

Company number: SC294378

Charity number: SC037048

THE SCOTLAND MALAWI PARTNERSHIP

Report of the Trustees

And

Unaudited Financial statements

For the year ended 31 March 2017

Report of the Trustees for the year ended 31 March 2017

The Trustees are pleased to present their annual Trustees' Report together with the financial statements of the charity for the year ended 31 March 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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 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.

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.

Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2017

Activities in 2016/17:

In 2016/17 the SMP hosted 32 events and major engagements, attended by over 1,700 people. It supported or co-hosted a further 56 major events or engagements, attended by over 12,000 people.

April 2016:

5 th April 2016	Supported <u>Sir Andrew Cubie Governance Think Tank event in Lilongwe</u>
20 th April 2016	Supported College of Medicine delegation to Scotland
21 st April 2016	Co-hosted EMMS International 175 th anniversary celebrations
22 nd April 2016	<u>Action Aid/SMP event 'Make Tax Fair Everywhere' event</u>
April 26 th 2016	<u>Youth Forum and film screening</u>

May 2016:

3 rd May 2016	<u>SMP Business, Investment, Trade and Tourism Forum</u>
5 th May 2016	Supported University of Strathclyde Malawi day
12 th May 2016	Supported Just Trading Scotland rice launch at the Co-operative
13 th May 2016	Learning for Sustainability, Edinburgh Napier University
17 th May 2016	Hosted JTS rice event with Malawian farmers and Lord Provost
18 th May 2016	<u>SMP Road Trip event in Glasgow</u>
19 th May 2016	<u>SMP Governance Forum</u>
19 th May 2016	<u>SMP Road Trip event in Edinburgh</u>
24 th May 2016	<u>SMP Road Trip event in Dumfries</u>
26 th May 2016	<u>SMP Road Trip event in Oban</u>
30 th May 2016	<u>SMP Road Trip event in Inverness</u>
31 st May 2016	<u>SMP Road Trip event in Aberdeen</u>

June 2016:

7 th June 2016	SMP Food Crisis Coordination Round-table
14 th June 2016	Supported Mamie Martin Fund and Soko Fund partnership event
15 th June 2016	SMP Higher Education and Further Education Forum

Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2017

18 th June 2016	Association of Malawians in Scotland (AMS) cultural evening
29 th June 2016	Royal Botanic Garden Malawi coffee tasting
29 th June 2016	<u>HE/FE meeting with VC of the College of Medicine, Malawi</u>

July 2016:

5 th July 2016	<u>NGO food security meeting</u>
9 th July 2016	Royal Botanic Garden Malawi coffee event
9 th July 2016	<u>AMS Independence Day celebrations</u>

August 2016:

25 th August 2016	Breakfast meeting with British High Commissioner to Malawi
25 th August 2016	<u>Higher Education and Further Education Forum</u>

September 2016:

6 th September 2016	Co-hosted meeting with International Development Committee
7 th September 2016	Launch of #1000partnerships report: photo op with five Party Leaders
7 th September 2016	<u>Cross Party Group on Malawi- EMMS international</u>
12 th September 2016	<u>SMP Health Forum</u>
14 th September 2016	<u>SMP Business, Investment, Trade and Tourism Forum</u>
15 th September 2016	Supported and spoke at IDEAS reception at Scottish Parliament
16 th September 2016	IDEAS Global Citizenship Month Roadshow at Conforti Institute
20 th September 2016	Co-Hosted NIDOS MEL Group at City Chambers
22 nd September 2016	Had stall at Scottish Learning Festival

October 2016:

5 th October 2016	Small Grants Programme information session (Edinburgh)
8 th October 2016	<u>SMP Annual General Meeting</u>
10 th October 2016	Small Grants Programme information session (Glasgow)
12 th October 2016	<u>SMP Schools Forum</u>

Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2017

November 2016:

2 nd November 2016	<u>Small Grants Programme application training</u>
5 th November 2016	Mamie Martin Fund engagement/AGM
7 th November 2016	<u>SMP Youth Congress</u>
8 th November 2016	Maternal and Child Health Summit
8 th November 2016	Queen Margaret University Malawi Project
11 th November 2016	<u>SMP Coordination Roundtable on Education</u>
23 rd November 2016	<u>Malawi Cross Party Group: faith-based links</u>
29 th November 2016	One World Shop event

December 2016:

7 th December 2016	<u>Roundtable with new British High Commissioner</u>
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February 2017:

10 th February 2017	MaSP Symposium (Lilongwe)
20 th February 2017	<u>SMP Health Forum</u>

March 2017:

March-April 2017	SMP #BuyMalawian2017 campaign
9 th March 2017	Buy Malawian stall at Scottish Parliament
9 th March 2017	<u>SMP Schools Forum in Dundee</u>
6 th , 13 th & 20 th March 2017	<u>SMP Chichewa Language Course (Edinburgh)</u>
8 th , 15 th & 22 nd March 2017	<u>SMP Chichewa Language Course (Glasgow)</u>
10 th March 2017	Supporting Social Work in Malawi
13 th March 2017	<u>Scottish Global Health Webinar</u>
14 th March 2017	Launch of University of Glasgow Malawi society
16 th March 2017	One World Shop Buy Malawian event
18 th March 2017	<u>Annual SMP Malawi Faith-based links Forum</u>
28 th March 2017	<u>SMP Malawi Cultural Evening</u>
29 th March 2017	<u>Malawi Cross Party Group (Buy Malawian & Linga Wine launch)</u>

Business, Trade Investment and Tourism:

The SMP hosted a Business, Trade, Investment and Tourism forum in May and another in September 2016. In part from these discussions, the SMP developed its #BuyMalawian campaign, in partnership with the Scottish Fair Trade Forum and others. This six-week campaign built Scottish markets for 15 Malawian Products, generating all-party support, with 700,000 impressions on social media, over 100 'selfies' with Malawian products, 4,000 public votes cast and 30,000 visits to the online gallery. As part of the campaign 25 MSPs, from all parties, promoted Malawian products and a special Cross Party Group meeting launched Linga Fruit Wines in Scotland. The SMP also hosted the launch of JTS Kilombero Rice in the Co-operative, it promoted Mzuzu Coffee at the Royal Botanic Garden Edinburgh, and co-hosted promotional events in One World Shops.

SMP Road Trip:

In May and June 2016, the SMP toured across Scotland as part of its 'Road Trip', with events in Glasgow, Edinburgh, Dumfries, Oban, Inverness and Aberdeen. These events brought together communities often

Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2017

not able to engage in SMP events due to geography, promoting the SDGs, seeking input to the SMP's 2017-20 planning, and providing a forum for organisations to share information about their Malawi links.

Global Goals:

The SMP's 'Scotland, Malawi and the Global Goals' exhibition toured across more than 50 events the length and breadth of Scotland, raising awareness of the SDGs amongst more than 10,000 Scots. The Partnership also developed and supported a successful funding application for Scotland's coordination of the SDGs, with £500,000 levered for SCVO to develop an online platform to promote the SDGs and coordinate implementation, and for the other nations of the UK to follow Scotland's lead.

Media:

There were 113 positive features in the Scottish media about Malawi and 41 additional SMP featured or generated pieces. The SMP gained 2,863 Twitter followers and 1,962 Facebook likes, with 613,876 Facebook impressions and 610,500 Twitter impressions. Our Media and Communications Officer travelled to Malawi to train MaSP staff in media, social media and videography, and to support the Malawi leg of the 2017 Road Trip.

AGM:

In October, our 2016 AGM brought together members to reflect on and share stories about the social, economic and environmental impact of the Malawi links. It also launched the Member Impact Awards, supporting members to think about their impact and how best to share their story.

Youth Congress:

The 2016 Youth Congress was another record breaker, with about 400 young people from around 20 schools coming together to learn, share and inspire each other.

Forums:

We had one Governance Forum, two Youth Forums, two Further and Higher Education Forums, two Health Forums, two Schools Forums, a Business, Trade, Investment and Tourism Forum, and a Faith-based Links Forum.

Schools:

We visited 26 schools in this period: giving talks, running classes, delivering training, supporting teachers, developing lesson plans and resources. This was in partnership and coordination with Education Scotland, IDEAS and the DECs. We hosted a roundtable bringing together all those delivering development education in Scotland to coordinate activities in schools.

Governance:

We worked closely with MaSP to organize a very successful "Leadership, good governance and the role of civic society" think tank/discussion event in Lilongwe, in which Sir Andrew Cubie and Dr Henry Chingaibe discussed good governance. Following requests from Malawi, the SMP developed a concept note for continuing this work, which continues to be under consideration.

Tax Justice:

With ActionAid, developed and implemented the "Make Tax Fair, Everywhere" campaign, looking at the tax treaty between Scotland and Malawi. This included an April event in Edinburgh, raising awareness of the issue, as well as various engagements in Westminster. The SMP secured the support of every Scottish MP for this campaign.

British High Commissioner:

In December the SMP welcomed the new British High Commissioner to Scotland, hosting a roundtable to brief her on the depth and breadth of Scotland's civic links with Malawi.

Member Training:

The Partnership ran two three-evening Chichewa Language Courses and hosted a cultural sharing evening, to help prepare those visiting Malawi for the first time. We also provided training and support for those developing funding applications.

Faith Links:

The SMP hosted a meeting of the Malawi Cross Party Group looking at faith links in November 2016, at which it brought together faith-based NGOs working in Malawi with Scottish churches with Malawi links. Followed by our annual one-day faith-based forum, to share learning and experience between churches.

Parliament:

There were four meetings of the Malawi Cross Party group, bringing together members with MSPs at some of the best attended meetings of any CPG in this Parliament. The SMP had 25 MSPs posting #BuyMalawian selfies with Malawian products and every Scottish MP supporting the updating of the UK-Malawi tax treaty. And had the party leaders celebrating the moment the SMP hit 1,000 members, giving video messages of support.

Partnership Working:

The SMP supported 56 partner events, attended by 12,219 people, working with the College of Medicine, EMMS International, ActionAid, NIDOS, Scottish Fair Trade Forum, IDEAS, University of Strathclyde, Just Trading Scotland, Lord Provost of Edinburgh, Mamie Martin Fund, the Soko Fund, Association of Malawians in Scotland, Royal Botanic Garden Edinburgh, Education Scotland, One World Shops, Supporting Social Work in Malawi, Royal College of Surgeons, and the Chief Medical Officer's office. The Partnership played a leading role in developing and supporting innovative collaborative projects like the Scottish Global Health Collaborative and GlobalGoals.scot.

Food crisis:

The SMP supported the coordination of Scotland's response to the food crisis in Malawi, supporting the various campaigns and match funding, and encouraging members to work together.

Scottish Government:

The SMP supported the Scottish Government's policy consultation and subsequent policy launch, including support for a Scottish Parliament debate which had over 100 positive references to Malawi. The SMP co-hosted information days, training and support for the SG's Small Grants Programme.

For more about our work this year, see our Annual report, visit our 'past events' page on the website or visit our Twitter feed.

Impact in 2016/17

During 2016/17, SMP membership grew by 25% to 1,120.

The December 2016 Members Survey showed us:

IMPACT: 89% felt that membership of the SMP in 2016 “helped strengthen, support and develop their links with Malawi”.

SERVICES: The most useful SMP services in 2016 were “events” (useful for 80% of respondents), “networking” (60%), “office enquiries and support” (51%), and “social media” (49%).

CAMPAIGNING: Through 2016, the SMP supported and encouraged members to:

- Raise awareness of the Global Goals: 81% knew this was an SMP priority and 42% changed their work as a result of the SMP.
- Work within the SMP’s Partnership Principles: 70% knew this was an SMP priority and 37% changed their work as a result of the SMP.
- Support the economy of Malawi: 70% knew this was an SMP priority and 37% changed their work as a result of the SMP.
- Work within Malawian priorities: 68% knew this was an SMP priority and 16% changed their work as a result of the SMP.

IMPROVING QUALITY:

- 67% felt the SMP’s information had improved the quality of their work in 2016
- 67% felt the SMP’s networking had improved the quality of their work in 2016
- 63% felt the SMP’s advice and support had improved the quality of their work in 2016
- 59% felt the SMP’s sharing between members had improved the quality of their work in 2016

FORUMS: 52% had attended an SMP Forum in 2016, 62% of whom said forums had been valuable, 38% said “very valuable”.

Members told us:

- *“The opportunity for **Malawian visitors to visit the SMP offices** has been very helpful”*
- *“We have been able to draw from the SMP advice on how to move our **school partnership forward**. Very useful.”*
- *“Promoting **SMP in schools**”*
- *“The SMP has been a big help in sorting out **visa problems** whilst organising a visit to Scotland by a Malawian Head Teacher.”*
- *“The AGM was **good to network** and catch up with old friends”*
- *“Participation in **cross party discussions** has been most helpful to contribute and learn from others and Government Policy.”*

- ***“In this time of scarcity of food we used SMP reports to help us meet our objectives”***
- ***“The opportunities for **networking** set up by SMP are a great support.”***
- ***“Advice and networking opportunities.”***
- ***“As a very small agency, membership of the SMP is hugely valued.”***
- ***“I was able to talk about the links with the country in my class lessons.”***
- ***“The SMP is a hugely useful source of **up-to-date information**”***
- ***“The SMP focused us on the importance of creating a **sustainable partnership.**”***
- ***“SMP were very helpful in providing information and a supporting letter about **visa requirements** for entering Malawi.”***
- ***“The Partnership makes people feel that ‘they are not isolated’ because of all the wonderful things that are being done by the SMP.”***
- ***“The SMP/MaSP relationship is very helpful.”***

In summary, 2016-17 was another key year in the Scotland Malawi Partnership’s development with the network growing in size, reach and impact. The Partnership has become a leader in the Scottish third sector: visible and influential in championing an approach to international development which is defined by dignified partnership rather than one-way charity, and in which mutual respect and understanding are paramount.

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.

During the previous year, the subscriptions year was changed from the year ending 31 December to the year ending 31 March. As a consequence, the amount of income recognised in the prior year under review was less than it would otherwise have been. This position has reversed during the current year under review.

The total unrestricted reserves at the year-end amounted to £52,651 (2016: £55,444). There was a disbursement of £4,341 MaSP and £4,258 Scholarship funds from the restricted reserve which had been held at the commencement of the year.

Risk management

The Trustees consider the risks associated with the work of the Charity 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 based at Kumuzu College of Nursing in Lilongwe. SMP 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. 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 Audit and Finance Committee (AFC) 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 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 level which the AFC is currently recommending is £55,000. However, this is under review and could 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 £52,651.

Plans for future periods

The SMP has now successfully completed its 2014-17 Strategic Plan, exceeding most of the targets and strategic aspirations set.

The Partnership was active throughout this year consulting members in the development of its 2017-20 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.

With this input from members, partners and funders, the SMP has developed an ambitious 2017-20 Strategic 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

The Partnership has secured indicative core funding from the Scottish Government for its 2017-20 Strategic Plan.

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.

Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2017

Report of the trustees (continued)

Reference and administrative information

Charity Name:

The Scotland Malawi Partnership

Registered office:

Room 3/7, City Chambers, High Street, Edinburgh, EH1 1YJ

Operational address:

Room 3/7, 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

Stuart Brown (Co-Vice Chair)

Isabel Bruce

Mizeck Chagunda (Co-Vice Chair)

Zamiwe Chunda (retired 8 October 2016)

Heather Cubie

Malcolm Fleming (appointed 8 October 2016)

Ian Gibson (retired 8 October 2016)

Andrew Goudie

Grace Manyika

Claire Martin (Co-Vice Chair)

Gillian McMahon (appointed 8 October 2016)

Jeremaya Phiri

Colin Reilly

Sam Riddell

Kenneth Rankin-Ross (Chair)

Thomas John Thompson

Ben Wilson

Douglas Young

Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2017

Report of the trustees (continued)

Co-Presidents

The Right Honourable Donald Wilson, Lord Provost of the City of Edinburgh

The Right Honourable Sadie Docherty, Lord Provost of the City of Glasgow

Co-Patrons

His Excellency Peter Mutharika, President of the Republic of Malawi

Her Royal Highness Princess Anne, The Princess Royal

Company Secretary and Principal Officer

David Hope-Jones

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

Report of the trustees (continued)

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).

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 Charities SORP (FRS 102) '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) (effective 1 January 2015)' "

Approved by the trustees and signed on their behalf by:

Date: 24 August 2017

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 2017, which are set out on pages 17 to 28.

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: 24 August 2017

Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2017

**The Scotland Malawi Partnership
Statement of financial activities, incorporating Income and Expenditure Account
For the year ended 31 March 2017**

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2017	Total Funds 2016
Income from:					
Grants and donations	3	14,528	296,349	310,877	324,522
Investment income	4	11	222	233	437
		14,539	296,571	311,110	324,959
Expenditure on:					
<i>Charitable activities:</i>					
Member engagements	6	8,105	223,431	231,536	225,104
MaSP grants and costs	6	3,528	74,341	77,869	76,696
Other grants and donations	6	7,098	4,258	11,356	61,000
Depreciation	6	0	1,740	1,740	2,293
		18,731	303,770	322,501	365,093
Net income/(expenditure) and net movement in funds		-4,192	-7,199	-11,391	-40,134
Transfers between funds		1,399	-1,399	0	0
		-2,793	-8,598	-11,391	-40,134
Funds reconciliation					
Total funds brought forward		55,444	17,261	72,705	112,839
Total funds carried forward		52,651	8,663	61,314	72,705

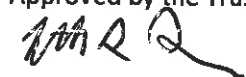
Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2017

**The Scotland Malawi Partnership
Balance Sheet
As at 31 March 2017**

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2017	Total Funds 2016
Fixed assets:					
Tangible fixed assets	9	0	572	572	2,312
Current assets:					
Debtors	10	0	0	0	86
Cash at bank and in hand	10	52,651	17,243	69,894	78,399
Total current assets		52,651	17,243	69,894	78,485
Liabilities:					
Creditors falling due within one year	11	0	9,152	9,152	8,092
Net current assets		52,651	8,091	60,742	70,393
Total assets less current liabilities		52,651	8,663	61,314	72,705
Creditors, amounts falling due after more than one year	11	0	0	0	0
Net assets		52,651	8,663	61,314	72,705
The funds of the charity:					
Unrestricted income funds	12	52,651	0	52,651	55,444
Restricted income funds	12	0	8,663	8,663	17,261
		52,651	8,663	61,314	72,705

The notes on pages 20 to 28 form part of these accounts.

Approved by the Trustees on 24 August 2017 and signed on their behalf by:



Kenneth Rankin-Ross
Trustee

Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2017

The Scotland Malawi Partnership

Statement of cash flows

For the year ended 31 March 2017

	Note	Total funds 2017	Total funds 2016
Net cash used in operating activities	13	<u>-8,737</u>	<u>-51,376</u>
Cash flows from investing activities			
Bank interest		232	437
Purchase of fixed assets		0	-1,718
Net cash provided by investing activities		<u>232</u>	<u>-1,281</u>
Change in cash and cash equivalents		-8,505	-52,657
Cash and cash equivalents			
Brought forward		78,399	131,056
Carried forward		<u><u>69,894</u></u>	<u><u>78,399</u></u>

Notes to the financial statements

1. Accounting policies

(a) Basis of preparation and assessment of going concern

Scotland Malawi Partnership is a company limited by guarantee incorporated in Scotland. The registered office is Room 3/7, City Chamber, High Street, Edinburgh, EH1 1YJ.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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.

(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

Notes to the financial statements (continued)

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.

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 Principal Officer and Trustees. The allocation of support and governance costs is analysed in note 5.

(g) Charitable activities

Costs of charitable activities include 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 are considered to be 3 years.

Notes to the financial statements (continued)

(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.

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 £395 (2016: £459) were repaid to 6 Trustees during the year.

3. Income from grants and donations

	2017	2016
	£	£
<i>Restricted grants</i>		
Scottish Government, core grant	226,349	223,253
Scottish Government, MaSP grant	70,000	67,000
Beit Trust	0	20,000
Livingstone Scholarships	0	0
Other restricted grants	0	7,069
<i>Unrestricted grants and donations</i>	14,528	7,200
	310,877	324,522

4. Investment income

	2017	2016
	£	£
Bank interest	233	437

Notes to the financial statements (continued)

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	171,627	17,163	154,464	Staff time
Other staff related costs	9,581	298	9,283	Staff time
Office rental and costs	18,026	7,649	10,377	Direct
	199,234	25,110	174,124	

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

Governance costs	2017 £	2016 £
Trustee expenses	395	459
Independent examiner's fee	1,020	1,200
Costs of meetings	456	450
Support costs (see above)	25,110	17,154
	26,981	19,263

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:

Notes to the financial statements (continued)

Allocation of governance and other support costs	2017	2016
	£	£
Member engagements	201,105	197,766
	201,105	197,766

6. Analysis of charitable expenditure

In 2017, the expenditure on charitable activities was £322,501 (2016: £365,093), of which £18,731 (2016: £7,174) was from unrestricted funds and £303,770 (2016: £357,919) was from restricted funds.

	Direct	Support and governance costs	Total 2017	Total 2016
	£	£	£	£
<i>Funded from unrestricted funds:</i>				
Member engagements	0	8,105	8,105	450
MaSP grants and costs	3,528	0	3,528	5,422
Other grants and donations	7,098	0	7,098	0
<i>Funded from restricted funds:</i>				
Member engagements	30,431	193,000	223,431	224,654
MaSP grants and costs	74,341	0	74,341	71,274
Other grants and donations	4,258	0	4,258	61,000
Depreciation	1,740	0	1,740	0
	121,396	201,105	322,501	362,800

Notes to the financial statements (continued)

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

	2017	2016
	£	£
Salaries and wages	156,251	150,755
Social security costs	7,216	8,646
Other pension costs	8,160	7,845
	171,627	167,246

The average number of full-time equivalent employees during the year was 6 (2016: 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 Principal Officer. The total employment benefits including employer pension contributions of the key management personnel were £42,641 (2016: £41,740). No employee had employee benefits in excess of £60,000 (2016: none).

8. Remuneration of the independent examiner

The independent examiner's remuneration constituted an examination fee of £1,020.

Notes to the financial statements (continued)

9. Tangible fixed assets

	Office Equipment £
Cost	
At 31 March 2016	12,380
Additions	0
Disposals	0
At 31 March 2017	<u>12,380</u>
Aggregate depreciation	
At 31 March 2016	10,068
Charge for the year	1,740
Eliminated on disposals	0
At 31 March 2017	<u>11,808</u>
Net book amount	
At 31 March 2017	<u>572</u>
At 31 March 2016	<u>2,312</u>

10. Analysis of current assets

	Total 2017	Total 2016
Prepayments and accrued income	0	0
Receivables	0	86
Cash at bank and in hand	69,894	78,399
	<u>69,894</u>	<u>78,485</u>

Notes to the financial statements (continued)

All prepayments and receivables in both 2017 and 2016 refer to restricted funds.

Cash at bank and on hand were as follows: unrestricted funds £52,651 (2016: £55,444) and restricted funds £17,243 (2016: £22,955).

Notes to the financial statements (continued)

11. Analysis of current liabilities and long-term creditors

	Total 2017	Total 2016
Creditors under one year		
Payables	2,061	2,789
Social security and other taxes	3,564	2,992
Pension fund payable	1,206	0
Other creditors	1,301	1,291
Accruals and deferred income	1,020	1,020
	<u>9,152</u>	<u>8,092</u>
Creditors falling due after one year		
	<u>0</u>	<u>0</u>

All creditors in 2017 and 2016 refer to restricted funds.

12. Analysis of charitable funds

Analysis of fund movements	Balance Brought forward	Income	Expenditure	Transfers	Balance carried forward
Unrestricted funds	55,444	14,539	-18,731	1,399	52,651
<i>Restricted funds:</i>					
Scottish Government core	0	226,571	-225,172	-1,399	0
Scottish Government MaSP	4,341	70,000	-74,341	0	0
Global goals	946	0	0	0	947
Other grants	3,293	0	0	0	3,293
Scholarships	8,681	0	-4,258	0	4,423
	<u>72,705</u>	<u>311,110</u>	<u>-322,502</u>	<u>0</u>	<u>61,314</u>

Notes to the financial statements (continued)

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.

The Global Goals fund represents funds transferred from the scholarship fund for promoting the UN global goals.

Other grants represent amounts received from other charities for specific purposes in Malawi. The Partnership has acted in these cases as a conduit for those funds.

13. Reconciliation of net movement in funds to net cash flow from operating activities

	2017	2016
Net movement in funds	-11,391	-40,134
Add back depreciation charge	1,740	2,293
Deduct interest income	-232	-437
Decrease/(increase) in debtors	86	55
Increase/(decrease) in creditors	1,060	-13,153
Net cash used in operating activities	-8,737	-51,376

