

**Classrooms for Malawi SCIO  
Annual Report and Accounts for the  
Year Ended 30 September 2021**

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## **A Letter from Our Chairman**

Dear Friends,

My first reaction when writing this report is to feel a sense of achievement; we have been able to make a positive impact in Malawi during what feels like the most challenging time we have faced. This is in no small measure to the support we have continued to receive from partners and the dedication of our Board, staff, donors and volunteers. My sincere thanks to everyone who has helped us over the last year.

I am also writing this report as the COP 26 conference is being held in Glasgow. My hope is that this will be a meaningful meeting which will result in significant, realistic, and achievable goals being set and targeted action to achieve them. We at Classrooms for Malawi are very clear in the ways in which we as a charity can assist in achieving a carbon neutral world.

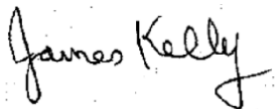
Despite all the challenges we have faced as a charity during this year we have still managed to complete a long-standing ambition of developing and growing our Board here in Scotland. I am delighted that we were able to recruit four new Board members at the start of 2021. This was seen as a very important step to assist in our work to not only keep our charity moving forward by adding the skills, talents, and experience of the new members to complement what was already in place.

While there was naturally a reduction in our planned activities during 2020/2021, we took the opportunity to assess what we have achieved to date and to look at what we hope to achieve going forward. This gave us a clear understanding of the impact of our work and helps us in planning the way forward. This was instrumental in allowing us to develop what we would call a Centre of Educational Excellence (CEE).

While our principal activity as a charity to date has been to build and renovate classrooms, we have always held the ambition to be able to provide even more to support the learning environment for children in Malawi. Our hope is that we can address some of these shortages in addition to providing the essential structure to enhance the learning opportunities for every child.

As we begin to recover some of the lost ground of our activities, we are focused on our journey of recovery. Meantime we continue to do whatever we can to assist in improving the educational environment for the communities in which we work. With the help of our partners and supporter I know our work will continue to make the difference we are all seeking to benefit the children and school communities of Malawi.

Best wishes



**James Kelly**  
**Chairman**

## A Letter from Our Chief Executive

Along with the rest of the world, our activities at Classrooms for Malawi were seriously interrupted by the COVID-19 pandemic during 2021. School closures and restrictions on gatherings in both the UK and Malawi meant that we were unable to implement some of the school-based activities in both countries and much of our planned fundraising activities were curtailed. We were fortunate as a charity to be able to make use of the furlough scheme until September 2021 and, while our construction and renovation work were reduced slightly, we were able to focus our attention on reviewing the impact of the organisation since 2012 by carrying out an evaluation of all Malawi school partner data supported by the Scottish Government Analytical Exchange. The evaluation led to several recommendations which have been shared with the board of trustees and which will be prioritized and progressed with a view to informing strategic direction and strengthening Monitoring and Evaluation across all Classrooms for Malawi programmes.

Following the participation in the 2020 Pilotlight Programme, Classrooms for Malawi also embarked on a governance strengthening exercise in early 2021 to enhance the skill base of the board of trustees and to strengthen inclusion of Malawi partners across decision making processes. We were fortunate to recruit four new trustees with significant experience in income generation, policy development, international development, and communications.

I would like to express sincere gratitude to the volunteers in the UK, our staff and colleagues in Malawi and our trustees. All of whom have worked so hard under tremendous pressure this year. Thank you also to all our school and community partners in the UK, we are sorry that so many of you missed out on volunteering in Malawi during 2020 and 2021 and thank you all for recognising the importance of our work and for continuing your partnerships in Malawi despite the very challenging circumstances.

Like everyone we are looking forward to a return to more normal times and we are excited to have been able to form new partnerships that will commence in 2022 including our collaboration with Rotary International District 1190, focusing on WASH improvements at 15 nursery schools across Southern Malawi. We are also looking forward to the return of our Gala Ball in March 2021 as well as being able to get back and out visit our partners in the UK and, eventually Malawi!

Classrooms for Malawi remains resilient to change and has a strong strategy in place to focus on building capacity in priority schools in Malawi, ensuring that basic minimum standards are met to enable teachers and pupils to achieve an education with the ultimate outcome being a route out of poverty.



**Amy Blake**

**Chief Executive Officer**

## **Our Strategy**

### **Our Vision**

Every child in Malawi will be taught in a classroom fit for purpose

### **Our Mission**

Through strategic national building programmes across Malawi and in partnership with communities, we provide a safe and suitable learning environment for the children of Malawi which improves attendance, academic performance, and aspiration - ultimately offering a sustainable route out of poverty.

### **Our Values**

Our guiding principle is that our work should be led by the expressed needs and aspirations of people and communities and the national priorities of Malawi. That work should be sustainable, innovative and be aware of and mitigate the impact on the environment

### **Our Purpose**

To help children in Malawi find a sustainable route out of poverty through education

### **Our Delivery**

- **Build:** We build and renovate targeted classrooms in Malawi
- **Finance:** We raise targeted revenue to deliver our purpose
- **Educate:** We support local initiatives that improve education attainment and positively impacts on children in poverty
- **Partnership:** We develop effective partnerships in Malawi that deliver improved education outcomes
- **Marketing:** We raise our profile and leverage our good work to enable us to do more

### **School Development Programme 2021**

Despite the restrictions in place due to COVID-19 we were still able to carry out our planned projects in 2021. Our partners in both Malawi and Scotland were very quickly able to develop new methods of communication which meant that partnerships were not lost due to lack of travel and, across all projects these partnerships links have been strengthened. Our team in Malawi were able to carry out all construction and renovation work using local builders and contractors, meaning that any travel restrictions in Malawi were mitigated. We were also able to invest time in developing a new partnership with sustainable building contractor 14 Trees, enabling us to commit to using sustainable building methods for all future new building projects as well as reducing the environmental impact of our work in Malawi.

We are pleased to report that despite the pandemic we have been able to complete projects in four communities during 2021. One new construction of a three-classroom block at Emazinyeni Primary School, two four-pit latrines at Masalani Community Day Secondary

School, one two-classroom block renovation at Namadzi Community Day Secondary School and one two-classroom block renovation at Chilandepa Primary School.

School Name	District	Work	In Partnership With
Chilandepa Primary School	Blantyre Rural	One two-classroom block renovation	Gleniffer High School and The St James' Place Foundation
Namadzi Community Day Secondary School	Chiradzulu	1 x Classroom renovation and electrification	Penicuik High School and The Celtic Foundation
Masalani Community Day Secondary School	Chiradzulu	2 x four-pit latrines for boys and girls	Bannerman High School
Emazinyeni Primary School	Mzimba North	1 x three-classroom block new construction	Williamwood High School and The Celtic Foundation

### Chilandepa Primary School

Chilandepa Primary School is located within the Blantyre Rural District. The total school enrolment is 480, 258 boys and 222 girls. Both the school and community face many development challenges including an increasingly growing population, poor standards of education, teenage pregnancies, early marriage, and high levels of youth unemployment. To address these challenges various district level strategies have been recommended including improving the attendance and retention of girls in school, increasing the level of teaching, and learning materials, building additional classrooms, and promotion of adult literacy.

Classrooms for Malawi and Gleniffer High School are working in partnership with the Chilandepa Primary School, the community, and Blantyre District Education Office to make improvements to the classroom and WASH infrastructure. Since the partnership with Chilandepa started in 2016, Classrooms for Malawi have constructed two classrooms (2017), renovated two further classrooms (2021), and built two blocks of four-pit latrines as well as one girl's changing room (2020).

These interventions align with the strategies recommended by the Blantyre District Education Officer. Mr. Nasiyaya, a teacher at Chilandepa Primary School, explains that work carried out has had a major impact on the school. One improvement he has noticed has been the change of mentality within the community since the renovation work. Inside the school, he states that, "teachers and learners are very motivated". In the community Mr. Nasiyaya discusses that the communities are motivated and willing to contribute to school development, more so than before. He believes that the community is more likely to take ownership of the school. Additionally, he explains that the addition of pit latrines and the girl's changing room has also served several functions within the school. They have not only helped with improving sanitation, but they also help to provide a more conducive environment for learning. The increased presence of latrines and the changing room has largely helped the female students. Girls no longer feel they need to go home early during their periods, therefore increasing school attendance.

Despite this positive impact, there remains work to be carried out at Chilandepa.

- Despite the addition of new and renovated classroom blocks the enrolment remains high, at 99 pupils per classroom. The construction of a further two classrooms would bring enrolment levels toward the minimum standard of 60 pupils per classroom.
- School staff do not have an office for administration or meetings and are currently holding meetings under a tree, with a storeroom being used as an office. An administrative office would enable teachers to meet confidentially as well as carry out school reporting duties indoors.
- The school required teaching resources including teaching materials, books, desks, and chairs as well as access to power from the nearby power line.
- To meet the minimum standard for WASH, 4 more girl's latrines and 6 boys latrines require to be built

### **Namadzi Community Day Secondary School (CDSS)**

Namadzi Community Day Secondary Schools is located within the Chiradzulu District. The total school enrolment is 365.

The biggest challenges facing this secondary school are poor access to suitable classrooms and teaching facilities as well as the long distances walked by pupils to access the school. Mr. Nyambalo, a teacher at the school, explains that while the school is accessible by road, even during rainy season there are approximately 13 villages that send students to this school, which means that many students are required to walk long distances, many for over two hours, to attend classes. This means that pupils are often very late to school and many children, girls especially, drop out of Namadzi due to the long distances to travel as well as the safety concerns for young women walking alone to and from school. Classrooms for Malawi and Penicuik High School, with funding from The Celtic Foundation, are working in partnership with the school and community to improve the standard of the school infrastructure. One classroom block has already been renovated and electricity installed to enable the use of IT equipment in class.

Mr. Nyambalo explains that he can already see the impact happening. He described that he could see positive attitude changes, in both teachers and students, simply because the room has windows and access to electricity. Pupils also use the outside of the building to sit and complete homework after school as they can access light and power which they do not have at home. Of course, there is still more to be done at Namadzi and we look forward to carrying on the partnership between Classrooms for Malawi, Namadzi and Penicuik High School. Priority for the school is further renovation work as well as more access to power and, the construction of a girl's dormitory to make the school more accessible and to improve the safety of the female students.

### **Masalani Community Day Secondary School**

Masalani CDSS is in the Chiradzulu District and has 213 pupils. Masalani CDSS faces several infrastructure challenges including a lack of WASH facilities as well as a lack of classrooms, meaning that during the rainy season teaching can become impossible and classes are forced to be suspended. Mr. Masaka, a teacher at Masalani, stated that one of the unique

challenges the school faces is teaching in the rainy season. He explains that the curriculum includes both core and optional subjects. The school does not have enough classrooms to be able to accommodate all the students taking optional subjects. Therefore, students must learn outdoors, this proves especially challenging in the rainy season, as it does not provide a conducive environment for learning.

In addition, the school did not meet the minimum standard for WASH facilities and in 2021 Classrooms for Malawi and Bannerman High School worked in partnership to provide two four-pit latrines at the school. Mr. Masaka explains that the interventions carried out have had a major impact on the students' day to day lives. Prior to the construction of the girls' changing room, there was not a space for girls to be able to take care of themselves during menstruation. As a result, girls were less likely to come to school.

### **Emazinyeni Primary School**

Emazinyeni Primary School is in Mzimba North; the school has 438 pupils and is a new partner for Classrooms for Malawi and Williamwood High School. Emazinyeni Primary School is in a very rural area and, like one of our previous partners Ekwendeni Primary School it is in the catchment area for Ekwendeni Community Day Secondary School. Emazinyeni faces several challenges including high pupil ratio of 1: 109 pupils per teacher, leading to high dropout rates with some parents preferring to transfer their children to more distant but better equipped schools. In 2020 the Williamwood partnership set about raising significant funds to provide a new three-classroom block at Emazinyeni primary and we were delighted to break ground with this building in September 2021.

The construction of this new classroom block will be led by our new partner, sustainable building company 14 Trees. Classrooms for Malawi is committed to protecting the environment in all its work, both through our work in Malawi and across our strategic decision-making processes. Burned bricks are commonplace in Malawi but place an unsustainable demand on the natural resources available. Making bricks requires large quantities of wood to fuel kilns, which, combined with domestic firework needs is resulting in widespread deforestation in Malawi.

In 2021 we moved toward the use of Soil Stabilised Blocks (SSB's) as an alternative to burnt bricks and as a sustainable building technique. Soil Stabilised Blocks are building blocks made from ordinary soil mixed with a small amount of cement and water, they are then compressed in a block press and left to dry in 2021 we will be using SSB's in our new build at Emazinyeni Primary School as well as all planned new constructions for 2022. Sustainable building methods are crucial to the longevity of our constructions as well as being vital to withstand the impact of climate change in many of the communities in which we work in Malawi.



## How We've Spent Your Money Overview

The year to 30 September 2021 followed on from the previous year where our operations were seriously curtailed, and all of our pipeline funding came to an end.

But...don't procrastinate; innovate. The Classrooms for Malawi team came up with some great digital fundraising initiatives which, alongside dipping into our healthy reserves, allowed us to continue with what work we could in Malawi to improve the educational lives of the children of Malawi.

Over the past two years, we have seen the need to make every penny last as long as it could whilst making the biggest impact in Malawi. We will continue to do so.

### £0.96p of every £1 donated is spent on charitable activities

#### Income

Our income more than halved that of FY20 as was to be expected due to restrictions on face-to-face fundraising and many of our partners requiring to work from home.

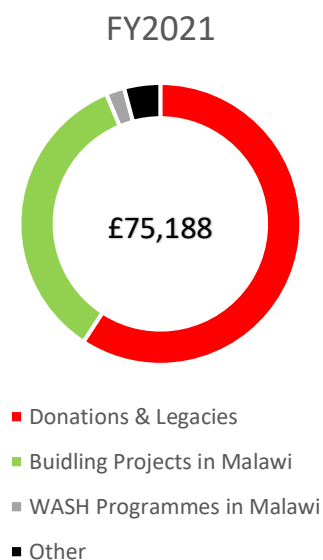
As previously mentioned, we tend to have a steady pipeline of restricted funds from our UK based partners and can often forecast several years in advance. The pandemic put an end to that and as a consequence, FY20 saw our restricted income slow down but FY 21 saw it pretty much grind to a halt.

However, the outlook is better for next year as we aim to build upon our digital initiatives, reinvigorate our fundraising base, plan our annual fundraising ball, and welcome volunteers to Malawi. This will provide a significant source of unrestricted income allowing us to focus on improving the educational environment of thousands of children.

#### Expenditure

As our income fell by 55%, we were required to manage our cost base. We reduced our costs by 41% and made up the shortfall through our reserves. Unfortunately, it was out project costs that saw a 67% reduction in expenditure compared to 2020 levels, but as with the UK, this was the right course of action as many trades and employees were prevented from working.

However, as our new strategy continues to grow, we are excited to announce the two largest programmes of work we have undertaken yet at Ngumbe and Emazinyeni as we grow these communities into centres of educational excellence. We will focus our programmable expenditure in these areas for the next few years in the hope of making an even more significant, lasting impact.



### **Reserves**

It is our aim to keep no more than we need to in reserves for the operational activities of the charity.

During the course of the year, we amended our Reserves Policy from three months to six weeks' worth of reserves held at any one time. The basis for this was to give a more realistic outlook on our operational activities that had slowed substantially as the global community began to recover from COVID-19.

At balance date reserves stood at £53,971 (2020: £77,465) with £33,290 (2020: £47,916) of these being unrestricted, free reserves.

### **Key Management Remuneration**

In the opinion of the trustees there is one member of key management, the Chief Executive Officer. In the year to 30 September 2021 total employer costs relating to this post were £44,545.

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CLASSROOMS FOR MALAWI**

I report on the accounts for the year ended 30 September 2021 set out on pages 11 to 22.

### **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's 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 the independent examiner's report**

My examination was 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 seeking explanations from you as 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 connection with 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 to 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.



David Nicholls FCCA  
Fellow, Association of Chartered Certified Accountants  
Brett Nicholls Associates  
Herbert House  
24 Herbert Street  
Glasgow  
G20 6NB

Date: 8 June 2022

**BALANCE SHEET  
AS AT 30 SEPTEMBER 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	203	-	<b>203</b>	722
<b>CURRENT ASSETS</b>					
Debtors	12	2,808	25,230	<b>28,039</b>	63,602
Cash at bank and in hand		31,359	26,477	<b>57,836</b>	80,187
Total current assets		34,167	51,707	<b>85,875</b>	143,789
<b>CREDITORS</b>					
Amounts falling due within one year	13	(1,080)	(31,027)	<b>(32,107)</b>	(67,046)
Net current assets		33,087	20,680	<b>53,768</b>	76,743
Total assets less current liabilities		33,291	20,680	<b>53,971</b>	77,465
<b>Net assets</b>		<b>33,291</b>	<b>20,680</b>	<b>53,971</b>	<b>77,465</b>
<b>FUNDS</b>					
	14				
<b>Unrestricted funds:</b>					
General reserves				<b>29,886</b>	39,157
Designated reserves				<b>3,405</b>	8,759
<b>Restricted funds</b>					
				<b>20,680</b>	29,549
<b>Total funds</b>				<b>53,971</b>	<b>77,465</b>

The financial statements were approved by the Board of Trustees on 27 April 2022 and were signed on its behalf by:



Michael Daly  
**Trustee**

<b>STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2021</b>		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2021 Total Funds</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2020 Total Funds</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>INCOME FROM</b>							
Donations and legacies	2	44,513	-	<b>44,513</b>	40,222	24,772	64,994
Charitable activities:	5						-
Building projects in Malawi		6,465	19,501	<b>25,966</b>	7,155	81,724	88,879
Educational materials in Malawi		-	-	-	-	-	-
WASH programme in Malawi		626	959	<b>1,585</b>	4,015	4,863	8,878
Other trading activities	3	3,063	-	<b>3,063</b>	5,352	-	5,352
Investment income	4	61	-	<b>61</b>	101	-	101
<b>Total</b>		<b>54,728</b>	<b>20,460</b>	<b>75,188</b>	<b>56,845</b>	<b>111,359</b>	<b>168,203</b>
<b>EXPENDITURE ON</b>							
Raising funds	6	3,977	-	<b>3,977</b>	3,136	-	3,136
Charitable activities:	7						
Building projects in Malawi		65,378	28,601	<b>93,979</b>	73,069	84,138	157,207
Educational materials in Malawi		-	-	-	900	-	900
WASH programme in Malawi		-	727	<b>727</b>	-	4,839	4,839
<b>Total</b>		<b>69,354</b>	<b>29,328</b>	<b>98,682</b>	<b>77,105</b>	<b>88,977</b>	<b>166,082</b>
<b>Net income/(expenditure)</b>		<b>(14,626)</b>	<b>(8,868)</b>	<b>(23,494)</b>	<b>(20,261)</b>	<b>22,382</b>	<b>2,121</b>
Transfers between funds		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(14,626)</b>	<b>(8,868)</b>	<b>(23,494)</b>	<b>(20,261)</b>	<b>22,382</b>	<b>2,121</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		47,916	29,549	<b>77,465</b>	68,177	7,167	75,344
<b>Total funds carried forward</b>		<b>33,290</b>	<b>20,681</b>	<b>53,971</b>	<b>47,916</b>	<b>29,549</b>	<b>77,465</b>

**RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM  
OPERATING ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
<b>Net income for the year</b>		<b>(23,494)</b>	2,121
<b>Adjusted for:</b>			
Depreciation charges	11	519	519
Decrease/(increase) in debtors	12	35,564	(55,290)
(Decrease)/increase in creditors: amounts falling due within one year	13	(34,939)	49,949
<b>Net cash provided by operating activities</b>		<b>(22,349)</b>	(2,701)

**STATEMENT OF CASH FLOW**

	Notes	2021 £	2020 £
<b>Cash flow from operating activities</b>			
Net cash provided by operating activities		(22,349)	(2,701)
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		-	-
<b>Net cash provided by investing activities</b>		-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(22,349)</b>	<b>(2,701)</b>
Cash and cash equivalents at the beginning of the reporting period		80,185	82,886
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>57,836</b>	<b>80,187</b>

## 1. ACCOUNTING POLICIES

### a) Scope and basis for the financial statements

The financial statements have been prepared under the historical cost convention, and are 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) (the SORP), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and UK Generally Accepted Accounting Practice.

The functional currency of Classrooms for Malawi SCIO is GBP because that is the currency of the primary economic environment in which the organization operates.

After reviewing the charity's forecast and projections, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis of preparation of the financial statements as discussed in the Trustees' Report at page 9.

Classrooms for Malawi SCIO constitutes a public benefit entity as defined by FRS 102.

In the application of the charity's accounting policies, which are described in this note, trustees are required to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are described at (j) below.

### b) Fund Accounting

**General funds** are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general charitable objectives, and that have not been designated for other purposes.

**Designated funds** comprise unrestricted funds that have been set aside for a particular purpose by the Trustees.

**Restricted funds** are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for a particular purpose. Such donations are principally for international building and renovation purposes. Costs are charged against the specific fund in line with donor wishes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### c) Incoming resources

All income is accounted for when Classrooms for Malawi SCIO has entitlement to the funds, the amount can be quantified, and receipt of the funds is probable. Where income is received in advance of providing goods and/or services, it is deferred until Classrooms for Malawi SCIO becomes entitled to that income.

Donations include all income received by the charity that is made on a voluntary basis and is not conditional on delivery of certain levels or volumes of service or supply of charitable goods. This will include grants from institutions, corporates and major donors that provide core funding, or are of a general nature.

Gifts for onward distribution are included at fair value and are recognized as income and stock when they are received from donors and in expenditure when they are distributed to beneficiaries. Gifts in kind include educational materials.

Our volunteers play a vital role in the activities of the charity, including as community fundraisers and ambassadors. However, in accordance with the SORP, no monetary value has been attributed to their contribution and been included in these accounts.

Grants from agencies and foundations, corporates and trusts have been included as 'Income from charitable activities' where these grants specifically outline the goods and services to be provided to beneficiaries.

For these performance related grants, in the absence of specific milestones to determine entitlement, income is recognized to the extent that resources have been committed to the specific programme, as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case, cash received in excess of expenditure is included as a creditor (as deferred income) and expenditure in excess of cash included as a debtor (as accrued income).

All restricted project funds are held in separate bank accounts, and any interest income arising on such funds held is treated as unrestricted to offset international bank charges.

**d) Resources expended and basis of allocation of cost**

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds is that incurred in seeking voluntary income and does not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities are costs incurred directly and specifically in the furtherance of Classrooms for Malawi's charitable objectives, along with associated support costs.

Support costs are those which provide indirect support to front-line output provision; examples include, but are not limited to, staff and governance costs. Support costs not attributable to single activity have been allocated on basis consistent with identified cost drivers for that cost category such as staff time and expenditure.

**e) Tangible fixed assets and depreciation**

All expenditure of a capital nature on project development overseas is expensed as incurred, as are tangible items of expenditure in the UK more than £100.



Depreciation is provided from the time assets are available for use at rates calculated to write off the costs on a straight-line basis over their useful economic lives as follows:

- Computer equipment and software **FOUR YEARS**

**f) Financial instruments**

Financial assets and financial liabilities are recognized when Classrooms for Malawi SCIO becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Classrooms for Malawi SCIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measure at their settlement value.

Trade and other debtors are recognized at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognized where Classrooms for Malawi SCIO has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due.

**g) Provisions**

Provisions for liabilities are recognized when Classrooms for Malawi SCIO has a legal or constructive financial obligation, for which a measurable future outflow of funds is probable.

**h) Foreign currencies**

Monetary assets and liabilities are translated into sterling at the exchange rate ruling on the balance sheet date.

Foreign exchange gains are recognized as other income and foreign exchange losses are recognized in the consolidated statement of financial activities within the relevant charitable activity expenditure for the period in which they are incurred.

**i) Taxation**

Classrooms for Malawi SCIO is a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only. The charity also falls below the VAT registration threshold for income from taxable supplies and is therefore not registered for VAT.

**j) Accounting estimates and judgments**

In the application of the charity's accounting policies described above, the Trustees are required to make estimates, judgements and assumptions about the carrying amounts of

assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice, and other evidence that is relevant to the particular circumstance.

The following areas are considered to involve the critical judgements and sources of estimation uncertainty when applying the charity's accounting policies:

#### Cost allocation

Costs not attributable to a single activity are allocated or apportioned to activities on a basis consistent with identified cost drivers for that cost category. This methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs; these are reviewed annually for reasonableness.

### 2. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Donations	15,654	-	<b>15,654</b>	9,159	4,772	13,931
Grants	28,859	-	<b>28,859</b>	29,938	20,000	49,938
Team donations	-	-	-	125	-	125
In memoriam	-	-	-	1,000	-	1,000
	<b>44,513</b>	-	<b>44,513</b>	<b>40,222</b>	<b>24,772</b>	<b>64,994</b>

Grants received, included in the above, are as follows:

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Allan & Nesta Trust	-	-	-	-	20,000	20,000
Soutar Trust	-	-	-	2,500	-	2,500
Isabella Memorial Trust	-	-	-	1,000	-	1,000
Other*	28,859	-	<b>28,859</b>	26,438	-	26,438
	<b>28,859</b>	-	<b>28,859</b>	<b>29,938</b>	<b>20,000</b>	<b>49,938</b>

The full balance received in respect of 2021 related to the Coronavirus Job Retention Scheme.

### 3. OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Fundraising events	3,063	-	<b>3,063</b>	5,352	-	5,352

#### 4. INVESTMENT INCOME

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Bank interest	61	-	61	101	-	101

#### 5. INCOME FROM CHARITABLE ACTIVITIES

Activity	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Building projects in Malawi	6,465	19,501	25,966	7,155	81,724	88,879
WASH programme in Malawi	626	959	1,585	4,015	4,863	8,878
	7,091	20,460	27,551	11,170	86,587	97,757

#### 6. RAISING FUNDS

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Events	1,482	-	1,482	1,520	-	1,520
Marketing and advertising	1,089	-	1,089	404	-	404
Subscriptions	1,249	-	1,249	562	-	562
Other fundraising activities	157	-	157	651	-	651
	3,977	-	3,977	3,136	-	3,136

#### 7. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 8)		2021
	Unrestricted £	Restricted £	Total £
Building projects in Malawi	65,378	28,601	93,979
WASH programme in Malawi	-	727	727
	65,378	29,328	94,706

## 8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Note	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Project costs		-	29,328	<b>29,328</b>	900	88,977	89,877
Project support costs		1,650	-	<b>1,650</b>	2,477	-	2,477
Staff and contractor costs	10	55,552	-	<b>55,552</b>	61,736	-	61,736
Governance		1,432	-	<b>1,432</b>	1,952	-	1,952
Premises and facilities		4,153	-	<b>4,153</b>	4,133	-	4,133
Information technology		2,591	-	<b>2,591</b>	2,771	-	2,771
		<b>65,378</b>	<b>29,328</b>	<b>94,706</b>	<b>73,969</b>	<b>88,977</b>	<b>162,946</b>

In the year ended 30 September 2021, Classrooms for Malawi volunteer team members made contributions of £nil (2020: £125) (note 2) towards their personal cost of travel.

## 9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ended 30 September 2021 (2020: nil).

There were no trustee's expenses for the year ended 30 September 2021 (2020: £26).

	2021 £	2020 £
Fundraising expenses	-	-
Team expenses	-	-
Travel expenses	-	26
	<b>-</b>	<b>26</b>

## 10. STAFF COSTS

	2021	2020
a)	£	£
Wages and salaries	42,554	47,000
Social security costs	4,353	5,287
Pension costs	1,043	1,224
Employment Allowance	(3,405)	(4,576)
	<u>44,545</u>	<u>48,935</u>

The average number of employees during the year was as follows:

	2021	2020
Full-time	1	1
Part-time	1	-
	<u>2</u>	<u>1</u>

b)	2021	2020
Non-payroll costs	<u>11,007</u>	<u>12,801</u>

No employee received emoluments in excess of £60,000

## 11. TANGIBLE FIXED ASSETS

	Information Technology	
Cost	2021	2020
	£	£
At 01 October	2,077	2,077
Additions	-	-
	<u>2,077</u>	<u>2,077</u>
<b>Depreciation</b>		
At 01 October	1,354	835
Charge for the year	519	519
	<u>1,874</u>	<u>1,354</u>
<b>Net book value</b>		
At 30 September	<u>203</u>	<u>722</u>

## 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	25,230	62,641
Other debtors	2,808	961
	<b>28,039</b>	<b>63,602</b>

In addition to the amounts shown in the Statement of Financial Activity, there were no (2020: £18,151) pledged donations from partners towards building projects in Malawi.

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	31,027	65,060
Other creditors	1,080	1,986
	<b>32,107</b>	<b>67,046</b>

## 14. MOVEMENT IN FUNDS

	Balance 2020	Income	Expenditure	Transfers	Balance 2021
	£	£	£	£	£
<b>Unrestricted funds</b>					
General funds	39,157	54,728	(53,668)	(10,331)	29,886
Designated funds	8,759	-	(15,686)	10,331	3,404
	47,916	54,728	(69,354)	-	33,290
<b>Restricted funds</b>					
Building projects in Malawi	29,549	20,460	(29,328)	-	20,681
<b>Total funds</b>	<b>77,465</b>	<b>75,188</b>	<b>(98,682)</b>	<b>-</b>	<b>53,971</b>

### Comparatives for movement in funds

	Balance 2019	Income	Expenditure	Transfers	Balance 2020
	£	£	£	£	£
<b>Unrestricted funds</b>					
General funds	32,383	56,844	(28,080)	(21,990)	39,157
Designated funds	35,794	-	(49,025)	21,990	8,759
	68,177	56,844	(77,105)	-	47,916
<b>Restricted funds</b>					
Building projects in Malawi	7,167	111,359	(88,977)	-	29,549
<b>Total funds</b>	<b>75,344</b>	<b>168,203</b>	<b>(166,082)</b>	<b>-</b>	<b>77,465</b>

#### **15. RELATED PARTY DISCLOSURE**

There were no material related party transactions for the year ended 30 September 2021 (2020: nil).

#### **16. INDEPENDENT EXAMINERS REMUNERATION**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Independent examination	<b>1,080</b>	1,080
	<b>1,080</b>	1,080

#### **17. FUTURE CAPITAL COMMITMENTS**

Classrooms for Malawi has no other ongoing building commitments relating to projects in Malawi (2020: £17,850) over the next twelve months.

#### **18. POST BALANCE SHEET EVENTS**

There are no significant post-balance sheet events to report.

## **RESERVES POLICY**

As a dynamic organisation relying almost entirely on individual giving, we need to hold adequate reserves so that we can react to challenging economic times and unexpected opportunities in Malawi.

The Trustees consider it prudent for Classrooms for Malawi SCIO to maintain operational unrestricted reserves (defined as unrestricted net current assets) so that in the event of a substantial reduction in income, then UK office expenditure may be covered for a period of at least 3 months. The Trustees are confident that this policy is currently being met.

It is our aim to grow our reserves substantially in the next three to five years as will be required from the year-on-year growth that Classrooms for Malawi SCIO has experienced since its inception. At the same time, we always aim to maximise the money we can spend now to provide a sustainable route out of poverty.

## **INVESTMENT POLICY**

The Charity's cash reserves are very modest and in view of the importance of having immediate access to liquid working capital, we utilise an interest-bearing current account. In view of the modest level of reserves, the Trustees take a very conservative view on investing liquid assets outside of the established banking system.

## **ETHICAL POLICY**

The Trustees have a duty under charity law to maximise Classrooms for Malawi's income and thereby maximise expenditure on our charitable objectives. However, it is essential we do not allow any third party to bring our name into disrepute. We have an ethics policy which makes sure ethical considerations are considered when deliberating opportunities, for example when deciding whether to accept or refuse a donation or participate in partnerships with other organisations.

## **ENVIRONMENTAL POLICY**

We recognise we have a responsibility to minimise our impact on the planet and use resources wisely. We are currently developing a corporate social responsibility policy, which, when ready, will incorporate an environmental policy and help to embed green initiatives across Classrooms for Malawi SCIO in a more consistent and accountable way.

## **GOING CONCERN**

The Trustees have reviewed the Charity's financial position. As a result of its review, the Trustees believe that the Charity is well placed to manage operational and financial risks successfully.

Accordingly, Classrooms for Malawi SCIO has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, Classrooms for Malawi SCIO continues to adopt the going concern basis of accounting in preparing the annual accounts.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The charity is controlled by its Constitution, a deed of trust, and constitutes an incorporated charity.

Classrooms for Malawi SCIO operates as a registered charitable incorporated organisation with the Office of Scottish Charity Regulator (OSCR) and does not consist of subsidiaries or other connected organisations.

### **Board of Trustees**

The governing body of Classrooms for Malawi is a Board of Trustees. Trustees serve an initial term of three years and are eligible for reappointment.

The Board's principal responsibilities include determining and implementing the overall strategy, policies, direction and goals of Classroom for Malawi SCIO; protecting and promoting the identity and values of the charity; and fulfilling out statutory responsibilities. Where necessary, the Board delegates certain functions to employees, contractors and volunteers.

### **Trustees' Responsibilities**

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity and of the incoming resources and application of resources of the charity 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Financial statements are published on the organisation's website ([classroomsformalawi.org](http://classroomsformalawi.org)) in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The Trustees' responsibilities also extend to the ongoing integrity of the financial statements.

### **Recruitment and Appointment of New Trustees**

When recruiting new Trustees, the Board gives regard to the skills, knowledge and experience required for the effective administration and direction of the SCIO with a particular focus on financial management, international development, compliance, income generation and

communications. We regularly review the skills, expertise and contribution of our Trustees to identify gaps and development needs.

Classrooms for Malawi SCIO operates an equal opportunities and diversity policy and encourages applications from diverse backgrounds to reflect the nature of our work and our primary beneficiaries. Trustees are appointed following open promotion of vacancies. Interviews are conducted by the Chair and CEO, with input from other Trustees as required. New Trustees are required to sign the Trustee Handbook containing a declaration of interests, anti-bribery policy, fit and proper person's declaration, and our Code of Conduct and Safeguarding policy.

All new Trustees receive a structured induction programme that covers all aspects of the role, and an overview of the organisation. Trustees receive a comprehensive induction pack prior to commencement.

### **Key Management Remuneration**

The charity is managed by its Trustees, who work on a voluntary basis and receive no salary or remuneration.

Classrooms for Malawi only has one paid member of staff. Salaries are reviewed annually by the Board of trustees who decide on the level of remuneration to be awarded.

### **Gender Pay Reporting**

During the year ended 30 September 2019, Classrooms for Malawi SCIO employed one full-time member of staff and is a proud supporter of the Living Wage. As such, there is no disparity between gender pay within our organisation.

## **RISKS**

### **Principal risks and uncertainties**

Responding to the educational needs of the children of Malawi involves financial and operational risk taking. Classrooms for Malawi takes risk management very seriously and has a clear organisational policy and associated framework and procedures in place to ensure risks are anticipated and mitigated effectively and consistently.

From a financial perspective, the Charity manages its risk by keeping a prudent level of reserves in place and ensuring that expenditure is always matched by income. This is monitored very closely, and projects are not started unless there is every reasonable expectation that money will be in place throughout the lifespan of the project. Our cash reserves are held with reputable banks and controls are in place to reduce the possibility of theft or fraud.

Health and safety are of paramount concern. Whilst in the UK this risk is easily managed, the nature of the work we undertake in Malawi by our employees, volunteers and visitors means that our policies and safeguards are more challenging to implement. We continue to follow a risk assessment framework with a constant focus on monitoring this area annually in a bid to improve our processes.

Risk framework and controls

Our wider assurance framework includes our in-depth policies on risks, incident reporting, anti-fraud, bribery and corruption, management of complaints and grievances, safeguarding and raising concerns (whistleblowing). These policies ensure that, where incidents give rise to risks, these are identified, acted on swiftly and reported according to our regulatory responsibilities.

### **Roles and Responsibilities**

Our Board of Trustees is responsible for ensuring that Classrooms for Malawi has robust and effective risk management processes and assurance functions in place.

### **SAFEGUARDING AND CODE OF CONDUCT**

Classrooms for Malawi works to uphold the fundamental rights of all children – and we are committed to keeping children safe from harm and abuse. Children and young people are at the centre of everything we do.

We take our responsibility to safeguard all people who come into contact with Classrooms for Malawi, including our own staff and volunteers, extremely seriously.

Classrooms for Malawi has a zero-tolerance approach to child abuse. Non-compliance with our child safeguarding policy is subject to disciplinary action, including dismissal.

As an organisation with both a UK and an international purpose, Classrooms for Malawi will not tolerate any sexual harassment or misconduct. We are committed to promoting an organisational culture in which all staff and volunteers feel safe to speak up and we address all cases of sexual harassment and misconduct in line with our policies and commitments.

Moving forward, we will have a comprehensive range of checks in place to safeguard staff, volunteers and the people we help. Our safeguarding policies can be found on our website.

Our policies clearly state that all safeguarding concerns are logged, investigated and escalated as appropriate.

Our practice is to report incidents to the relevant authorities at the time these occur, including to OSCR. This includes referrals made to the police and other statutory authorities. To date, we have received no such reports and no referrals have been made.

Our safeguarding procedures have been reviewed and updated in the past 12 months.

### **CHARITIES (PROTECTION AND SOCIAL INVESTMENT) ACT 2016 STATEMENT**

The charity is not required to report under this Act, as Classrooms for Malawi is a Scottish Charitable Incorporated Organisation. We do so for the sake of readers of these accounts from England and Wales, and since we believe this represents best practice with regard to disclosing our approach to fundraising, since this is such a significant source of income.

### **Fundraising Approach**

We rely on a number of different fundraising approaches in order to raise funds cost-effectively from a range of sources, raising awareness of our work and allowing supporters to contribute in ways that are most appropriate for them. This includes fundraising face-to-face; through letters, emails, and online; from events and community fundraising; from philanthropists, trusts, foundations and corporate partners.

### **Fundraising on our Behalf**

We engage supporters of Classrooms for Malawi to be advocates of the charity, and to speak to potential supporters. As a result of these conversations, many are inspired to start a regular gift, generating significant income that we direct to providing a suitable learning environment for the children of Malawi.

Whilst we encourage fundraisers to act on our behalf and operate with the integrity and accountability that a charity such as Classrooms for Malawi deserves, we are not responsible for any actions that may bring the Charity's name into disrepute. To this end, we ask that all fundraisers act in a transparent manner and seek advice from official personnel when required.

### **Monitoring of Fundraising Activities and Protecting People in Vulnerable Circumstances**

We have policies in place, endorsed by our Board of Trustees which govern our fundraising activities,

whether they are carried out internally or through our funders. We have a comprehensive quality control framework in place to monitor the behaviour our fundraisers, as well as the conversations they have on our behalf with both supporters and members of the public. This includes the monitoring of outcomes, complaints and remedial actions. Our aim is to ensure that potential supporters feel informed, genuinely thanked and inspired by their conversation, regardless of its outcome.

We are committed to ensuring that we always treat the public sensitively and respectfully, taking special care to protect people who may find themselves in vulnerable circumstances. Our fundraising policy, signed by all Classrooms for Malawi volunteers, contains a section dedicated to making fundraisers aware of the signs of potential vulnerability in anyone they speak to on our behalf, as well as the steps we expect them to take on the rare occasions when they do have concerns.

This approach has been developed in consultation with safeguarding staff and is in line with the requirements of the Charities (Protection and Social Investment) Act 2016, as well as with the IOF's Treating Donors Fairly Guidance, and the Direct Marketing Association's Guidelines for Dealing with Vulnerable Consumers.

### **Complaints**

We have a robust and well-established complaints procedure. During the last financial year, we received no complaints from members of the public about our fundraising activities.

We have nothing to report in respect of failures and/or breaches, and no notifiable events.

On behalf of the Trustees,

A handwritten signature in black ink, appearing to read 'Michael Daly', with a long horizontal stroke extending to the right.

Michael Daly

**Trustee**

Date:.....8/6/22.....

## LEGAL AND ADMINISTRATION

### Board of Trustees

James Kelly (Chair of Trustees)  
Michael Daly (Treasurer)  
Patricia Duffy  
Andrew Vincent  
Ian Dunn – Resigned March 2022  
Kerry Lindsay  
David Morland  
Aurelie Walker-Dean


### Chief Executive Officer

Amy Blake – Resigned April 2022


### Registered Office and Principal Address

2 Kirkwood Street  
Rutherglen  
Scotland  
G73 2SL

### Contact Details

 0141 571 8505

 [info@classroomsformalawi.org](mailto:info@classroomsformalawi.org)

 [www.classroomsformalawi.co.uk](http://www.classroomsformalawi.co.uk)

### Registered Charity Number

SC048091

### Independent Examiner


Brett Nicholls Associates  
Herbert House  
24 Herbert Street  
Glasgow  
G20 6NB


### Bankers


Barclays Plc.  
12 Churchill Place  
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