TRUST
NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2017
(CONTINUED)**

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

DEDZA WELFARE TRUST

NOTES TO THE ACCOUNTS

AS AT 31 MARCH 2017

(CONTINUED)

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Expenditure on charitable activities includes grants made and funds applied to provide direct assistance; and

Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Analysis of expenditure on charitable activities

	Unrestricted funds	Restricted funds	2017	2016
	£	£	£	£
Malawi - Ramadan Food Packs	-	63,424	58,300	58,300
Malawi - Education & Sponsorship	-	45,219	44,000	44,000
Malawi - Islamic Education & Building Maintenance	-	18,000	56,000	56,000
Malawi - Orphanage Support	-	24,500	19,000	19,000
Malawi - Clean Water Projects	-	898	5,995	5,955
Malawi - Cataract Operations	-	17,941	17,941	-
Global - Aid appeals	-	33,349	33,349	-
Malawi - Women Welfare & Education	-	-	16,000	16,000
Malawi - Flood Appeal	-	-	62,500	62,500
	-	203,331	203,331	261,755

**DEDZA WELFARE TRUST
NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2017
(CONTINUED)**

3. Analysis of expenditure on Management and administration

	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Printing	1,212	-	1,212	1,854
Independent Examiners' remuneration	350	-	350	300
Bank charges	415	-	415	611
Sundries	437	-	437	250
Website expenses	74	-	74	715
Radio appeal	1,000	-	1,000	385
	<u>3,488</u>	<u>-</u>	<u>3,488</u>	<u>4,115</u>

4. Trustees and related parties

Trustee expenses and remuneration

	2017	2016
Number of trustees who were paid expenses	<u>None</u>	<u>None</u>
Total amount paid	<u>Nil</u>	<u>Nil</u>
Trustees' Remuneration	<u>Nil</u>	<u>Nil</u>

Material interest of the trustees

No trustee had a material interest in any contracts during the year.

6. Debtors

	2017 £	2016 £
Other Debtors	1,550	1,135
	<u>1,550</u>	<u>1,135</u>

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Other creditors	4,115	7,725
	<u>4,115</u>	<u>7,725</u>