

Company number: SC294378

Charity number: SC037048

THE SCOTLAND MALAWI PARTNERSHIP

Report of the Trustees

And

Unaudited Financial statements

For the year ended 31 March 2018

Report of the Trustees for the year ended 31 March 2018

The Trustees are pleased to present their annual Trustees' Report together with the financial statements of the charity for the year ended 31 March 2018 which are also prepared to meet the requirements for a directors' report and accounts for the Companies Act (2006).

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice in accordance with FRS 107 (effective Jan 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 and Companies Act 2006

Objectives and activities

The Scotland Malawi Partnership (SMP) is the national umbrella network for Scottish organisations and individuals involved with Malawi. The membership is diverse, consisting of schools, colleges, universities, churches, hospitals, international development organisations, businesses, charities, community organisations and individuals.

Objectives

a) Our Vision:

The SMP exists to inspire the people and organisations of Scotland to be involved with Malawi in an informed, coordinated and effective way, for the benefit of both nations.

The Partnership promotes a people-to-people model of development, built on dignified partnership and rooted in the shared history between our two countries. It focuses on active relationships between people to foster a shared understanding of the development challenges facing Malawi and to support the development of practical, sustainable solutions. It is through this deeper understanding and shared human experience that the people of Scotland and Malawi will be able to effect real and lasting change, both through their own activity and by influencing the policies and actions of governments and institutions.

Report of the Trustees (continued)

b) Our Mission:

We aim to foster links, consistent with our values, between the two nations, and encourage development of sustainable projects in Malawi by:

- informing and inspiring civil society in Scotland about the work of the Partnership, the unique shared history between Scotland and Malawi, and the development challenges facing Malawi, in order to increase public support for extending and enriching the relationship between the two nations;
- seeking to employ an alternative model of international development, based on mutually beneficial civil society partnerships and links, and advocating its wider employment elsewhere;
- acting as a forum for encouraging best practice amongst member organisations through the provision of training and the sharing of ideas, processes and information;
- encouraging a reduction in the duplication of effort in Malawi by facilitating networking, promoting shared learning and raising awareness of existing initiatives;
- developing support mechanisms which can lead to an exchange of people and/or advance cultural, political or economic understanding between Scotland and Malawi;
- informing our members of activities, opportunities or items of significance arising in either Scotland or Malawi;
- demonstrating the relevance of Scotland's civil society contribution to the attainment of the Government of Malawi's Growth and Development Strategy and the Millennium Development Goals.

c) Our Values:

Our values describe our approach, and our vision and mission can only be achieved if staff, directors, member organisations and associate members hold these values:

- *Mutual Respect*: we recognise that the historic bilateral civil society relationship between Scotland and Malawi is built on trust and mutual respect and we celebrate its inherent reciprocity;
- *Cooperation*: we foster a spirit of cooperation, building partnerships and alliances in pursuit of our objectives, avoiding duplication and forging creative ways to work together;
- *Internationalism*: we stand in the tradition of Scottish internationalism, resisting isolationism and xenophobia, believing that Scotland's strength lies in building strong relationships with nations elsewhere in the world;
- *Service*: paramount in all our work is provision of the highest possible quality of service to our members. We strive to meet their expressed needs by offering relevant information, advice, training and resources;
- *Continuous Improvement*: we continuously strive to improve the quality of our service, as perceived by our members, to encourage viable, ethical development activity between our members and their Malawian counterparts;
- *Sector Understanding*: we understand the sector(s) in which our members are operating, both in Scotland and Malawi, and respond positively to situations which can advance developmental aspects of the Partnership;
- *Development*: staff, directors and members are committed to encouraging links between Scotland and Malawi, to reduce poverty, promote justice and relieve suffering in Malawi. To achieve that, we all have a role to play in managing our own development and in being supportive of others.

Report of the Trustees (continued)

Activities in 2017/18:

For a full breakdown of the SMP's work in 2017/18, including member feedback, impact and independent assessment, please view the Partnership's 2017/18 Activity and Impact Report (www.tinyurl.com/SMP201718).

In 2017/18, the SMP hosted 32 main events and engagements attended by 1,932 people and supported a further 40 engagements attended by 4,772 people. The following is a summary of the events for this year:

April 2017:

13th April 2017 Zambia, Rwanda, Malawi Collaboration Forum

May 2017:

3rd May 2017 Schools Forum, Inverness
8th May 2017 Christian Aid Roundtable
9th–11th May 2017 SDGs exhibition Parliament
10th May 2017 CPG on Malawi – LGBTIQ rights
14th May 2017 Ayr Presbytery Malawi event
17th May 2017 RCPSG Global Health report launch
18th May 2017 Media training for Zambia and Rwanda networks
19th May 2017 Health Forum
20th May 2017 Dinner with HRH the Princess Royal

June 2017:

9th June 2017 RCPSG Triennial Ball
13th June 2017 Turing Talks
14th June 2017 ScotDEC SDG's event
15th June 2017 Zambia, Rwanda and Malawi Collaboration and Sharing Forum
15th June 2017 Europe and External Relations Committee evidence session
28th June 2017 George Watson's College, Launch of Malawi partnership

Report of the Trustees (continued)

July 2017:

July 2017	Colin and Alison Cameron's official visit to Malawi
4 th July 2017	Launch of David Livingstone Centre funding
6 th July 2017	Climate Justice Innovation Fund Information session
8 th July 2017	Malawi Independence Gala Night in Scotland

August 2017:

3 rd August 2017	Agriculture and Food Security Meeting
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September 2017:

8 th September 2017	WOSDEC Conference
13 th September 2017	CPG on Malawi – Renewable Energy
20 th September 2017	Further and Higher Education Forum
30 th September 2017	SMP AGM

October 2017:

10 th October 2017	SG small grants information session
12 th October 2017	University of St Andrews student talk
24 th October 2017	Schools Forum Paisley
26 th October 2017	VSO Malawi and Education Scotland meeting
31 st October 2017	MDP - Health Forum

November 2017:

4 th November 2017	Malawi-UK Business Group
6 th November 2017	Taking Action on the UN SDG's – LFS Scotland
7 th – 10 th Nov 2017	Malawi Day at Flora Stevenson Primary School
9 th November 2017	MDP - Sustainable Economic Development
13 th November 2017	MDP – Civic Governance
15 th November 2017	CPG on Malawi – Malawi Development Programme (MDP)
16 th November 2017	MDP – Education

Report of the Trustees (continued)

16 th November 2017	MDP – Renewable Energy
24 th November 2017	Wolfson Medical School, University of Glasgow
29 th November 2017	Malawi APPG
29 th November 2017	MDP Information Event

December 2017:

2 nd December 2017	Malawi-UK Business Group (Working Group)
4 th December 2017	University of Strathclyde networking lunch and Advisory Group meeting
4 th December 2017	Balerno Fairtrade Village Group Christmas Tree Festival
12 th December 2017	Network Forum
19 th December 2017	Noel Networking

January 2018:

Dec 2017 –Jan 2018	HCS Africa Wales Awards
15 th January 2018	University of Stirling Fair
16 th January 2018	Scottish Parliament debate
18 th January 2018	Jack Thompson Memorial
18 th January 2018	Scotdec Project Launch
18 th January 2018	Year of Young People Roundtable
20 th January 2018	Malawi-UK Business Group

February 2018:

7 th February 2018	Joint-CPG on Global Health
7 th February 2018	WOSDEC twilight teacher training
10 February 2018	Malawi-UK Business Group
10 February 2018	Edinburgh Fair Trade Group
20 th February 2018	Youth Congress
23 rd February 2018	MaSP Symposium

March 2018:

Report of the Trustees (continued)

5 th March 2018	Launch of Buy Malawian Campaign
6 th March 2018	Lord Ahmad Commonwealth Roundtable
7 th March 2018	CPG on Malawi – Buy Malawian Campaign
7 th March 2018	APPG on Malawi – Buy Malawian Campaign
11 th March 2018	Lake of Stars Glasgow: SMP Stage and Malawi Market
11 th March 2018	Lake of Stars Glasgow: evening concert
12 th March 2018	Commonwealth Big Lunch
18 th March 2018	Buy Malawian 2018 faith services
19 th March 2018	David Livingstone’s Birthday and close of Buy Malawian campaign
23 rd March 2018	Student talk on partnership and YOYP
28 th March	Vertically Integrated Projects – University of Strathclyde

This has been an extremely busy and productive year for the Scotland Malawi Partnership, with some of our largest and most impactful events and engagements to date. We have also received record feedback from members and partners highlighting the positive impact they have experienced over the last 12 months. Of particular note were the record breaking AGM, the Youth Congress at Hampden Park, our many Member Forums in areas such as Health and Higher Education, our Commonwealth events around CHOGM, the Lake of Stars Glasgow festival, and our BuyMalawian campaign.

We had unprecedented impact, influence and support in both Holyrood and Westminster, and with both the Scottish and UK Governments. We established a new Malawi All-Party Parliamentary Group in Westminster and further developed our Malawi Cross Party Group in Holyrood, organising the first ever joint-meeting between the two Parliaments in this way. Around 100 of Scotland’s 129 MSPs recorded personal video messages of support, including the First Minister, all the Cabinet, all the Party Leaders and the Presiding Officer.

In the run up to the Commonwealth Heads of Government Meeting (CHOGM) the Scotland Malawi Partnership was repeatedly referenced as a model of country-to-country and people-to-people cooperation to inspire the Commonwealth of Nations in the coming years.

At the end of this year in review the University of Edinburgh estimated that SMP membership now represent a community of 109,000 Scots working with Malawi (a 16% increase since 2014) generating £50m of inputs annually (20% increase) from civil society and benefiting over 2.9m Malawians each year (45% increase).

The Partnership was celebrated in the media, in parliament and in government as having an innovative and impactful model for others to follow. Perhaps most memorably, representing the UK Government, the Minister of State for Africa described the “*genius of the Scotland Malawi Partnership*” in Parliament saying:

Report of the Trustees (continued)

"...I pay tribute to the Scotland Malawi Partnership—genuinely one of the most unique, remarkable, interesting and human interweavings of two nations anywhere in the world."

"There are three things from which we can learn. The first is ... the civic multiplier—the way in which the Scotland Malawi Partnership, with a relatively modest amount of money, can draw on all the institutions to create a much richer partnership and be more than the sum of its parts. The second element, which has come through time and again in today's speeches, is mutual respect. Everyone who spoke talked a great deal about equality and about how we can learn as much from Malawi as it can learn from us. Finally, there is the genius of co-ordination and connections. Since 2005 the work of the Scotland Malawi Partnership has been not to create the connections, but to find them and mine them—to draw them out of the soil and reveal to us that thick web of connections between two nations, essentially putting Malawians on the board. That is a very important part of the work of the Scotland Malawi Partnership"

"...What is so striking about the Scotland Malawi Partnership is that it has found ways of engaging a whole human population. Britain could do that in Malawi or in Tanzania, Uganda or Nigeria. It is a very exciting way of thinking about how to do development in the 21st century. The fact that so many right hon. and hon. Members are here championing international development shows how these human connections give us the legitimacy and centre to make progress..."

The SMP cannot overstate the importance of the core funding it receives from the Scottish Government. The positive impact detailed in this report would not have been possible without the continued far-sighted support of the Scottish Government. While maintaining our independence from government and our political neutrality, we continue to be extremely grateful for this support and look forward to continuing to work closely with the Scottish, UK and Malawian Governments in the coming years.

Member feedback in 2017/18

93 members submitted responses to the 2018 member Needs and Impact Survey

IMPACT:

Over 73% of respondents felt that membership of the SMP in 2017-18 *"helped strengthen, support or develop their links with Malawi"*.

Responses included:

"Being a member of SMP is increasingly core to our operating model and provides a highly respectable and professional platform to promote our services across SMP's extensive membership base."

Dominic Webb, Orbis Expeditions

"Our projects have always received support and encouragement from the SMP. Face to face meetings, school workshops and conferences have enhanced our work, both in Scotland and Malawi."

Andy McKay, St. Margaret's High School

Report of the Trustees (continued)

“Membership helps to inform people in Scotland of links and formal nature of those links through SMP.”

Robin Arnott

“It's always useful to hear about the work of other organisations and individuals working in education in Malawi.”

Lindsay Graham, The Soko Fund

“The SMP has provided a focus for pupils to understand the bigger picture of Scotland's links with Malawi. Helped to introduce other agencies and faces with whom we hope to work.”

Dr Archie Marshall, The Community School of Auchterarder

“SMP set us up with our partner school. Without SMP I doubt we would have any involvement with Malawi.”

Iain Fulton, Oban High School

“Not only does SMP assist us to develop our links in Malawi, it also helps us understand better what colleagues from the University are doing in Malawi.”

Derek MacLeod, University of Edinburgh

SERVICES:

In 2017/18 the SMP's five most useful services were:

1. SMP events (67% of respondents rated “extremely useful” and 26% “quite useful”)
2. Representation on social media (62% rated “extremely useful” and 31% “quite useful”)
3. Office enquiries/ support (58% rated “extremely useful” and 32% “quite useful”)
4. Representation in media: (46% rated “extremely useful” and 64% “quite useful”)
5. Disseminating information (46% rated “extremely useful” and 42% “quite useful”)

CAMPAIGNING:

Through 2017-18, the SMP supported and encouraged members to reflect on:

Working within Malawian priorities and the Malawi Growth and Development Strategy: 72% of survey respondents knew this was an SMP priority, 62% reflected on their work in this area because of the SMP, and 23% changed their work as a result.

Report of the Trustees (continued)

What Partnership Principles underpin links: 76% knew this was an SMP priority, 70% reflected on their work in this area because of the SMP, and 22% changed their work as a result.

Supporting the economy of Malawi: 85% knew this was an SMP priority, 74% reflected on their work in this area because of the SMP, and 33% changed their work as a result.

Agriculture and food security in Malawi: 83% knew this was an SMP priority, 68% reflected on their work in this area because of the SMP, and 18% changed their work as a result.

Sustainability: 82% knew this was an SMP priority, 71% reflected on their work in this area because of the SMP, and 34% changed their work as a result.

The UN's Global Goals: 82% knew this was an SMP priority, 71% reflected on their work in this area because of the SMP, and 32% changed their work as a result.

IMPROVING QUALITY:

- 69% said SMP information had helped improved the quality/effective of their work
- 52% said SMP networking had helped improved the quality/effective of their work
- 41% said SMP advice and support had helped improved the quality/effective of their work
- 34% said SMP sharing and learning between members had helped improved the quality/effective of their work

Looking Ahead

The SMP has now successfully completed the first year of its' 2017-20 Strategic Plan and is proceeding well with its stated Theory of Change for this period.

Early in this coming financial year we look forward to welcoming to the President of Malawi to Scotland and helping support the Commonwealth Heads of Government Meeting in London.

The Partnership will continue to work closely with all three governments and parliaments, and our sister network the Malawi Scotland Partnership (MaSP) as we continue to advance the four core strands of our three year plan:

1. Communicating our message
2. Understanding our impact
3. Strengthening our partnership:
4. Supporting sustainable economic development
5. Inspiring the next generation:
6. Practical support and sharing:
7. Integrating and influencing

The Partnership has secured core funding from the Scottish Government for its 2017-20 plans, with a firm commitment for 2018-19 and an indicative commitment for 2020-2023.

Report of the Trustees (continued)

Financial review

The charity's work is largely dependent on grants from the Scottish Government. Other grants and donations are received from time to time, mostly for specific restricted purposes.

The subscriptions year is now the year ending 31 March 2018. From 1 April 2018, we have introduced a direct debit payment system, being rolled out at present. We are also actively looking for other sources of unrestricted income; we have received donations from STA Travel based on members booking through them; and we have also been successful in having some activities sponsored.

The total unrestricted reserves at the year-end amounted to £58,648 (2017: £52,651). The restricted reserves disclose a deficit as a consequence of disbursing £4,341 MaSP and £4,258 Scholarship funds which had been held at the commencement of the 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, is considered by the Audit and Finance Committee 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. Risks are dealt with by ensuring that Trustees and staff are aware of the policies and operate within the framework set out by the register.

Some risks are outwith the control of the Trustees. These include items such as potential loss of funding due to changes resultant on withdrawal of the UK from the European Union or of Scotland from the UK. There are also risks due to the fluctuation of exchange rates between the pound sterling and the Malawi kwacha, which strengthens and weakens at certain times of the year.

The Malawi Scotland Partnership (MaSP) is a sister organisation, is a separate legal entity and is Malawi-led with its own constitution, board and secretariat, having moved to Area 14 in Lilongwe during the year under review. MSP received grant funding from the Scottish Government for the development of MaSP. SMP is accountable to the Scottish Government for all funding allocated under the grant and for the delivery of the objectives and outcomes associated with the projects.

Detailed budgets are prepared both for Scotland-based 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.

Reserves policy

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.

Report of the Trustees (continued)

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 requirement to wind up the charity is most likely to occur if the grant from the Scottish Government is not renewed at the end of a 3-year period; the requirement might also come into play should the renewal of the grant be delayed beyond 31 December in the final year of the 3-year period.

The Audit and Finance Committee is presently reviewing the level of funding which would be required as there are several models which would meet the requirements; these mainly depend on whether all the staff are retained or whether a reduced level might be retained.

The level which the AFC is currently recommending is £60,000. However, this is under regular review and subject to change.

In the event that the Scottish Government grant was not renewed, the Trustees and staff would use the 3 month period to source alternative funds. This might entail the Charity operating at a different level thereafter. The grant was renewed for a three year period which commenced on 1 April 2017.

The Trustees are aware of the difficulties of reaching this level of reserve as almost all of the funding is for restricted amounts and not available to transfer to unrestricted reserves.

The amount held at the year-end in unrestricted reserves is £58,648 (2017: £52,651)

Plans for future periods

The SMP is now in the second year of the 2017-2020 strategic plan; ambitious goals have been set and these are being worked upon. The strategy for the current year will be to fulfil these goals.

The Partnership actively consulted members in the development of this three-year vision and Strategic Plan. This included a nationwide “SMP Road Trip”, with events in Glasgow, Edinburgh, Dumfries, Oban, Inverness and Aberdeen, at which members were able to vote on the priorities they want the SMP to represent in 2017-20. The findings from these meetings were used to define the aims of the plan.

With this input, the SMP has developed an ambitious Plan, with seven strands:

1. Communicating our message
2. Understanding our impact
3. Strengthening our partnership
4. Supporting sustainable economic development
5. Inspiring the next generation:
6. Practical support and sharing
7. Integrating and influencing.

Report of the Trustees (continued)

Structure, governance and management

Governing document

The Scotland Malawi Partnership is a company limited by guarantee registered in Scotland, number SC294378; and registered as a Scottish charity, number SC037048. It is governed by its Memorandum and Articles of Association.

Recruitment and Appointment of Trustees

New Trustees are appointed at the Annual General Meeting. All Trustees take policy decisions at regular Trustees' meetings.

Trustee Induction and Training

When new Trustees are appointed they are provided with a handbook.

Related parties

None of the Trustees has any interest in any contract or dealing with the Charity.

Organisational structure

The Charity is under the control of the Trustees who meet four times a year; there are also an Audit and Finance Committee, a Human Resources Committee and a Policy and Strategy Committee which meet regularly.

The Charity is under the day to day control of the chief executive, David Hope-Jones, who reports to the Board.

Reference and administrative information

Charity Name:

The Scotland Malawi Partnership

Registered office:

Room 3/1, City Chambers, High Street, Edinburgh, EH1 1YJ

Operational address:

Room 3/1, City Chambers, High Street, Edinburgh, EH1 1YJ

Charity registration number:

Charity number: SC037048

Directors

Directors serve on a three-year rotation and can stand for re-election at the expiry of the three year period

Kenneth Ross [Chair] *(re-elected 30 September 2017)*

Report of the Trustees (continued)

Stuart Brown [Co-Vice Chair] *(re-elected 30 September 2017)*
Claire Martin [Co-Vice Chair] *(re-elected 30 September 2017)*
Tione Mtalimanja [Co-Vice Chair] *(elected 30 September 2017)*
Isabel Bruce *(re-elected 30 September 2017)*
Mizeck Chagunda *(retired 30 September 2017)*
Heather Cubie
Malcolm Fleming
Andrew Goudie
Nicholas Gubbins *(elected 30 September 2017)*
Grace Manyika *(retired 30 September 2017)*
Gillian McMahon
Vincent Mzembe *(elected 30 September 2017)*
Jeremaya Phiri *(re-elected 30 September 2017)*
Colin Reilly
Sam Riddell
Thomas John [Jack] Thompson *(died August 2017)*
Ben Wilson
Douglas Young

Co-Presidents

Frank Ross, Lord Provost of the City of Edinburgh *(ex officio: upon election as Lord Provost May 2017)*
Eva Bolander, Lord Provost of the City of Glasgow *(ex officio: upon election as Lord Provost May 2017)*

Co-Patrons

His Excellency Prof. Peter Mutharika, President of Malawi
Her Royal Highness Princess Anne, The Princess Royal

Company Secretary and Principal Officer

David Hope-Jones

Report of the Trustees (continued)

Independent Examiner

Martin Aitken & Co Ltd, Chartered Accountants, Caledonia House, 89 Seaward Street, Glasgow

G41 1HJ

Bankers

Bank of Scotland, 167-201 Argyle Street, Glasgow G2 8BU

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of the Scotland Malawi Partnership for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming

resources and application of resources, including the income and expenditure, of the charitable company 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;
- make judgments 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 charitable company will continue in business.

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 financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Date:

Kenneth Rankin-Ross

Chairman of the Board

Independent Examiners' report to the Members of the Scotland Malawi Partnership

I report on the accounts of the charity for the year ended 31 March 2018, which are set out on pages 16 to 25.

Respective responsibilities of trustees and examiner

The charity's trustees 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.

The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 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 Charities Accounts (Scotland) Regulations 2006. 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 seeks explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently 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, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

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.

Ewen Dyer CA FCIE
Martin Aitken & Co Ltd
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ
Date:

**The Scotland Malawi Partnership
Statement of financial activities, incorporating Income and Expenditure Account
For the year ended 31 March 2018**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
		£	£	£	£
<i>Income from:</i>					
Grants and donations	3	19,552	359,801	379,353	310,877
Investment income	4	30	125	155	233
		19,582	359,926	379,508	311,110
<i>Expenditure on:</i>					
<i>Charitable activities:</i>					
Member engagements	6	8,796	228,540	237,336	231,536
MaSP grants and costs	6	4,789	118,435	123,224	77,869
Other grants and donations	6	0	0	0	11,356
Depreciation	6	0	2,504	2,504	1,740
		13,585	349,479	363,064	322,501
<i>Net income/(expenditure) and net movement in funds</i>		5,997	10,447	16,444	-11,391
<i>Transfers between funds</i>		0	0	0	0
		5,997	10,447	16,444	-11,391
<i>Funds reconciliation</i>					
Total funds brought forward		52,651	8,663	61,314	72,705
Total funds carried forward		58,648	19,110	77,758	61,314

The Scotland Malawi Partnership
Balance Sheet
As at 31 March 2018

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2018 £	Total Funds 2017 £
Fixed assets:					
Tangible fixed assets	9	0	3,776	3,776	572
Current assets:					
Debtors	10	0	1,500	1,500	0
Cash at bank and in hand	10	58,648	25,588	84,236	69,894
Total current assets		58,648	27,088	85,736	69,894
Liabilities:					
Creditors falling due within one year	11	0	10,342	10,342	9,152
Net current assets		58,648	16,746	75,394	60,742
Total assets less current liabilities		58,648	19,110	77,758	61,314
Creditors, amounts falling due after more than one year	11	0	0	0	0
Net assets		58,648	19,110	77,758	61,314
The funds of the charity:					
Unrestricted income funds	12	58,648	0	58,648	52,651
Restricted income funds	12	0	19,110	19,110	8,663
		58,648	19,110	77,758	61,314

The notes on pages 18 to 25 form part of these accounts.

Approved by the Trustees on _____ and signed on their behalf by:

Kenneth Rankin-Ross
Chairperson

Charity number: SC037048

Notes to the financial statements

1. Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective January 2015 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2016 (as amended).

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling (£)

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with the continuation of grant funding and the effects of operating in a country with an unstable currency. With respect to the next reporting period (the year ending 31 March 2019), there is no uncertainty as the grant has been renewed for 3 years to 31 March 2020 and the trustees have no reason to believe the Scottish Government would withdraw the grant during this grant cycle.

(b) Funds structure

Unrestricted income funds comprise funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. The main restricted funds are created by grants separately from the Scottish Government and other donors disclosed in note 12.

Further details of each restricted fund are disclosed in note 12.

(c) Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the case of smaller donations, these are recognised when they are received. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either these conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Notes to the financial statements (continued)

Interest on funds held on deposit is included when receivable by the Charity; this is normally upon notification of the interest paid or payable by the bank.

(d) Expenditure recognition

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. All expenses including support costs and governance costs are allocated to the applicable expenditure headings. For more information on this attribution, refer to note (f) below.

(e) Irrecoverable VAT

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

(f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to independent examination and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the time spent on those activities by the Chief Executive and Trustees. The allocation of support and governance costs is analysed in note 5.

(g) Charitable activities

Costs of charitable activities includes amounts transferred to Malawi Scotland Partnership, other direct costs, an allocation of support costs and governance costs.

(h) Tangible fixed assets and depreciation

All assets intended to last for more than a year and which cost over £400 are capitalised and carried in the financial statements at historical cost. Depreciation is charged to write off the assets on a straight line basis over their useful lives, which is considered to be 3 years.

(i) Pensions

The charity operates a defined contribution “money purchase” scheme for its UK-based employee. The charity contribution is restricted to the contributions disclosed in note 7. The costs of the scheme are included within support costs and charged according to the methodology set out in note (f) above.

The money purchase plan is managed by The Pensions Trust and the plan invests the contributions made by the employees 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 for a state pension. The Charity has no liability beyond making its contribution and paying across the deductions for the employee’s contributions.

Notes to the financial statements (continued)

2. Related party transactions and trustees' expenses and remuneration

No Trustee had any interest in any contract of the charity.

Travelling and subsistence expenses of £120 (2017: £395) were repaid to 3 Trustees during the year.

3. Income from grants and donations

	2018 £	2017 £
Restricted grants		
Scottish Government, core grant	251,131	226,349
Scottish Government, MaSP grant	108,670	70,000
Unrestricted grants and donations		
	19,552	14,258
	379,353	310,877

4. Investment income

	2018 £	2017 £
Bank interest	155	233

5. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

<i>Cost type</i>	Total allocated £	Governance related £	Other support costs	Basis of Apportionment
Staff costs	181,701	18,170	163,531	Staff time
Other staff related costs	8,859	197	8,662	Staff time
Office rental and costs	16,946	7,672	9,274	Direct
	207,506	26,039	181,467	

Notes to the financial statements (continued)

Allocation on staff time is based on an analysis of the time spent by the Chief Executive. Direct is where certain expenses are paid direct from a specific fund.

Governance costs	2018	2017
	£	£
Trustee expenses	120	395
Independent examiner's fee	1,200	1,020
Costs of meetings	1,109	456
Support costs (see above)	26,039	25,110
	28,468	26,981

The total support cost attributable to charitable expenditure is then apportioned to the various categories of charitable expenditure. As most of the support costs are funded from the Scottish Government core grant, they are allocated mainly to that grant, as follows:

Allocation of governance and other support costs	2018	2017
	£	£
Member engagements	210,234	201,105
	210,234	201,105

6. Analysis of charitable expenditure

In 2018, the expenditure on charitable activities was £363,064 (2017: £322,501), of which £13,585 (2017: £18,731) was from unrestricted funds and £349,479 (2017: £303,770) was from restricted funds.

Notes to the financial statements (continued)

	Direct £	Support and governance costs £	Total 2018 £	Total 2017 £
<i>Funded from unrestricted funds:</i>				
Member engagements	0	8,796	8,796	8,105
MaSP grants and costs	4,789	0	4,789	3,528
Other grants and donations	0	0	0	7,098
<i>Funded from restricted funds:</i>				
Member engagements	27,102	201,438	228,540	223,431
MaSP grants and costs	118,435	0	118,435	74,341
Other grants and donations	0	0	0	4,258
Depreciation	2,504	0	2,504	1,740
	152,830	210,234	363,064	322,501

7. Analysis of staff costs and remuneration of key management personnel

	2018 £	2017 £
Salaries and wages	159,294	156,251
Social security costs ??	14,993	7,216
Other pension costs	7,414	8,160
	181,701	171,627

The average number of full-time equivalent employees during the year was 6 (2017: 6) with all employee time involved in providing either support to the governance of the charity or support services to charitable activities.

The charity considers its key management personnel to comprise the Trustees and the Chief Executive. The total employment benefits including employer pension contributions of the key management personnel were £46,052 (2017: £42,641). No employee had employee benefits in excess of £60,000 (2017: none).

8. Remuneration of the independent examiner

The independent examiner's remuneration constituted an examination fee of £1,200.

Notes to the financial statements (continued)

9. Tangible fixed assets

	Office Equipment £
Cost	
At 31 March 2017	12,380
Additions	4,868
Disposals	-12,380
At 31 March 2018	<u>4,868</u>
Aggregate depreciation	
At 31 March 2017	11,808
Charge for the year	2,504
Eliminated on disposals	-11,808
At 31 March 2018	<u>2,504</u>
Net book amount	
At 31 March 2018	<u>2,364</u>
At 31 March 2017	<u>572</u>

10. Analysis of current assets

	Total 2018 £	Total 2017 £
Prepayments and accrued income	0	0
Receivables	1,500	0
Cash at bank and in hand	84,236	69,894
	85,736	69,894

All prepayments and receivables in both 2018 and 2017 refer to restricted funds.

Cash at bank and on hand were as follows: unrestricted funds £58,648 (2017: £52,651) and restricted funds £25,588 (2017: £17,243).

Notes to the financial statements (continued)

11. Analysis of current liabilities and long-term creditors

	Total 2018 £	Total 2017 £
Creditors under one year		
Payables	-695	2,061
Social security and other taxes	400	3,564
Pension fund payable	-169	1,206
Other creditors	196	1,301
Accruals and deferred income	10,610	1,020
	10,342	9,152
Creditors falling due after one year		
	0	0

All creditors in 2018 and 2017 refer to restricted funds.

12. Analysis of charitable funds

Analysis of fund movements	Balance Brought forward £	Income £	Expenditure £	Transfers £	Balance carried forward £
Unrestricted funds	52,651	19,582	-13,585	0	58,648
<i>Restricted funds:</i>					
Scottish Government core	0	251,256	-231,044	0	20,212
Scottish Government MaSP	0	108,670	-118,435	0	-9,765
Global goals	947	0	0	0	947
Other grants	3,293	0	0	0	3,293
Scholarships	4,423	0	0	0	4,423
	61,314	379,508	-363,064	0	77,758

The Scottish Government core grant represents funds received from the Scottish Government for the running of the charity.

The Scottish Government MaSP grant represents funds from the Scottish Government restricted to specific costs of the Malawi Scottish Partnership.