

DEDZA WELFARE TRUST

**ANNUAL REPORT AND
ACCOUNTS**

FOR YEAR ENDED 31 MARCH 2018

**DEDZA WELFARE TRUST
ANNUAL REPORT AND ACCOUNTS
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DEDZA WELFARE TRUST CHARITY INFORMATION

CHARITY TRUSTEES

Mr Mussa A Saleh	Chairman
Mr Bashir Ahmed Adam	Vice Chairman
Mr Suleman Ahmed Mogra	Treasurer
Mr Sabir Ebrahim Akuji	Vice Treasurer
Mr Ismail Yusuf Alibhai	Secretary
Mr Mahomad Equbal Makda	Vice Secretary
Mr Asif Gulam Mohammed Omarji	Malawi Secretary
Mr Adam Bulbul	Committee Member
Mr Intihaz Abdul Rehman Bhamjee	Committee Member
Mr Omar F Essat	Trustee
Mr Mohamed Rafik Adam Yusuf	Trustee
Mr Mehboob Mussa Sidat	Trustee
Mr Mahomed Altaf Ahmed Sacranie	Trustee
Mr Ibrahim Isap Isat	Trustee
Mr Nazir Ahmed Isat	Trustee
Mr Aboobaker Ahmed	Trustee
Mr Hassan Momoniat	Trustee

REGISTERED OFFICE

24 Vulcan House
Vulcan Road
Leicester LE5 3EF

REGISTERED NUMBER

CHARITY 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 2018. 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 2017) 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.

The following Charity Trustees resigned on 3 February 2018:

Ayub Adam;
Samad Yusuf Momoniat;
Salim Mussa Jassat;
Mussa Yusuf Alibhai; and
Yusuf Ebrahim East.

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).

DEDZA WELFARE TRUST REPORT OF THE TRUSTEES

(Continued)

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.

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 £286,738 (2017: £230,742) 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 £127,385 to provide food and clothing, £51,876 to improve educational facilities, £5,000 for women's welfare and education, £78,500 to provide for building maintenance, £28,350 for the support provided to orphans, £3,950 to provide clean water to the community and £41,542 for global aid 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 Trust and Islamic Zakat 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.

DEDZA WELFARE TRUST REPORT OF THE TRUSTEES

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 **19 October 2018** and signed on their behalf:



Mussa A Saleh
Chairman

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

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2018 which are set out on pages 6 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Yusuf Ghumra BSc FCA

Chartered Accountant

19 October 2018

**45 Broadway Road
Leicester
LE5 5TB**

DEDZA WELFARE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income from:					
Voluntary donations		-	286,738	286,738	230,742
Membership fee		-	-	-	450
Other		900	-	900	-
Total income		<u>900</u>	<u>286,738</u>	<u>287,638</u>	<u>231,192</u>
Expenditure on:					
Charitable activities	2	-	336,603	336,603	203,331
Management and administration	3	4,134	-	4,134	3,488
Total expenditure		<u>4,134</u>	<u>336,603</u>	<u>340,737</u>	<u>206,819</u>
Net Income / (expenditure)		(3,234)	(49,865)	(53,099)	24,373
Transfers between funds		11,531	(11,531)	-	-
Net movement in funds		<u>8,297</u>	<u>(61,396)</u>	<u>(53,099)</u>	<u>24,373</u>
Total funds brought forward		(3,725)	139,085	135,360	110,987
Total funds carried forward		<u>4,572</u>	<u>77,689</u>	<u>82,261</u>	<u>135,360</u>

**DEDZA WELFARE TRUST
BALANCE SHEET
AS AT 31 MARCH 2018**

	Note	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
CURRENT ASSETS					
Stock		-	-	-	-
Debtors	6	-	-	-	1,550
Cash at bank and in hand		4,572	77,689	82,261	137,925
		<u>4,572</u>	<u>77,689</u>	<u>82,261</u>	<u>139,475</u>
CREDITORS					
Amounts falling due within one year	7	-	-	-	(4,115)
NET CURRENT ASSETS		<u>4,572</u>	<u>77,689</u>	<u>82,261</u>	<u>135,360</u>
NET ASSETS		<u>4,572</u>	<u>77,689</u>	<u>82,261</u>	<u>135,360</u>
INCOME FUNDS					
Restricted funds		-	77,689	77,689	139,085
Unrestricted funds		4,572	-	4,572	(3,725)
		<u>4,572</u>	<u>77,689</u>	<u>82,261</u>	<u>135,360</u>

Approved by the Board of the Charity Trustees on **19 October 2018** and signed on their behalf:

Suleman Mogra
Treasurer

Mussa A Saleh
Chairman

DEDZA WELFARE TRUST NOTES TO THE ACCOUNTS AS AT 31 MARCH 2018

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 1 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.

The charity has applied Update Bulletin 1 as published on 2 February 2017 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.

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 2018
(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.

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
- 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.

**DEDZA WELFARE TRUST
NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2018
(CONTINUED)**

2. Analysis of expenditure on charitable activities

	Unrestricted funds	Restricted funds	2018	2017
	£	£	£	£
Malawi - Ramadan Food Packs	-	127,385	127,385	63,424
Malawi - Education & Sponsorship	-	51,876	51,876	45,219
Malawi – Women welfare and education	-	5,000	5,000	-
Malawi - Islamic Education & Building Maintenance	-	78,500	78,500	18,000
Malawi - Orphanage Support	-	28,350	28,350	24,500
Malawi – Clean Water Projects	-	3,950	3,950	898
Malawi - Cataract Operations	-	-	-	17,941
Global - Aid appeals	-	41,542	41,542	33,349
	<u>-</u>	<u>336,603</u>	<u>336,603</u>	<u>203,331</u>

3. Analysis of expenditure on Management and administration

	Unrestricted funds	Restricted funds	2018	2017
	£	£	£	£
Printing	1,436	-	1,436	1,212
Independent Examiners' remuneration	420	-	420	350
Bank charges	369	-	369	415
Sundries	709	-	709	437
Website expenses	-	-	-	74
Radio appeal	1,200	-	1,200	1,000
	<u>4,134</u>	<u>-</u>	<u>4,134</u>	<u>3,488</u>

4. Trustees and related parties

Trustee expenses and remuneration

	2018	2017
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.

**DEDZA WELFARE TRUST
NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2018
(CONTINUED)**

6. Debtors	2018	2017
	£	£
Other Debtors	-	1,550
	<u>-</u>	<u>1,550</u>
7. Creditors: amounts falling due within one year	2018	2017
	£	£
Other creditors	-	4,115
	<u>-</u>	<u>4,115</u>