

Company number: SC294378

Charity number: SC037048

THE SCOTLAND MALAWI PARTNERSHIP

Report of the Trustees

And

Unaudited Financial statements

For the year ended 31 March 2016

Report of the Trustees for the year ended 31 March 2016

The Trustees are pleased to present their annual Trustees' Report together with the financial statements of the charity for the year ended 31 March 2016 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.

Report of the trustees (continued)

Activities

In 2015/16 the SMP hosted and supported more than 100 separate events and engagements, attended by over 2,300 people

Below is a summary of some of the key SMP events in 2015/16:

April 2015:

14 th April 2015:	Business Trade, Investment and Tourism Forum
25 th April 2015:	'Against All Odds' diaspora engagement event
April 2015:	Submission to Scottish Parliament Europe and External Relations Committee: "Connecting Scotland"
April 2015:	Member consultation: SG Vehicle Policy

May 2015:

14 th May 2015:	Health Forum
19 th May 2015:	Cooperatives Working Group Meeting
21 st May 2015:	Malawi Cross Party Group, Scottish Parliament
21 st May 2015:	St John's Malawi reception
28 th May 2015:	Oral evidence to Scottish Parliament Europe and External Relations Committee: "Connecting Scotland"
27 th May 2015:	Schools Forum
May 2015:	Scotland-Malawi briefing of all Scottish MPs post-election

June 2015:

2 nd June 2015:	Small Grants Networking Event
3 rd June 2015:	Filming with BBC, promoting Mzuzu Coffee in Scotland
12 th June 2015:	Information event for SG Malawi grant recipients
June 2015:	Floods Mini Grants
17 th June 2015:	Rainbow Turtle event
17 th June:	Principal's Malawi Advisory Group, University of Strathclyde
18 th June 2015:	Business Trade, Investment and Tourism Forum
23 rd June 2015:	Wales for Africa policy launch
24 th June 2015:	HRH Charities Forum, Buckingham Palace
25 th June 2015:	Governance Forum

July 2015:

6 th July 2015:	Malawi APPG, UK Parliament
7 th July 2015:	International Development reception, Westminster Palace
11 th July 2015:	Malawi Independence Day Celebrations
23 rd July 2015:	Sustainability Conference
28 th July 2015:	Roundtable with DFID Malawi Head
29 th July 2015:	Roundtable with new Malawi High Commissioner

Report of the trustees (continued)

August 2015:

3 rd August 2015:	Malawi Mondays, member networking
August 2015:	Meetings with manifesto writers
24 th August 2015:	Small grants information event, Glasgow
26 th August 2015:	Small grants information event, Edinburgh
26 th August 2015:	DIAS visit from Malawi to Education Scotland
August 2015:	Submission to UK Parliament International Development Committee: SDG inquiry

September 2015:

2 nd Sept 2015:	Cross Party Group on Malawi, Scottish Parliament
3 rd Sept 2015:	Scotland-Malawi Global Health Symposium
7 th Sept 2015:	Malawi Mondays, member networking
8 th Sept 2015:	Youth Roadshow, Inverness
25 th Sept 2015:	Scotland-Malawi Agriculture afternoon
29 th Sept 2015:	Civil Service Live Scotland-Malawi afternoon
29 th Sept 2015:	DFID Civic Society Partnership Review Roundtable
29 th Sept 2015:	Andrew Namakhoma visit to Scotland

October 2015:

1 st Oct 2015:	Business roundtable with SDI
3 rd Oct 2015:	SMP 2015 AGM including Global Goals launch
5 th Oct 2015:	Governance Forum
October 2015:	Andrew Namakhoma visit to the UK
9 th Oct 2015:	Launch SMP Global Goals Micro Grants
10 th Oct 2015:	Health Forum
12 th Oct 2015:	Co-hosted Climate Justice Fund info and sharing event with SG
15 th Oct 2015:	Talk to the University of Edinburgh
29 th Oct 2015:	Scottish Global Health Collaborative

November 2015

3 rd Nov 2015:	Bute House reception with the First Minister
4 th Nov 2015:	Cross Party Group Meeting, Scottish Parliament
4 th Nov 2015:	Business, Trade, Investment and Tourism Forum
7 th Nov 2015:	Culture event for 10 th anniversary – including Global Goals exhibition
9 th Nov 2015:	Chaired SDGs workshops at NIDOS conference with FM
9 th Nov 2015:	Supported Malawi Tourism delegation to Scotland
9 th Nov 2015:	Schools Forum, Perth
13 th Nov 2015:	Governance Forum (Public Reforms Committee)
17 th Nov 2015:	Hosted Post 2015 Group
18-19 Nov 2015:	AidEx 2015 (Brussels)
23 rd Nov 2015:	National Youth Congress
25 th Nov 2015:	Small Grants Programme Networking Event
November 2015:	Recruitment of Member Services Officer (Maternity Cover)
30 th Nov 2015:	House of Commons Debate on Scotland's links with Malawi
30 th Nov 2015:	Presidential visit to the UK (the Lords, Chatham House, and business events)

Report of the trustees (continued)

December 2015

3 rd Dec 2015:	Scotland Food and Drink international planning roundtable
7 th Dec 2015:	Briefing Westminster parties
8 th Dec 2015:	Schools Forum
9 th Dec 2015:	Media Training Day
14 th Dec 2015:	Strathclyde University Malawi Advisory Group
15 th Dec 2015:	Further and Higher Education Forum

January 2016:

19 th Jan 2016:	Launch of rebranded JTS Rice with the Lord Provost
20 th Jan 2016:	Police Scotland International Strategy Launch
25 th Jan 2016:	Roundtable with Public Reform Committee MPs from Malawi

February 2016:

27 th Feb 2016:	Secretary of State for Scotland meeting
28 th Jan 2016:	Scottish Global Health Collaborative
1-14 Feb 2016:	David Hope-Jones in Malawi
2 nd Feb 2016:	Launch of John McCracken book
5 th Feb 2016:	MaSP Symposium
6 th Feb 2016:	Mzuzu Stakeholders meeting
10 th Feb 2016:	Blantyre Stakeholders meeting
18 th Feb 2016:	Royal College of Midwives Malawi roundtable
February 2016:	Secretary of State for Scotland visit to Malawi
22 nd Feb 2016:	Youth Forum
22 nd Feb 2016:	Scottish Global Health Collaborative
24 th Feb 2016:	Schools Forum
24 th Feb 2016:	National Network Forum
25 th Feb 2016:	Business, Trade, Investment and Tourism Forum (with DFID Malawi)
29 th Feb 2016:	Innovation Hub event with UNICEF
January 2016:	Launch UK-Malawi Tax Treaty Campaign

March 2016:

3 rd March 2016:	Malawi Cross Party Group, Scottish Parliament
3 rd March 2016:	Chichewa lesson (Edinburgh)
5 th March 2016:	Spoke at First Aid Africa AGM
10 th March 2016:	Chichewa lesson (Edinburgh)
12 th March 2016:	National Conference for Faith-Based Malawi links
15 th March 2016:	Chichewa lesson (Glasgow)
16 th March 2016:	Holyrood Hustings (<i>cancelled due to Parliamentary business</i>)
17 th March 2016:	Chichewa lesson (Edinburgh)
17 th March 2016:	Secretary of State for Scotland Malawi trip debrief
18 th March 2016:	Annie Lennox RSGS Livingstone Award presentation
19 th March 2016:	Co-Hosted UNA Climate Change SDGs event
21 st March 2016:	International Water Day with DFID and meeting with Nick Hurd MP
22 nd March 2016:	Chichewa lesson (Glasgow)
29 th March 2016:	Chichewa lesson (Glasgow)
March 2016:	Launch of Scotland-Malawi Brewgooder £50,000 Crowdfund
30 th March 2016:	Launch of Alexander McCall Smith Scotland Street Coffee

Report of the trustees (continued)

Impact in 2015/16

During 2015/16, SMP membership grew by 27% to 897. In August 2016, this reached 1,040.

In 2015/16 the SMP had unprecedented success representing Scotland's links with Malawi, with:

- 135 positive Scotland-Malawi media stories;
- 79 SMP-led (or featured) media pieces;
- More than 14 million 'opportunities to view' in the Scottish media;
- 219% increase in Facebook impressions (to 429,662);
- 162% increase in Twitter impressions (to 528,600);
- 317% increase in Instagram followers (to 171);
- 30% increase in SMP website page views (to 69,133);
- 18 SMP videos produced and published online with over 3,000 views;
- Over 6,000 SMP document downloads.

Member feedback was extremely positive in 2015/16. In the December 2015 member survey

- 94% of members told us SMP membership in 2015 had helped strengthen, support and develop their links with Malawi
- 90% of members said our bulletin was useful; 85% said our events were useful; 78% said we were useful for networking; and 71% found our Forums useful.
- 92% knew we were raising awareness of the Global Goals and 47% changed their work as a result
- 82% knew about our 'Partnership Principles' and 41% changed their work as a result
- 82% knew we were working to support the Malawi economy and 35% changed their work as a result
- 62% knew more about Malawi priorities because of the SMP and 25% changed their work as a result
- 78% of members felt the SMP's information had improved the quality of their work
- 68% of members felt the SMP's advice and support had improved the quality of their work
- 67% of members felt the SMP's networking had improved the quality of their work
- 39% of members felt sharing between SMP members improved the quality of their work
- 100% of those surveyed who had attended an SMP survey found the SMP useful.

Members told us:

- *"SMP forums and events have provided a great insight into what's going on in Malawi and allowed us to adjust our priorities accordingly."*
- *"I feel I have a large organisation and support network at my disposal."*
- *"The SMP has given my students a better insight into Malawi."*
- *"Excellent support from the SMP has helped deepen our understanding and allowed us to foster more fruitful links with our partner school."*
- *"The Partnership is our primary source of information and support."*
- *"It's provided a good opportunity for us to network with other people who are passionate about Malawi."*
- *"A very useful 'bridge' or portal from Scotland into Malawi."*

Report of the trustees (continued)

- *"It has provided information and support, which has greatly enhanced working partnerships."*
- *"We have felt more supported and inspired by SMP leaders and events."*

In keeping with our commitment to transparency and member-leadership all member feedback is available online and unedited.

In sum, 2015/16 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. Key events in 2015/16 like the AGM (which received more than 2.2 Twitter impressions) and the Youth Congress (which brought together hundreds of young people from dozens of schools) helped take the Partnership to new levels of public awareness and engagement. We continue to be grateful to the tireless staff team in the secretariat, the 16 dedicated Directors on the Board, the Scottish Government which remains committed as the Partnership's principal funder and most importantly to our 897 members whose inspiring work in Malawi is at the centre of what we do.

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 year under review, 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 for the year under review was less than it would otherwise have been.

The total unrestricted reserves at the year-end amounted to £55,444 (2015:49179). The restricted reserves disclose a deficit as a consequence of disbursing £24093 Livingstone Fund and £11,000 Global Goals funds which had been received in the previous 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 depreciated by almost 50% in the year under review and which strengthens at certain times of the year.

Report of the trustees (continued)

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. 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. 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 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 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 £55,444

Report of the trustees (continued)

Plans for future periods

We have one year remaining in the 2014-17 Strategic Plan and are well on course to meet the many targets set in this ambitious plan. We have set, and continue to update, a 2015-16 action plan to ensure all these targets are successfully met by March 2017.

Between March and May 2016, the SMP is undertaking a far-reaching member consultation, including a national 'Road Trip' across Glasgow, Edinburgh, Dumfries, Oban, Inverness and Aberdeen. Member input will inform a special Board Away Day taking place on the 1st June 2016 at which a vision for 2020 will be agreed and an outline 2017-20 Strategic Plan developed. We will work closely with our members, partners and funders to develop the full 2017-20 Strategic Plan over the summer months, with the intention of finalizing these plans at the 8th October 2016 Annual General Meeting with a view to signing a triennial funding agreement with the Scottish Government soon thereafter.

There was strong support for Scotland's links with Malawi across each of the manifestos of those competing in the 2016 Scottish Parliament elections. We therefore anticipated continued strong cross-party support for the Scotland Malawi Partnership throughout this coming Parliament, and look forward to continuing to work closely with the Scottish, UK and Malawian Governments.

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.

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 reelection at the expiry of the three year period

Stuart Brown (Co-Vice Chair)

Isabel Bruce

Mizeck Chagunda (Co-Vice Chair)

Zamiwe Chunda

Heather Cubie (Appointed 3 October 2015)

Walter Dunlop (Resigned 9 January 2016)

Ian Gibson (Appointed 3 October 2015)

Andrew Goudie

Claire Martin (Co-Vice Chair)

Grace Manyika (Appointed 3 October 2015)

Cate Nelson-Shaw (Resigned 3 October 2015)

Andrew Parker (Resigned 3 October 2015)

Jeremaya Phiri

Colin Reilly

Sam Riddell (Resigned 3 October 2015, co-opted 18 February)

Kenneth Ross (Chair)

Thomas John Thompson

Ben Wilson

Douglas Young

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 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: 24 August 2016

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 2016, which are set out on pages 14 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: 24 August 2016

The Scotland Malawi Partnership
Statement of financial activities, incorporating Income and Expenditure Account
For the year ended 31 March 2016

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2016	Total Funds 2015
<i>Income from:</i>					
Grants and donations	3	7,200	317,322	324,522	345,079
Investment income	4	10	427	437	682
		7,210	317,749	324,959	345,761
<i>Expenditure on:</i>					
<i>Charitable activities:</i>					
Member engagements	6	898	224,206	225,104	235,603
MaSP grants and costs	6	6,208	70,488	76,696	58,122
Other grants and donations	6	68	60,932	61,000	88,274
Depreciation	6	0	2,293	2,293	0
		7,174	357,919	365,093	381,999
<i>Net income/(expenditure) and net movement in funds</i>		36	-40,170	-40,134	-36,238
<i>Transfers between funds</i>		6,229	-6,229	0	0
		6,265	-46,399	-40,134	-36,238
<i>Funds reconciliation</i>					
Total funds brought forward		49,179	63,660	112,839	149,077
Total funds carried forward		55,444	17,261	72,705	112,839

The Scotland Malawi Partnership
Balance Sheet
As at 31 March 2016

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2016	Total Funds 2015
Fixed assets:					
Tangible fixed assets	9	0	2,312	2,312	2,887
Current assets:					
Debtors	10	0	86	86	141
Cash at bank and in hand	10	55,444	22,955	78,399	131,056
Total current assets		55,444	23,041	78,485	131,197
Liabilities:					
Creditors falling due within one year	11	0	8,092	8,092	21,245
Net current assets		55,444	14,949	70,393	109,952
Total assets less current liabilities		55,444	17,261	72,705	112,839
Creditors, amounts falling due after more than one year	11	0	0	0	0
Net assets		55,444	17,261	72,705	112,839

The funds of the charity:

Restricted income funds	12	0	17261	17261	49179
Unrestricted income funds	12	55444	0	55444	63660
		55444	17261	72705	112839

The notes on pages 17 to 25 form part of these accounts.

Approved by the Trustees on 24 August 2016 and signed on their behalf by:



Kenneth Rankin-Ross
Trustee

The Scotland Malawi Partnership
Statement of cash flows
For the year ended 31 March 2016

	Note	Total funds 2016	Total funds 2015
Net cash used in operating activities	13	-51,376	46,280
Cash flows from investing activities			
Bank interest		437	682
Purchase of fixed assets		-1,718	-4,850
Net cash provided by investing activities		-1,281	-4,168
Change in cash and cash equivalents		-52,657	42,112
Cash and cash equivalents			
Brought forward		131,056	88,944
Carried forward		78,399	131,056

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) issued on 16 July 2014 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 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 2017), the most significant areas of uncertainty is the renewal of the Scottish Government core grant, due for renewal on 1 April 2017. In the event of non-renewal, operations would continue at a much reduced level.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing these financial statements, the Trustees have considered whether, in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was required. No restatements were required. No adjustment was required to opening balances and therefore no reconciliation is required to be stated here.

(c) 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.

Notes to the financial statements (continued)

(d) 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.

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.

(e) 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 (g) below.

(f) Irrecoverable VAT

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

(g) 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.

(h) Charitable activities

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

Notes to the financial statements (continued)

(i) 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.

(j) 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 (g) 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.

During the year, the charity completed auto-enrolment for pensions purposes.

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 £459 (2015: £1362) were repaid to 6 Trustees during the year.

3. Income from grants and donations

	2016 £	2015 £
Restricted grants		
Scottish Government, core grant	223,253	231,542
Scottish Government, MaSP grant	67,000	0
Beit Trust	20,000	0
Livingstone Scholarships	0	90,000
Other restricted grants	7,069	2,984
Unrestricted grants and donations	7,200	20,553
	324,522	345,079

Notes to the financial statements (continued)

4. Investment income

	2016 £	2015 £
Bank interest	437	682

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:

Cost type	Total allocated £	Governance related £	Other support costs	Basis of apportionment
Staff costs	169,094	16,909	152,185	Staff time
Other staff related costs	7,090	70	7,020	Staff time
Office rental and costs	19,473	0	19,473	Direct
	195,657	16,979	178,678	

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	2016 £	2015 £
Trustee expenses	459	1,362
Independent examiner's fee	1,200	523
Costs of meetings	450	557
Support costs (see above)	16,979	16,058
	19,088	18,500

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	2016 £	2015 £
Member engagements	197,766	188,339
MaSP grants and costs	0	0
Other grants and donations	0	0
	197,766	188,339

6. Analysis of charitable expenditure

In 2016, the expenditure on charitable activities was £365,143 (2015: £419,999), of which £7,174 (2015: £5,660) was from unrestricted funds and £357,969 (2015: £414,339) was from restricted funds.

	Direct £	Support and governance costs £	Total 2016 £	Total 2015 £
<i>Funded from unrestricted funds:</i>				
Member engagements	313	585	898	238
MaSP grants and costs	6,208	0	6,208	5,422
Other grants and donations	68	0	68	0
<i>Funded from restricted funds:</i>				
Member engagements	27,025	197,181	224,206	235,365
MaSP grants and costs	70,488	0	70,488	52,700
Other grants and donations	60,932	0	60,932	88,274
Depreciation	2,293	0	2,293	0
	167,327	197,766	365,093	381,999

Notes to the financial statements (continued)

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

	2016 £	2015 £
Salaries and wages	152,603	143,956
Social security costs	8,646	11,100
Other pension costs	7,845	5,362
	<u>169,094</u>	<u>160,418</u>

The average number of full-time equivalent employees during the year was 6 (2015: 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 £41,740 (2015: £43,383). No employee had employee benefits in excess of £60,000 (2015: none).

8. Remuneration of the independent examiner

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

9. Tangible fixed assets

	Office Equipment £
Cost	
At 31 March 2015	10,662
Additions	1,718
Disposals	0
At 31 March 2016	<u>12,380</u>
Aggregate depreciation	
At 31 March 2015	7,775
Charge for the year	2,293
Eliminated on disposals	0
At 31 March 2016	<u>10,068</u>
Net book amount	
At 31 March 2016	<u>2,312</u>
At 31 March 2015	<u>2,887</u>

Notes to the financial statements (continued)

10. Analysis of current assets

	Total 2016	Total 2015
Prepayments and accrued income	0	0
Receivables	86	141
Cash at bank and in hand	78,399	131,056
	78,485	131,197

All prepayments and receivables in both 2016 and 2015 refer to restricted funds.

Cash at bank and on hand were as follows: unrestricted funds £55,444 (2015: £63,660) and restricted funds £22,955 (2015: £67,396).

11. Analysis of current liabilities and long-term creditors

	Total 2016	Total 2015
Creditors under one year		
Payables	2,789	10,053
Social security and other taxes	2,992	3,902
Pension fund payable	0	0
Other creditors	1,291	2,410
Accruals and deferred income	1,020	4,880
	8,092	21,245
Creditors falling due after one year		
	0	0

All creditors in 2016 and 2015 refer to restricted funds.

Notes to the financial statements (continued)

12. Analysis of charitable funds

Analysis of fund movements	Balance Brought forward	Income	Expenditure	Transfers	Balance Carried forward
Unrestricted funds	49,179	7,210	-7,174	6,229	55,444
<i>Restricted funds:</i>					
Scottish Government core	656	223,680	-225,233	897	0
Scottish Government MaSP	6,589	67,000	-69,248	0	4,341
Beit Trust	0	20,000	-20,000	0	0
Livingstone Fund	24,093	0	-24,093	0	0
Global goals	11,000	0	-10,054	0	946
Other grants	0	7,068	-3,776	0	3,293
Scholarships	21,322	0	-5,515	-7126	8,681
	112,839	324,958	-365,093	0	72,705

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 Beit Trust grant represents funds from the Beit Trust to assist in alleviating flooding in Malawi. This amount was expended fully during the year.

The Livingstone Fund and the Scholarships fund represent funding specifically for scholarships. There were two rounds of these.

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

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

Notes to the financial statements (continued)

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

	2016	2015
Net movement in funds	-40,134	-36,238
Add back depreciation charge	2,293	3,684
Deduct interest income	-437	-682
Decrease/(increase) in debtors	55	67,026
Increase/(decrease) in creditors	-13,153	12,490
Net cash used in operating activities	-51,376	46,280