

Scottish Company Registration No. SC405538
Scottish Charity No. SC042777

Malawi Fruits

(A company limited by guarantee)

Directors' Report and Financial Statements
Year ended 31 December 2025

Malawi Fruits

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Malawi Fruits

Report of the Directors for the year ended 31 December 2025

The Directors (who are also Trustees for the purpose of Charity law) are pleased to present their report together with the financial statements of the company for the year to 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006, the Memorandum and Articles of Association, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 published in October 2019.

Reference and administrative details

Principal and registered office

Kintail House
3 Lister Way
Hamilton
G72 0FT

Bankers

Royal Bank of Scotland
62 Hamilton Road
Motherwell
ML1 3DA

Structure, governance and management

Status of Company and Governing Document

Malawi Fruits is a company limited by guarantee (Number SC405538) and is a registered Scottish Charity (Number SC042777), constituted under a Memorandum of Association. It was incorporated on 17 August 2011 and commenced its activities from that date.

Objectives and aims

The charity's objective is to relieve poverty and its principal activity is to facilitate small agricultural business in Northern Malawi. The Trustees believe that development in this remote area is best achieved by supporting existing small businesses, including smallholder farms, and planting and nurturing new sustainable businesses to create jobs and increase incomes. This approach allows the beneficiaries to earn their own living and retain self-respect, as opposed to being the recipients of charity. We have a four-stage approach to our work with farmers:

- 1) We aim to support them to grow a cash crop to bring a cash income into the household, often for the first time.
- 2) Where possible, we aim to provide irrigation, allowing two crops per year to be grown and pushing up household incomes. Irrigation also helps to combat the effects of climate change.
- 3) We provide polytunnels, particularly for women farmers, to enable year-round growing and, therefore, the potential for a year-round income.
- 4) We are developing chilled produce storage, crop processing and crop handling facilities to reduce post-harvest losses, add value to the crops, and push incomes up even more. Provision of these value-adding facilities often involves the use of renewable energy.

We have worked with two principal partners during the year; MF Foundation which is a Malawi NGO and Modern Farming Technologies (MFT), a Malawi Social enterprise Company which we established in 2017. Malawi Fruits recognises that some work is best facilitated by NGOs but there are some areas of work where a more commercial approach is needed in order to ensure sustainability, so the combination of partners and a trading company gives this flexibility.

Malawi Fruits

Report of the Directors for the year ended 31 December 2025

Directors

Rev Graeme Clark	Chairman
Lewis Carty	
Russell Crawford	
Malcolm H Cunningham	
Jordan MacKellar	
Hilary Storm	(retired February 2025)
Eric Wagner	
William High	(appointed February 2025)
Dr Josephine Munthali	(retired February 2025)

Office Bearers

Kevin Simpson	CEO and secretary
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Organisational structure

Kevin Simpson manages the Company on a day-to-day basis, reporting to the Directors.

Recruitment and appointment of Directors

New Directors are invited to join the Board at the request of all serving Directors. New Directors are chosen to complement the existing skills of the Directors and to bring additional knowledge and experience to the charity. All Directors take policy decisions at regular Trustees' meetings.

Induction and training

When new Directors are appointed, they are provided with appropriate training from current Directors and, where appropriate, external trainers.

Related parties

The Trustees are very involved in the delivery of the charity's objectives, and this involves essential travel to Malawi for work with partners there. Some trips are as leaders of a wider team of volunteers and others are Trustees only travelling. In each case, trips are approved as essential by the Trustees at their meetings and travel, and accommodation costs are met from the charity's funds. In practice, no Trustee visits were made during the year.

The charity employs Susan Crawford as Admin Assistant. Susan is the spouse of Russell Crawford, a Trustee. This interest was declared from the outset, and Russell played no part in the recruitment process or in subsequent work or salary reviews.

Group structure

Malawi Fruits Holdings Limited is a wholly owned subsidiary of Malawi Fruits. Malawi Fruits Holdings Limited is a private company limited by shares incorporated in Scotland.

MFT Trading Limited was a wholly owned subsidiary of Malawi Fruits Holdings Limited. MFT Trading is a private limited company which operates within the Agriculture sector in Northern Malawi. All the shares of MFT were transferred to MF Foundation on 31st December 2024. Malawi Fruits continues to support the work of MFT, now working as partners to deliver social impact.

With Malawi Fruits Holdings Limited now no longer being required, the company was dissolved on 21st April 2026.

Achievements and performance

During the year, the charity was involved in the following main projects:

Greenhouse Farming

Our greenhouse farming continues to grow and is proving to be an extremely effective way to engage women in the agri-economy. Women don't have land use rights in Northern Malawi but by growing in sacks in greenhouses they can produce high quality produce without the need for farmland. The greenhouses (polytunnels) can be sited on any level piece of ground: they don't require farmland.

Malawi Fruits

Report of the Directors for the year ended 31 December 2025

Achievements and performance (cont'd)

We have the support of the micro-finance organisation Lend With Care which enables farmers to get access to loans which they can use to purchase their own greenhouse. This is a significant development with potential to grow in the coming years.

In all this work, MFT commits to buy all the produce, guaranteeing a market for the growers and creating a reliable wholesale supply operation serving supermarkets, hotels and restaurants.

Chilled storage and processing

Reducing post-harvest losses is viewed by Malawi Fruits as being critical to reducing waste and increasing incomes. We have supported MFT to build a Chill Store at Mzuzu (2020) and a second one at Chintech, about 70km south east of Mzuzu (2021). We received grant support from an American company, Sundanzer, to build a third Chill Store at MFT's base in Rumph, about 60km North of Mzuzu in 2022 and this now gives us a network of Chill Stores around which we can cluster our greenhouse and irrigated farming activities. Chilled storage preserves the crops and irons out the peaks and troughs of the marketing activities. In September 2023 both Malawi Fruits and MFT were awarded funding through Innovate UK as part of a wider consortium called "Coolrun". This two-year project aimed to test an innovative method of maintaining the cold chain from the chill stores to the final customers and will also provide blast chilling facilities at MFT's Mzuzu base. This has been a major focus throughout 2025, but the project has experienced some delays due to worldwide shipping problems and local currency challenges. InnovateUK have extended the project to 31st October 2026 to account for this.

The Missing Middle Farm concept

The Missing Middle, now called, *Northern Loyal Farms*, was established in 2023 with funding from GOAC (Guernsey Overseas Aid Committee). The rationale is that Malawi agriculture has two extremes – hundreds of thousands of small-scale farmers producing lower grade crops on one hand; and a handful of very large plantations on the other hand. The large plantations – sugar, tea, rubber, macadamia – produce high quality and are profitable, but they are foreign owned and the profits leave the country. So we have been asking where the missing middle is: farms of 10 or 20 hectares with mixed farming, employing modern methods, producing high quality, but owned by Malawians. The project continued throughout 2025 and the focus was changed to enable farming at three different sites and to focus on onion growing because of the export potential of that crop.

Biogas and renewable energy

MFT and Malawi Fruits are part of a consortium with Edinburgh University and Hypergen. The consortium gained funding for an early stage project from Innovate UK, investigating the potential to use biogas from farm wastes for electricity generation using an innovative gas turbine engine being developed by Hypergen. This one year project, ran from June 2024 to May 2025, and identified strong potential for the innovation in the developing world. Hypergen are now continuing the development of the turbine in Indonesia and intend to return to a focus on sub-saharan Africa once they are ready for commercialisation.

Plans for future periods

In November 2025 we were saddened to hear of the sudden death of Alan Laverock, one of the founders of Malawi Fruits. For the last seven years Alan was the driving force behind The Bananabox Trust, a Scottish charity with similar aims to Malawi Fruits. Bananabox Trust has a partner organisation in Malawi, Bananabox Plus, and this Malawian NGO has similar aims to MFT. Kevin Simpson has become a Trustee on both Bananabox Trust and Bananabox Plus and, in 2026, Malawi Fruits is supporting a merger of the two Malawian entities to create a much stronger organisation. This merger will be a major focus of Malawi Fruits work in the coming year.

Risk management

The Trustees consider the risks associated with the work of the Trust on a regular basis. A risk register has been drawn up and is updated annually. The risks fall into these main headings: reputational, staff issues, non-delivery and failure of programmes, failure to comply with legal and governmental obligations, financial issues, failures of partner organisations, and IT matters. These can be further split between UK issues and Malawi issues.

For each risk, policies and practices have been identified which will mitigate the risk. Most of these are now in place and the balance will be completed shortly.

Malawi Fruits

Report of the Directors for the year ended 31 December 2025

Some risks are out with the control of the Trustees. These include items such as potential loss of funding due to changes resultant on the withdrawal of UK AID and USAID funding in Malawi. There are also risks due to the fluctuation of exchange rates between the pound sterling and the Malawi kwacha and the shortages of foreign currency.

Most of the other risks are dealt with by having written policies in place and by ensuring that Trustees and staff are aware of these policies and operate within the framework set out by the policies.

Detailed budgets are prepared both for UK operations and for Malawi-based operations, including the programmes which we operate. These are disseminated to the appropriate staff, who are required to operate within these constraints.

Financial review

Principle sources of funding

Malawi Fruits receives its income from donations, fund-raising events and grants. In 2022 we were awarded a grant of £150,000 over 3 years from the Guernsey Overseas Aid Committee (GOAC) to support the Missing Middle Farm concept. £22,500 was received during the year and the work is progressing.

A legacy of £12,000 was received in 2024 with some funds carried forward to 2025. The Trustees considered the wishes of the donor and allocated the funds to named individuals identified by the donor and general support of MFT to enable training and mentoring of young farmers.

£1,903 was received from Innovate UK as grant for the Biogas Turbine Project.

£59,692 was received from Innovate UK as grant for the Coolrun Project.

£3,000 was received from the Souter Trust to expand onion growing among small-scale farmers.

Some regular donations are being received as well as one-off items, usually as a result of speaking engagements. There were 5 cycling sports in the year which raised a total of £6,908 after costs and gift aid.

Results for the year

The financial statements for the year are set out in pages 7 to 17. The Statement of Financial Activities on page 7 reflects deficit for the year of £14,187 (2024: surplus of £51,109). There was a deficit of £3,104 (2024: surplus of £50,309) on the unrestricted general fund, a deficit of £10,177 (2024: deficit of £106) on unrestricted designated funds and nil (2024: surplus of £906) on restricted funds. Total funds amounted to deficit of £773 (2024: surplus of £13,414).

Reserves

The charity has considered the reserves required and has taken into account the current and future liabilities. The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. From time to time, part of this expenditure will be funded from restricted grants. The effect of this is ignored for this purpose. The amount maintained includes expenditure which would be incurred in Malawi.

The Trustees calculate that the amount which requires to be set aside is £10,000. A separate designated fund has been established for this. However, given the level of deficit in the general fund this year the charity is not holding sufficient reserves. The Trustees have reviewed the reserves position and are working to raise additional funds to allow the charity to continue its operations. The Trustees have been delighted to be notified of a legacy that is earmarked for them the value of which they have been told will be in excess of £200,000. This figure has not been brought into the accounts at this stage as the charity has not had written confirmation of the full amount due to the charity.

The Trustees also consider it prudent to designate an amount equivalent to carrying value of the fixed assets and investments, as this amount cannot readily be utilised. Per the Statement of Financial Activities, the General Fund balance at 31 December 2025 was deficit of £1,014 (2024: surplus of £2,090).

Malawi Fruits

Report of the Directors for the year ended 31 December 2025

Statement of Directors’ responsibilities

Charity law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the Company’s affairs and of its incoming resources and application of resources, including its surplus or deficit for that year, and which have been properly prepared from and are in agreement with the accounting records of the Company and comply with relevant disclosure requirements.

In preparing those financial statements, the Directors are required to:

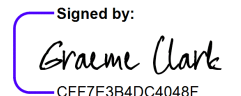
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the Company’s financial position and enable the Directors to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the Company’s assets and to prevent and detect fraud and other irregularities.

The Director’s report has been prepared having taken advantage of the small companies’ exemption in the Companies Act 2006.

29-09-2026 | 12:40 BST

Approved by the Directors on and signed on its behalf by:

Signed by:

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Rev Graeme Clark
Chairman

Malawi Fruits

Report of the Independent Examiner to the Trustees for the year ended 31 December 2025

I report on the accounts of the company for the year ended 31 December 2025 which are set out on pages 7 to 17.

Respective responsibilities of Trustees and examiner

The Charity's Trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations (as amended). An examination includes a review of the accounting records kept by the Company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the Directors concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

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 requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

have 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.

DocuSigned by:

Jonathan Innes

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Jonathan N Innes FCCA

Partner

EQ Accountants Limited

Innes House
8 Shairps Business Park
Houstoun Road
Livingston
EH54 5FD

29-09-2026 | 13:43 CEST

Date:

Malawi Fruits

Statement of Financial Activities (incorporating Income and Expenditure Account)

For the year ended 31 December 2025

		Unrestricted				
		General	Designated	Restricted	2025	2024
		fund	fund	Funds	Total	Total
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	4	66,936	-	62,595	129,531	133,552
Fundraising income	5	20,052	-	-	20,052	28,953
Total income		86,988	-	62,595	149,583	162,505
Expenditure on:						
Raising funds	6	15,683	-	-	15,683	17,868
Charitable activities	7	84,409	177	63,501	148,087	93,528
Total expenditure		100,092	177	63,501	163,770	111,396
Net income/(expenditure)		(13,104)	(177)	(906)	(14,187)	51,109
Transfer between funds		10,000	(10,000)	-	-	-
Net movement in funds		(3,104)	(10,177)	(906)	(14,187)	51,109
Reconciliation of funds:						
Total funds brought forward		2,090	10,418	906	13,414	(37,695)
Total funds carried forward	17/18	(1,014)	241	-	(773)	13,414
The funds of the charity:						
Unrestricted Funds						
General fund	17	(1,014)	-	-	(1,014)	2,090
Designated Assets fund	17	-	141	-	141	318
Designated Investment fund	17	-	100	-	100	100
Designated Reserves fund	17	-	-	-	-	10,000
Restricted fund						
The Innovate Coolrun fund	18	-	-	-	-	-
The Innovate Turbine fund	18	-	-	-	-	906
Total charity funds		(1,014)	241	-	(773)	13,414

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 9 to 17 form part of these financial statements.

Malawi Fruits

Company No: SC405538

Balance sheet as at 31 December 2025

		Unrestricted			2025	2024
		General	Designated	Restricted	Total	Total
	Notes	fund	fund	fund		
		£	£	£	£	£
Fixed assets						
Tangible assets	14	-	141	-	141	318
Investments	13	-	100	-	100	100
Total fixed assets		-	241	-	241	418
Current assets						
Debtors	14	2,765	-	-	2,765	2,081
Cash at bank and in hand		2,347	-	-	2,347	14,644
Total current assets		5,112	-	-	5,112	16,725
Liabilities						
Creditors falling due within one year	15	6,126	-	-	6,126	3,729
Net current assets		(1,014)	-	-	(1,014)	12,996
Net assets	17/18	(1,014)	241	-	(773)	13,414
The funds of the charity:						
Unrestricted Funds						
General fund	17	(1,014)	-	-	(1,014)	2,090
Designated Assets fund	17	-	141	-	141	318
Designated Investment fund	17	-	100	-	100	100
Designated Reserves fund	17	-	-	-	-	10,000
Restricted fund						
The Innovate Coolrun fund	18	-	-	-	-	-
The Innovate Turbine fund	18	-	-	-	-	906
Total charity funds		(1,014)	241	-	(773)	13,414

For the year ending 31 December 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the accounts.

These financial statements have been prepared in accordance with the Charities SORP 2019 (FRS102) and with the provisions applicable to companies subject to small companies' regime.

29-09-2026 | 12:40 BST

The financial statements were approved by the Board on and signed on their behalf by:

Signed by:

Graeme Clark

CFF7E3B4DG4048F.....

Rev Graeme Clark

Director/Chairman

The notes on pages 9 to 17 form part of these financial statements.

Malawi Fruits

Report of the Independent Examiner to the Trustees for the year ended 31 December 2025

1. Accounting policies

Accounting convention

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 Standards applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

The financial statements are prepared 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 and rounded to the nearest £1.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 as published on 2 February 2016 and does not prepare a Statement of Cash Flows.

The Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going Concern

At 31 December 2025, the Company had net liabilities of £773 (2024: net assets of £13,414). The company is dependent on ongoing support from funders with agreed funding in 2026 to cover the net liabilities. Consequently the Directors are satisfied that the company continues to be a going concern.

These statements have been prepared on the going concern basis and no adjustments have been made which would be required should this not be the case.

The Trustees review management accounts and the status of existing grants and grant applications at each of their quarterly meetings and consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Company status

The company is a company limited by guarantee and has no share capital. The members of the company are Directors named on page 2. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Basis of financial statements

The financial statements have been prepared on an accrual basis.

Statement of Financial Activities

For the purpose of the Statement of Financial Activities as shown on page 8, funds are defined as follows:

Unrestricted funds comprise income received for the objects of the company without further specified purpose and are available as general funds or are placed with designated funds which can be used for purposes in agreement with its charitable objectives.

Designated funds comprise those funds which the Trustees have designated for specific purposes.

Restricted funds comprise income which has been received for the objects of the company and specified for a restricted purpose within these objects by the donor.

Malawi Fruits

Report of the Independent Examiner to the Trustees for the year ended 31 December 2025

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.

No amount is included in the financial statements for volunteer time in line with the SORP. Further details are given in the Directors' Annual Report.

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.

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.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs. Including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date.

Charitable Activities

The expenditure on charitable activities includes grants made, governance costs and support costs as shown in the notes.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Governance costs

Governance costs (which are included as a component of support costs in accordance with SORP) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny (audit or independent examination), strategic management, and other legal and professional fees.

Malawi Fruits

Report of the Independent Examiner to the Trustees for the year ended 31 December 2025

Tangible fixed assets and depreciation

Tangible fixed assets over £100 with a useful life greater than 1 year are capitalised and are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- | | |
|-----------------------|-------------------|
| • Motor vehicles | 33% straight line |
| • Computer equipment | 33% straight line |
| • Container | 20% straight line |
| • Fixtures & fittings | 20% straight line |

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Taxation

The Company is exempt from Corporation Tax on its charitable activities.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market value rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities, which include creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrable committed to terminate the employment of an employee or to provide termination benefits.

Pensions

The company operates a defined contribution "money purchase" scheme for its UK based employee. The money purchase plan is managed by Standard Life and the plan invests the contributions made by the employee and the Charity in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible across the deductions for the employee's contributions.

Malawi Fruits

Notes to the financial statements for the year ended 31 December 2025

3. Statement of Financial Activities - comparatives

	Notes	Unrestricted fund £	Designated fund £	Restricted funds £	2024 Total £
Income and endowments from:					
Donations and legacies	4	119,046	-	14,506	133,552
Fundraising income	5	28,953	-	-	28,953
Total income		147,999	-	14,506	162,505
Expenditure					
Fundraising	6	17,868	-	-	17,868
Charitable activities	7	79,822	106	13,600	93,528
Total expenditure		97,690	106	13,600	111,396
Net income / (expenditure)		50,309	(106)	906	51,109
Net movement in funds		50,309	(106)	906	51,109
Reconciliation of funds:					
Total funds brought forward		(48,219)	10,524	-	(37,695)
Total funds carried forward	17/18	2,090	10,418	906	13,414

4. Income - donations and legacies

	General fund £	Designated fund £	Restricted fund £	2025 Total £	2024 Total £
Donations	33,032	-	1,000	34,032	39,199
Grants	25,500	-	61,595	87,095	71,315
One-off donations	-	-	-	-	14,000
Gift Aid reclaimed	8,404	-	-	8,404	9,038
	66,936	-	62,595	129,531	133,552

	General fund £	Designated fund £	Restricted fund £	2024 Total £
Donations	39,199	-	-	39,199
Grants	56,809	-	14,506	71,315
Gift Aid reclaimed	9,038	-	-	9,038
	119,046	-	14,506	133,552

<i>Grants received</i>	General fund £	Designated fund £	Restricted fund £	2025 Total £	2024 Total £
Guernsey Overseas Aid Committee (GOAC)	22,500	-	-	22,500	45,000
Innovate UK	-	-	61,595	61,595	14,506
Banana Box	-	-	-	-	6,809
Mary Brown Trust	-	-	-	-	5,000
The Souter Charitable Trust	3,000	-	-	3,000	-
	25,500	-	61,595	87,095	71,315

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Notes to the financial statements for the year ended 31 December 2025

5. Income - fundraising	General fund	Designated fund	Restricted fund	2025 Total	General fund	Designated fund	Restricted fund	2024 Total
	£	£	£	£	£	£	£	£
Cycling Sportifs	20,052	-	-	20,052	28,953	-	-	28,953
	20,052	-	-	20,052	28,953	-	-	28,953
6. Expenditure - fundraising	General fund	Designated fund	Restricted fund	2025 Total	General fund	Designated fund	Restricted fund	2024 Total
	£	£	£	£	£	£	£	£
Sportif expenses	15,505	-	-	15,505	17,868	-	-	17,868
Publicity materials	178	-	-	178	-	-	-	-
	15,683	-	-	15,683	17,868	-	-	17,868
7. Expenditure - charitable activities	General fund	Designated fund	Restricted fund	2025 Total	General fund	Designated fund	Restricted fund	2024 Total
	£	£	£	£	£	£	£	£
Staff salaries	34,524	-	10,392	44,916	51,485	-	2,490	53,975
Trips	2,261	-	-	2,261	2,553	-	-	2,553
Direct charitable costs	38,879	-	53,109	91,988	18,973	-	11,110	30,083
Donatioins	2,600	-	-	2,600	-	-	-	-
Professional fees	455	-	-	455	607	-	-	607
Subscriptions and licence fees	120	-	-	120	154	-	-	154
Telephone and Skype costs	85	-	-	85	82	-	-	82
Website costs	96	-	-	96	319	-	-	319
Stationary and postage	133	-	-	133	25	-	-	25
Travel	445	-	-	445	927	-	-	927
Board expenses	278	-	-	278	352	-	-	352
Bank Charges	376	-	-	376	411	-	-	411
Sundry expenses	68	-	-	68	13	-	-	13
Insurances	1,443	-	-	1,443	1,401	-	-	1,401
Independent Examiner's fee	2,646	-	-	2,646	2,520	-	-	2,520
Depreciation	-	177	-	177	-	106	-	106
	84,409	177	63,501	148,087	79,822	106	13,600	93,528
8. Staff costs and numbers							2025 Total	2024 Total
							£	£
Salaries and wages							41,145	49,359
Social Security costs							-	48
Other pension costs							3,771	4,568
							44,916	53,975

The average number of employees during the year was 2 (2024: 2). No employee received remuneration of more than £60,000 in the year.

Key management personnel are considered to be the Trustees and the Chief Executive Officer listed in the Directors report. Key management personnel received remuneration of £41,480 during the year (2024: £50,290) which includes pension contributions of £3,771 (2024: £4,568). All amounts set out above refer to the Chief Executive Officer and administrative assistant.

The Charity operates a defined contribution scheme. The total pension cost payable by the Charity relating to the defined contribution schemes was £3,771 (2024: £4,568).

Malawi Fruits

Notes to the financial statements for the year ended 31 December 2025

9. Independent Examiner's remuneration

The independent examiner's remuneration comprised an examination fee of £2,646 (2024: £2,520) and payroll fees of £455 (2024: £759).

10. Director's remuneration and reimbursement of expenses

The Directors received no remuneration or reimbursement of expenditure during the year (2024: nil) in their capacity as Directors. The Directors are very involved in the delivery of the charity's objectives and this involves essential travel to Malawi for work with partners there. Some trips are as leaders of a wider team of volunteers and others are Directors only travelling. In each case, trips are approved as essential by the Directors at their meetings and travel and accommodation costs are met from the Charity's funds.

There were no waived Directors travelling expenses in the year (2024: nil).

The aggregate value of unconditional donations made by Directors was £1,200 (2024: £1,304).

During the year the charity received total donations of £nil from Probe Test Solutions Limited of which Director Jordan MacKellar is the chief executive (2024: £14,000).

11. Related party transactions

Malawi Fruits Holdings Limited is a wholly owned subsidiary of the charity. No grants were given to Malawi Fruits Holdings Limited during the year (2024: nil). The company was dissolved on 21st April 2026.

MF Foundation, registered Malawi NGO. Kevin Simpson is a Director of MF Foundation and is the secretary of Malawi Fruits. Therefore, MF Foundation is considered a related party on the grounds of there being common control among entities.

The Bananabox Trust, a registered charity in Scotland with OSCR. During the year, Malawi Fruits made a donation of £2,600 (2024: £nil) to Bananabox Plus NGO, the sister organisation of The Bananabox Trust in Malawi, and donated £1,000 (2024: £nil) to a trustee of The Bananabox Trust for a flight to Malawi. Kevin Simpson is Secretary and CEO of Malawi Fruits, is also a trustee of The Bananabox Trust.

The charity employees Susan Crawford, spouse of Trustee Russell Crawford as admin assistant. During the year Susan Crawford received payments totalling £3,436 (2023: £3,684).

12. Fixed asset investments

The charity wholly owns the entire share capital (£100) of Malawi Fruits Holdings Limited (a company registered in Scotland, number SC556790). For the year ended 31 December 2025 Malawi Fruits Holdings Limited had no income and no expenditure and had assets of £100. The company was dissolved on 21st April 2026.

Malawi Fruits Holdings Limited wholly owned all shares of MFT Trading Limited (a company registered in Malawi). On the 31 December 2024 all shares of MFT Trading Limited were transferred to MF Foundation an NGO in Malawi. For the year ended 31 December 2025 MFT Trading Limited had income of £nil (2024: £149,820) and expenditure of £nil (2024: £177,027) which result in a deficit of £nil (2024: deficit of £27,207) and had net assets of £nil (2024: £88,372).

Investments	2025	2024
	Total	Total
	£	£
At 31 December 2024	100	100
At 31 December 2025	100	100

Malawi Fruits

Notes to the financial statements for the year ended 31 December 2025

13. Tangible fixed assets

	Motor Vehicles	Container	Computer Equipment	Fixtures & Fittings	Total
<i>Cost</i>	£	£	£	£	£
At 1 January 2025	3,846	1,725	3,512	270	9,353
At 31 December 2025	3,846	1,725	3,512	270	9,353
<i>Depreciation</i>					
At 1 January 2025	3,846	1,725	3,194	270	9,035
Charge for year	-	-	177	-	177
At 31 December 2025	3,846	1,725	3,371	270	9,212
<i>Net Book Value</i>					
At 31 December 2025	-	-	141	-	141
At 31 December 2024	-	-	318	-	318

Tangible fixed assets - comparatives

	Motor Vehicles	Container	Computer Equipment	Fixtures & Fittings	Total
<i>Cost</i>	£	£	£	£	£
At 1 January 2024	3,846	1,725	3,512	270	9,353
At 31 December 2024	3,846	1,725	3,512	270	9,353
<i>Depreciation</i>					
At 1 January 2024	3,846	1,725	3,088	270	8,929
Charge for year	-	-	106	-	106
At 31 December 2024	3,846	1,725	3,194	270	9,035
<i>Net Book Value</i>					
At 31 December 2024	-	-	318	-	318
At 31 December 2023	-	-	424	-	424

14. Debtors

	General fund	Designated fund	Restricted fund	2025 Total	2024 Total
	£	£	£	£	£
Gift Aid reclaim	1,034	-	-	1,034	1,090
Prepayments and Accrued income	1,731	-	-	1,731	991
	2,765	-	-	2,765	2,081

Debtors - comparatives

	General fund	Designated fund	Restricted fund	2024 Total
	£	£	£	£
Gift Aid reclaim	1,090	-	-	1,090
Prepayments and Accrued income	991	-	-	991
	2,081	-	-	2,081

Malawi Fruits

Notes to the financial statements for the year ended 31 December 2025

15. Creditors: amounts falling due within one year	General fund	Designated fund	Restricted fund	2025 Total	2024 Total
	£	£	£	£	£
Other creditors	2,522	-	-	2,522	481
Accruals	2,798	-	-	2,798	2,672
Deferred income (note 16)	806	-	-	806	576
	6,126	-	-	6,126	3,729

Creditors: amounts falling due within one year - comparatives	General fund	Designated fund	Restricted fund	2024 Total
	£	£	£	£
Other creditors	481	-	-	481
Accruals	2,672	-	-	2,672
Deferred income (note 16)	576	-	-	576
	3,729	-	-	3,729

16. Deferred income	2025 Total	2024 Total
	£	£
Balance at 1 January 2025	576	1,574
Amount released to income earned from charitable activities	(576)	(1,574)
Amount deferred in the year	806	576
Balance as at 31 December 2025	806	576

Deferred income comprises income from Sportif events which relates to the following year.

17. Unrestricted funds	Balance at 01.01.2025	Income	Expenditure	Transfers	Balance at 31.12.2025
	£	£	£	£	£
General fund	2,090	86,988	(100,092)	10,000	(1,014)
<i>Designated funds</i>					
Assets fund	318	-	(177)	-	141
Investment fund	100	-	-	-	100
Reserves fund	10,000	-	-	(10,000)	-
<i>Total designated funds</i>	10,418	-	(177)	(10,000)	241
Total unrestricted funds	12,508	86,988	(100,269)	-	(773)

Unrestricted funds - comparatives	Balance at 01.01.2024	Income	Expenditure	Transfers	Balance at 31.12.2024
	£	£	£	£	£
General fund	(48,219)	147,999	(97,690)	-	2,090
<i>Designated funds</i>					
Assets fund	424	-	(106)	-	318
Investment fund	100	-	-	-	100
Reserves fund	10,000	-	-	-	10,000
<i>Total designated funds</i>	10,524	-	(106)	-	10,418
Total unrestricted funds	(37,695)	147,999	(97,796)	-	12,508

Explanation of funds

The *General fund* encompasses all income and expenditure relating to the primary focus activities of the charity, other than those for which funding is restricted.

The *Designated Assets fund* encompasses the net book value of the fixed assets held by the charity.

The *Designated Investment fund* encompasses the carrying amount of investments held by the charity.

The *Designated Reserves fund* represents funds the Trustees have calculated to be the winding up costs if the charity was to stop receiving funding. This amount is available for use by the charity although the Trustees will seek to reserve it for the designated purpose.

Malawi Fruits

Notes to the financial statements for the year ended 31 December 2025

18. Restricted Funds

	Balance at 01.01.2025	Income	Expenditure	Transfers	Balance at 31.12.2025
	£	£	£	£	£
The Innovate Coolrun fund	-	59,691	(59,691)	-	-
The Innovate Turbine fund	906	1,904	(2,810)	-	-
The traveling fund	-	1,000	(1,000)	-	-
Total restricted funds	906	63,595	(64,501)	-	-

	Balance at 01.01.2024	Income	Expenditure	Transfers	Balance at 31.12.2024
	£	£	£	£	£
The Innovate Coolrun fund	-	9,080	(9,080)	-	-
The Innovate Turbine fund	-	5,426	(4,520)	-	906
Total restricted funds	-	14,506	(13,600)	-	906

Explanation of funds

The *Innovate Coolrun fund* represents funding towards the new project for an innovative method of maintaining the cold chain for the chill stores.

The *Innovate Turbine fund* represents funding towards the research of the potential to use biogas from farm wastes for electricity generation using an innovative gas turbine engine being developed by Hypergen. The project will run from Jun 2024 to Oct 2026 and will work towards the testing stage in Malawi.

The *traveling fund* represents funding towards purchase of a flight to Malawi.

19. Analysis of Net Assets among funds

	General fund	Designated fund	Restricted fund	2025 Total
	£	£	£	£
Fixed Assets	-	141	-	141
Investments	-	100	-	100
Debtors	2,765	-	-	2,765
Cash in bank	2,347	-	-	2,347
Creditors	(6,126)	-	-	(6,126)
	(1,014)	241	-	(773)

	General fund	Designated fund	Restricted fund	2024 Total
	£	£	£	£
Fixed Assets	-	318	-	318
Investments	-	100	-	100
Debtors	2,081	-	-	2,081
Cash in bank	3,738	10,000	906	14,644
Creditors	(3,729)	-	-	(3,729)
	2,090	10,418	906	13,414