

**DRAFT**

**Company number: SC294378**

**Charity number: SC037048**

**THE SCOTLAND MALAWI PARTNERSHIP**

**Report of the Trustees**

**And**

**Unaudited Financial Statements**

**For the year ended 31 March 2019**

**DRAFT**

## **Report of the Trustees for the year ended 31 March 2019**

The Trustees are pleased to present their annual Trustees' Report together with the financial statements of the charity for the year ended 31 March 2019 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 102 (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) exists to coordinate, represent and support the many civic links between Scotland and Malawi. It 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)**

In 2018/19, the SMP hosted 37 main events and engagements attended by 2,252 people, and co-hosted or supported a further 44 events attended by 4,595 people.

**April 2018:**

17<sup>th</sup> April 2018 [House of Lords Presidential Event](#): The Malawi APPG welcomed H.E. President Peter Mutharika to a special meeting of the APPG.

20<sup>th</sup> April 2018 [ScotDec's Education Event](#): We loaned our promotional SDG banners to ScotDec for their event at Codebase.

23<sup>rd</sup> April 2018 [RCPSG event with the President of Malawi](#): First event with the President of Malawi after arriving in Scotland.

25<sup>th</sup> April 2018 [President of Malawi Visit](#): The SMP hosted the President of Malawi on a visit to Edinburgh to celebrate the civic-society links between Scotland and Malawi.

26<sup>th</sup> April 2018: ["Politics, Society and Christianity in Malawi and Beyond": Jack Thompson John McCracken Memorial Conference](#): A memorial conference was held in honour of John McCracken and Jack Thompson at the University of Edinburgh.

26<sup>th</sup> April 2018: [Scottish Parliament Reception with the President of Malawi](#): The President addressed MSP's at the Scottish Parliament.

**May 2018:**

5<sup>th</sup> May 2018: [UK-Malawi Business Group Meeting](#): Supported the latest meeting of the group, offering specific support on Scottish and advocacy points.

9<sup>th</sup> May 2018: [SMP Talk on Building Personal Resilience](#): Invited by DFID to give a talk and workshop at a special CPD day for DFID staff, looking to increase their personal resilience and effectiveness based on the SMP's experience.

11<sup>th</sup> May 2018: [IDEAS Residential](#): The SMP loaned its SDG banners to IDEAS.

11<sup>th</sup> May 2018: [Learning for Sustainability Conference](#): The SMP loaned its SDG banners to LfS.

22<sup>nd</sup> May 2018: [Chichewa Workshops](#): The SMP hosted a series of language and culture workshops in Edinburgh and Glasgow.

25<sup>th</sup> May 2018: [SCVO SDG's & You](#): The SMP loaned its SDG banners and attended this event on the SDG's.

29<sup>th</sup> May 2018: [Climate Justice Fund Information Day](#): The SMP supported the Scottish Government's Climate Justice Fund Information Day and members applying.

**June 2018:**

2<sup>nd</sup> June 2018: [UK-Malawi Business Group Meeting](#): Supported the latest meeting of the group, offering specific support on Scottish and advocacy points.

## ***Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2019***

5<sup>th</sup> June 2018: [Senior Induction and SDG's Showcase](#): The SMP loaned its SDG banners to Beath High School.

6<sup>th</sup> June 2018: [Cross Party Group on Malawi](#): The CPG met to discuss Scotland-Malawi relations and climate change. We heard from projects funded by the Scottish Government's Climate Justice Fund, and from Tearfund's Country Representative for Malawi.

14<sup>th</sup> June 2018 [Malawi Independence Celebrations](#): Organised by the Association of Malawians in Scotland, Independence Day celebrations saw visits from Ben Macpherson MSP and the Malawian Minister for Agriculture.

16<sup>th</sup> June 2018: [Faith Links Conference](#): The Faith Links Conference brought together faith-based members to discuss themes of 'narrative and communication' and 'collaboration and partnership'.

### **July 2018:**

11<sup>th</sup> July 2018: [Roundtable with the Minister for Agriculture, Irrigation and Water Development](#): With the Scottish Government and the University of Strathclyde, the SMP hosted a roundtable meeting for members to meet a senior water delegation from the Government of Malawi and Parliament.

15<sup>th</sup> July 2018: [Meeting with Rt Hon Harriet Baldwin](#): Hosted a meeting with the UK Government's Africa Minister at the SMP offices; briefing on the SMP's work and advancing key advocacy agendas.

20<sup>th</sup> July 2018: [MaSP AGM](#): MaSP's AGM on 'Working Partnerships' was the first gathering of members since the New Cooperation Agreement between Malawi and Scotland on 23<sup>rd</sup> April 2018.

31<sup>st</sup> July 2018: [Faith Links Roadtrip](#): Member Services Officer Grace travelled around Scotland to meet with faith-based members, so as to network, share updates and feed into the work of the SMP.

### **August 2018:**

7<sup>th</sup> August 2018: [Roundtable with the Ministry of Gender](#): The SMP hosted a senior delegation from the Government of Malawi, discussing gender, children, disability and social welfare.

6<sup>th</sup>- 12<sup>th</sup> August 2018: [SDG Showcase](#): The SMP loaned its SDG banners to Biggar High School.

17<sup>th</sup> August 2018: [Malawi Choir event](#): The SMP hosted a special live performance from the Malawian Youth Choir who performed at the Edinburgh Military Tattoo.

22<sup>nd</sup> August 2018: [Malawian visitors from Thondwe](#): Youth and Schools Officer Gemma attended a visit from Malawian partners in Thondwe at Biggar High School.

23<sup>rd</sup> August 2018: [Reflection Session on Malawi Visit with The Community School of Auchterarder](#): Youth and Schools Officer Gemma supported a reflection session on pupils' recent visit to Malawi.

28<sup>th</sup> August 2018: [Progress on the Global Goals in Scotland and abroad](#): The SMP, Alliance, Scotland's SDG Network and the UN co-hosted a panel discussion on the UN SDG's.

### **September 2018:**

6<sup>th</sup> September 2018: [Social Enterprise Academy Global Gathering](#): Offered practical and financial support for a Malawian delegation to take part in the SEA Global Gathering.

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7<sup>th</sup> September 2018: [Scottish Government Small Grants Information Day](#): The SMP and the Alliance supported the Information Day and gave a brief presentation on what support the SMP can offer members applying.

13<sup>th</sup> September 2018: [CPG on Malawi](#): This CPG on Malawi focused on the Year of Young People and the CPG's AGM.

13<sup>th</sup> September 2018: [School Partnership Activity Workshop](#): This was a Malawi Information and Partnership Workshop delivered by Youth and Schools Officer Gemma.

19<sup>th</sup> September 2018: [Scotland Africa Business Exchange \(SABE\) Heads of Mission Reception](#): The SMP supported a SABE reception Heads of Mission reception with the Edinburgh Lord Provost, connecting the Malawi High Commission with the PM's Africa Trade Commissioner for Africa and other business leaders.

19<sup>th</sup> September 2018: [Scottish Learning Festival](#): The SMP supported a workshop run by Beath High School on school partnerships using their school partnership as an example.

20<sup>th</sup> September 2018: [Chichewa Workshop](#): YSO Gemma and one of the SMP's Chichewa tutors, Brave Mnyayi, delivered a language and culture session.

28<sup>th</sup> September 2018: [SMP Youth Committee Meeting](#): This was the first meeting of the new SMP Youth Committee.

28<sup>th</sup> September 2018: [Water Witness International Meeting](#): With Water Witness International, SCIAF, JTS and the Climate Challenge Programme Malawi, the SMP co-convened an this event on Scotland's role in supporting climate justice in Malawi.

28<sup>th</sup> September 2018: [Malawi Scotland Conference](#): The SMP, MaSP, Scottish Government, Government of Malawi and both Parliaments delivered a high-level national conference in Lilongwe.

### **October 2018:**

6<sup>th</sup> October 2018: [SMP AGM 2018](#): The AGM was held at the University of Glasgow Student Union, with the theme of 'Our Shared Future: Youth Participation and Sustainability'.

12<sup>th</sup> October 2018: [Penicuik High School's Malawi Partnership Day](#): Penicuik High School held its first Malawi Partnership Day, which we helped to support by lending materials, give talks, and showcase Malawi links.

17<sup>th</sup> October 2018: [Malawi APPG Meeting with the Vice-President](#) : Meeting with the Vice President of Malawi attended by MPs, Peers and senior officials

23<sup>rd</sup> October 2018: [Health Forum- Connecting & Collaborating](#): We heard from a Malawian obstetrician/gynaecologist with interest in cervical screening, a midwife, and some of the Scottish Government funded health projects.

29<sup>th</sup> October 2018: [Water Witness International Event](#): Promotion to subject-specific SMP members and input into relevant stakeholders.

### **November 2018:**

5<sup>th</sup> November 2018: [Malawi-UK Business Group Networking Reception](#): Networking reception with CDC, key stakeholders and prospective investors.

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7<sup>th</sup> November 2018: [Schools Forum, Aberdeen](#): The Schools Forum was run in partnership with MDEC Aberdeen for a Fairer World.

8<sup>th</sup> November 2018: [BITT Roundtable with MITC](#): MITC and the Government of Malawi joined SMP members at the Edinburgh City Chambers for a Roundtable on Business, Trade, Investment and Tourism in Malawi.

22<sup>nd</sup> November 2018: [Cross Party Group on Malawi](#): We heard from the Association of People with Albinism in Malawi, and the Chair of the SMP Board on the Malawi and Scotland: Together for Sustainable Development Conference.

26<sup>th</sup> November 2018: [School Visit to St Ronan's Primary](#): Visit and meeting with School Malawi Committee to hear upcoming events and to give a Q&A session on Malawi.

29<sup>th</sup> November 2018: [Further and Higher Education Forum](#): The meeting was chaired by Dr Yonah Matemba of the University of the West of Scotland, which focused on accreditation for Malawian qualifications, and the stories from Malawian students studying in Scotland.

### **December 2018:**

6<sup>th</sup> December: [Translation and Interpretation Webinar](#): Co-hosted webinar for Dr Angela Crack to present the findings of her research on the use of language by NGOs operating in Malawi

7<sup>th</sup> December 2018: [Workshop at Kelvinside Academy](#): Introductory session on Malawi and school partnerships.

7<sup>th</sup> December 2018: [Christmas Tree Festival](#): Organised by the Mamie Martin Fund, SMP helped promote and support MMF by informing media and gaining media coverage about their 25<sup>th</sup> anniversary message at the Christmas Tree Festival.

10<sup>th</sup> December 2018: [Malawi All-Party Parliamentary Group](#): AGM of the UK Parliament's Malawi All-Party Parliamentary Group

13<sup>th</sup> December 2018: [Scottish Government Grant Information Day](#): Presented session on SMP services and sought input from attendees on their needs.

15<sup>th</sup> December 2018: [2050 Climate Group Gathering](#): Took part in workshop with two Youth Committee members discussing cultural experiences in Malawi.

### **January 2019:**

10<sup>th</sup> January 2019: [Lunchtime Club Workshop](#): Lunchtime club session on Malawi and introduction to the SMP.

11<sup>th</sup> January 2019: [Workshop at Kelvinside Academy](#): Follow up workshop on preparation for their trip to Malawi and on Global Citizenship.

15<sup>th</sup> January 2019: [Talk at the University of Edinburgh](#), Edinburgh Global Partnerships: Delivered a talk on charity vs. partnership for the Edinburgh Global Partnerships team.

17<sup>th</sup> January 2019: [Governance Forum](#): The SMP's first Governance Forum was held for those involved in existing or past partnerships around governance strengthening initiatives.

22<sup>nd</sup> January 2019: [Malawi All-Party Parliamentary Group](#): Meeting of the Malawi APPG as part of the Inquiry on UK Visa issuing, taking evidence from a range of stakeholders

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22<sup>nd</sup> January 2019: [Information Session at IDEAS](#): Gave short talk on SMP support for schools and took part in discussion groups on Global Learning in the classroom.

### **February 2019:**

4<sup>th</sup> February 2019: [MaSP Regional Meeting](#): SMP delivered a presentation and had contact with the Scottish Government team, grantees and other delegates.

5<sup>th</sup> February 2019: [MaSP Annual Symposium 2019](#): 70 representatives of projects funded by the Scottish Government attended MaSP's 2019 Symposium.

7<sup>th</sup> February 2019: [MaSP Regional Meeting](#): SMP delivered a presentation and had contact with the Scottish Government team, grantees and other delegates.

7<sup>th</sup> February 2019: [WOSDEC Fairtrade Fortnight Session](#): Gave short talk and had a stall at the event to give information on resources for schools around Fairtrade.

13<sup>th</sup> February 2019: [Malawi All-Party Parliamentary Group](#): Meeting of the Malawi APPG as part of the Inquiry on UK Visa issuing, meeting with Caroline Nokes MP (UK Government Immigration Minister).

13<sup>th</sup> February 2019: [The Boy Who Harnessed The Wind UK Premier](#): Supported the UK Premiere, bringing the Malawi High Commissioner, his Deputy, Lord McConnell and the UK Government's Africa Minister and Private Secretary

14<sup>th</sup> February 2019: [St Ronan's Warm Heart of Africa Day](#): Helped organise, and make and publish a video about their event.

15<sup>th</sup> February 2019: [2050 Project leaving event for Malawi partners](#): Event bringing together those who had hosted and supported the Malawi partners of the 2050 project

22<sup>nd</sup> February 2019: [Roundtable Meeting with Richard Leonard MSP, Leader of Scottish Labour](#): The SMP and the Alliance co-hosted a roundtable meeting with members of both networks to discuss Scottish Labour's involvement in international development and the bilateral relationship with Malawi.

22<sup>nd</sup> February 2019: [Global Citizenship Day at Head of Muir Primary School](#): Head of Muir Primary School borrowed our Sustainable Development Goals banners for their Global Citizenship Day across the school.

28<sup>th</sup> February 2019: [Youth Congress](#): Annual Youth Congress took place at McEwan Hall on the themes of Culture and Partnership.

28<sup>th</sup> February 2019: [The Boy Who Harnessed The Wind: Special Scottish Screening](#): The SMP hosted the exclusive Scottish screening ahead of its official Netflix launch on 1<sup>st</sup> March.

### **March 2019:**

7<sup>th</sup> March 2019: [Renewable Energy Forum](#): The SMP hosted a new member-led Renewable Energy Forum.

20<sup>th</sup> March 2019: [Merchant Schools' Photo Event and Auction](#): Financial support given to support the running costs of the event and the SMP attended in person.



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25<sup>th</sup> March 2019: Model UN: We loaned our SDG banners to the Edinburgh City Council for a Conference held in partnership with UN House. The theme was 'single-use plastic' and reinforced the SDG agenda for P7 pupils and teachers.

26<sup>th</sup> March 2019: MDEC Screening of *The Boy Who Harnessed The Wind*: The SMP attended the screening, gave a short talk and an introduction to the film and other SMP support.

26<sup>th</sup> March 2019: Just Trading Scotland 10<sup>th</sup> Anniversary: The SMP spoke at the event honouring JTS' 10<sup>th</sup> anniversary in the Scottish Parliament.

27<sup>th</sup> March 2019: VIP4SD Conference on Sustainable Development: VIP4SD Conference on Sustainable Development

27<sup>th</sup> March 2019: Online Schools Forum: The SMP held its first ever online schools forum for teachers across Scotland to learn more about school partnerships and Learning for Sustainability.

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 Presidential visit, the visits by the Ministers of Gender and Agriculture, the major epoch-making [Malawi and Scotland: Together for Sustainable Development](#) conference in Malawi, the Youth Conference and the Scottish Premiere of *The Boy Who Harnessed the Wind*.

We had very strong impact, influence and support in both Holyrood and Westminster, and with both the Scottish and UK Governments. Our new Malawi All-Party Parliamentary Group in Westminster has gone from strength to strength, with meetings with both the President and the Vice President of Malawi in this year. And our Malawi Cross Party Group in Holyrood had three very lively meetings, with an address from the President of Malawi in the Main Chamber of the Scottish Parliament.

Speaking in the House of Lords, the President commented: "*I am greatly impressed that the Scotland-Malawi relationship has played such a big role helping support Malawi's cause and tell Malawi's story*".

The First Minister of Scotland said: "*we are and we always have been absolutely united in recognising the value and the importance of the friendship between Scotland and Malawi. As you have, so eloquently, set out today, the ties between our nations are unique and they are very special.*"

*...The Scotland Malawi Partnership includes universities, colleges, schools, faith groups, businesses, charities, social enterprises and many, many other organisations. Indeed, as you have mentioned, almost 100,000 people in Scotland are directly involved in the Partnership, just as are almost 200,000 people in Malawi. And together we have achieved some extraordinary results"*

The SMP was active in supporting a coordinated national response to the severe floods that hit Malawi in February-March 2019. It coordinated stakeholder, build public support and established rapid all-party support for the swift response from the Scottish and UK Governments.

The Partnership was celebrated in the media, in parliament and in government as having an innovative and impactful model for others to follow. There were 262 articles about Malawi in the Scottish press, many by or featuring the SMP, and 94% of which were positive in tone.

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 2018/19**

104 members submitted responses to the 2019 member Needs and Impact Survey

88% of respondents felt that membership of the SMP in 2018-19 *“helped strengthen, support or develop their links with Malawi”*.

The top seven most useful SMP services in 2018-9 were:

1. Office enquiries/ support (73% of users rated “extremely useful” and 27% “quite useful”)
2. Support for visa applications (63% of users rated “extremely useful” and 12% “quite useful”)
3. SMP events (56% of users rated “extremely useful” and 41% “quite useful”)
4. Representation on Social Media (54% of users rated “extremely useful”, 41% “quite useful”)
5. Disseminating information (51% of users rated “extremely useful” and 41% “quite useful”)
6. Networking Opportunities (50% of users rated “extremely useful” and 46% “quite useful”)
7. Publications (50% of users rated “extremely useful” and 46% “quite useful”)

Through 2018-19, the SMP supported and encouraged members to reflect on:

- The UN’s Global Goals: 90% knew this was an SMP priority, of whom 79% reflected on their work in this area because of the SMP, and 32% changed their work as a result.
- Supporting the economy of Malawi: 89% knew this was an SMP priority, of whom 79% reflected on their work in this area because of the SMP, and 38% changed their work.
- Agriculture and food security in Malawi: 90% knew this was an SMP priority, of whom 74% reflected on their work in this area because of the SMP, and 30% changed their work.
- Sustainability: 87% knew this was an SMP priority, of whom 85% reflected on their work in this area because of the SMP, and 39% changed their work.
- Working within Malawian priorities: 82% knew this was an SMP priority, of whom 87% reflected on their work in this area because of the SMP, and 29% changed their work.
- What Partnership Principles underpin links: 78% knew this was an SMP priority, of whom 94% reflected on their work in this area because of the SMP, and 39% changed their work.

When asked what impact SMP membership had had this year, members talked of: new connections with other organisations; increased understanding and awareness; a sense of being well represented and supported; and myriad other benefits stemming from excellent advice, networking, coordination and practical support.

In reporting to the Scottish Government on the impact of their core funding of the SMP, the Partnership highlighted 222 qualitative impact and positive feedback statements it had received from members, including:

*“The Malawi news link in the bulletin keeps me up to date with Malawian priorities and has allowed more organisations involved with Steka in particular to engage.”*

**Caroline Beaton, Kenyawu Kids**

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*"It feels important to have the SMP behind all our work".* **Hazel Dawson, Mamie Martin Fund**

*"The SMP has increased exposure of our brand and an increase in both network and sales".*  
**Dominic Webb, Orbis Expeditions**

*"The SMP gives us a bit more back-up and real credibility".* **Andy McKay, Saint Margaret's High**

*"It has provided new contacts which in turn have helped create new projects, ones which we find exciting".*  
**Alan Laverock, The Bananabox Trust**

*"Lots of excellent advice given quickly when required. Great to meet up with other schools and get ideas from other staff".*  
**Rhona Findlay, Inverkip Primary**

*"The SMP has supported our grant application to the Scottish Government".* **James Turing, The Turing Trust**

*"It keeps us abreast of developments and in touch with policy makers in Malawi and Scotland".*  
**Alex Mackay, Wellcome Centre for Integrative Parasitology**

*"It has inspired me to keep links to Malawi strong".* **Rebecca Foster**

*"Strengthened it by having direct links with SMP and MaSP. Provides the security that we knew whom to contact for help/support".*  
**Ian Mitchell, The Beath Malawi Partnership**

### **Looking Ahead**

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

In 2019-20, the final year of this triennium, we will continue to advance the seven core strands of our Theory of Change:

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

We have now begun active consultations with our member, partners and funders about our work 2020-23 and have received an indicative funding commitment from the Scottish Government that our core funding will continue to 2023 on the same basis.

### **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.

In 2018-19 we succeeded in increasing our membership fee income, with higher fees (voted for by members themselves) and new systems for fee collection, including Direct Debits. We have also attracted increased event sponsorships and increased income from profit share agreements, for example with STA travel.

The total unrestricted reserves at the year-end amounted to £74,214 (2018: £58,648). Restricted reserves show a surplus of £43,313 (2018: £21,898).

We are indebted to successive Scottish Governments for the support the SMP has received. While we have succeeded in diversifying our income to a significant degree, it would not be possible for the SMP to achieve all it does without this far-sighted and long-term support of the Scottish Government.

### **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. The SMP received grant funding from the Scottish Government for the development of MaSP. The 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 intimation of 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 £74,214 (2018: £58,648)

## **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

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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 3/7, 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] *(resigned as chair 4<sup>th</sup> June 2019)*

Heather Cubie [Chair] *(re-elected 6<sup>th</sup> October 2018) (elected chair 4<sup>th</sup> June 2019)*

Stuart Brown [Co-Vice Chair] *(resigned August 2018 to accept staff post)*

Claire Martin [Co-Vice Chair]

Tione Mtalimanja [Co-Vice Chair]

Isabel Bruce

Malcolm Fleming

Andrew Goudie

Nicholas Gubbins

Lilian Haire *(elected 6<sup>th</sup> October 2018)*

Gillian McMahan

Vincent Mzembe *(resigned 6<sup>th</sup> October 2018)*

Jeremaya Phiri

## **Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2019**

Colin Reilly

Denis Robson *(elected 6<sup>th</sup> October 2018)*

Sam Riddell *(resigned 6<sup>th</sup> October 2018)*

Ben Wilson

Douglas Young *(appointed Co-Vice Chair August 2018)*

### **Co-Presidents**

Frank Ross, Lord Provost of the City of Edinburgh *(ex officio)*

Eva Bolander, Lord Provost of the City of Glasgow *(ex officio)*

### **Co-Patrons**

His Excellency Prof. Peter Mutharika, President of Malawi *(ex officio)*

Her Royal Highness Princess Anne, The Princess Royal

### **Company Secretary and Chief Executive**

David Hope-Jones OBE

### **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.

***Scotland Malawi Partnership, Reports and financial statements for the year ended 31 March 2019***

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:

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The Scotland Malawi Partnership  
Statement of financial activities, incorporating Income and Expenditure Account  
For the year ended 31 March 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Income from:</b>					
Grants and donations	3	31,983	452,621	484,604	379,353
Investment income	4	42	0	42	155
		<b>32,025</b>	<b>452,621</b>	<b>484,646</b>	<b>379,508</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Member engagements	6	8,986	245,849	254,835	237,336
MaSP grants and costs	6	7,473	183,290	190,763	120,508
Other grants and donations	6	0	0	0	0
Depreciation	6	0	2,067	2,067	2,432
		<b>16,459</b>	<b>431,206</b>	<b>447,665</b>	<b>360,276</b>
<b>Net income/(expenditure) and net movement in funds</b>		15,566	21,415	36,981	19,232
<b>Transfers between funds</b>		0	0	0	0
		<b>15,566</b>	<b>21,415</b>	<b>36,981</b>	<b>19,232</b>
<b>Funds reconciliation</b>					
Total funds brought forward		58,648	21,898	80,546	61,314
<b>Total funds carried forward</b>		<b>74,214</b>	<b>43,313</b>	<b>117,527</b>	<b>80,546</b>

The Scotland Malawi Partnership  
Balance Sheet  
As at 31 March 2019

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Fixed assets:</b>					
Tangible fixed assets	9	0	2,377	2,377	3,776
<b>Current assets:</b>					
Debtors	10	0	6,333	6,333	1,500
Cash at bank and in hand	10	74,214	53,387	127,603	84,238
<b>Total current assets</b>		<b>74,214</b>	<b>59,720</b>	<b>133,936</b>	<b>85,738</b>
<b>Liabilities:</b>					
Creditors falling due within one year	11	0	18,880	18,880	8,968
		74,214	40,840	115,056	76,770
<b>Net current assets</b>					
<b>Total assets less current liabilities</b>		<b>74,214</b>	<b>43,217</b>	<b>117,433</b>	<b>80,546</b>
<b>Creditors, amounts falling due after more than one year</b>	11	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net assets</b>		<b>74,214</b>	<b>43,217</b>	<b>117,433</b>	<b>80,546</b>
<b>The funds of the charity:</b>					
Unrestricted income funds	12	74,214	0	74,214	58,648
Restricted income funds	12	0	43,313	43,313	21,898
		<b>74,214</b>	<b>43,313</b>	<b>117,527</b>	<b>80,546</b>

The notes on pages 19 to 25 form part of these accounts.

Approved by the Trustees on \_\_\_\_\_ and signed on their behalf by:

## **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 £119 (2018: £120) were repaid to 2 Trustees during the year.

## 3. Income from grants and donations

	2019 £	2018 £
<b>Restricted grants</b>		
Scottish Government, core grant	236,861	251,131
Scottish Government, MaSP grant	117,402	108,670
Other Restricted Grants	98,358	0
<b>Unrestricted grants and donations</b>	31,983	19,552
	<b>484,604</b>	<b>379,353</b>

## 4. Investment income

	2019 £	2018 £
Bank interest	42	155

## 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 £	Governanc e related £	Other support costs	Basis of Apportionmen t
Staff costs	195,360	19,536	175,824	Staff time
Other staff related costs	7,071	85	6,986	Staff time
Office rental and costs	23,258	7,681	15,577	Direct
	<b>225,689</b>	<b>27,302</b>	<b>198,387</b>	

**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.

<b>Governance costs</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trustee expenses	119	120
Independent examiner's fee	1,554	1,200
Costs of meetings	1,279	1,109
Support costs (see above)	27,302	26,039
	<b>30,254</b>	<b>28,468</b>

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:

<b>Allocation of governance and other support costs</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Member engagements	228,641	210,234
	<b>228,641</b>	<b>210,234</b>

**6. Analysis of charitable expenditure**

In 2019, the expenditure on charitable activities was £445,598 (2018: £360,276), of which £16,459 (2018: £13,585) was from unrestricted funds and £429,139 (2018: £346,691) was from restricted funds.

Notes to the financial statements (continued)

	Direct £	Support and governance costs £	Total 2019 £	Total 2018 £
<b><i>Funded from unrestricted funds:</i></b>				
Member engagements	0	8,986	8,986	8,796
MaSP grants and costs	7,473	0	7,473	4,789
Other grants and donations	0	0	0	0
<b><i>Funded from restricted funds:</i></b>				
Member engagements	26,194	219,655	245,849	228,256
MaSP grants and costs	183,290	0	183,290	118,435
Other grants and donations	0	0	0	0
Depreciation	2,067	0	2,067	2,504
	<b>219,024</b>	<b>228,641</b>	<b>447,665</b>	<b>362,780</b>

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

	2019 £	2018 £
Salaries and wages	172,039	159,294
Social security costs	15,337	14,993
Other pension costs	7,984	7,414
	<b>195,360</b>	<b>181,701</b>

The average number of full-time equivalent employees during the year was 6 (2018: 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 £46,513 (2018: £46,052). No employee had employee benefits in excess of £60,000 (2018: none).

**8. Remuneration of the independent examiner**

The independent examiner's remuneration constituted an examination fee of £1,295.



Notes to the financial statements (continued)

9. Tangible fixed assets

	Office Equipment £
<b>Cost</b>	
At 31 March 2018	18,016
Additions	668
At 31 March 2019	<u>18,684</u>
<b>Aggregate depreciation</b>	
At 31 March 2018	14,240
Charge for the year	2,067
At 31 March 2019	<u>16,307</u>
<b>Net book amount</b>	
At 31 March 2019	<u>2,377</u>
At 31 March 2018	<u>3,776</u>

10. Analysis of current assets

	Total 2019 £	Total 2018 £
Prepayments and accrued income	6,333	1,500
Cash at bank and in hand	124,788	84,236
	<u>131,121</u>	<u>85,736</u>

All prepayments and receivables in both 2019 and 2018 refer to restricted funds.

Cash at bank and on hand were as follows: unrestricted funds £74,214 (2018: £58,648) and restricted funds £53,387 (2018: £25,590).

Notes to the financial statements (continued)

11. Analysis of current liabilities and long-term creditors

	Total 2019 £	Total 2018 £
<b>Creditors under one year</b>		
Payables	5,009	
Social security and other taxes	4,051	
Pension fund payable	1,307	
Other creditors	930	
Accruals and deferred income	3,442	
Independent Examiner	1,295	
	<u>18,880</u>	<u>8,968</u>
<b>Creditors falling due after one year</b>		
	<u>0</u>	<u>0</u>

All creditors in 2019 and 2018 refer to restricted funds.

12. Analysis of charitable funds

Analysis of fund movements	Balance Brought forward £	Income £	Expenditure £	Transfers £	Balance carried forward £
Unrestricted funds	58,648	32,025	-16,459	0	<b>74,214</b>
<i>Restricted funds:</i>					
Scottish Government core	23,000	236,861	-247,916	0	<b>11,945</b>
Scottish Government MaSP	-9,765	117,402	-183,290	0	<b>-75,653</b>
Global goals	947	0	0	0	<b>947</b>
Other grants	3,293	0	0	0	<b>3,293</b>
Scholarships	4,423	0	0	0	<b>4,423</b>
	<u>80,546</u>	<u>386,288</u>	<u>-447,665</u>	<u>0</u>	<u>19,169</u>

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.