

Classrooms for Malawi
Annual Report
2022



classrooms
for
malawi

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Trustees Annual Report
and Financial Statement
for the year ending
September 2022
SCIO: SC048091

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.

Keys to Achieve Our Purpose

- Build and renovate classrooms in Malawi.
- Raise targeted revenue to deliver our purpose.
- Support local initiatives that improve educational attainment and positively impacts on children in poverty.
- Develop effective partnerships in Malawi that deliver improved education outcomes.
- Raise our profile and leverage our good work to enable us to do more.

A Letter from Our Chair



Dear Friends,

It is with grateful thanks that I am privileged to present our Trustees Annual Report and Financial Statements despite the recent challenges of COVID-19. From 1 September 2021 until 30 September 2022, we have undergone changes that have had an impact primarily on the operational side of our charity. Our CEO Amy Blake departed on 17 March 2022. Amy played a critical role in defining the strategic direction of the charity both in Scotland and Malawi. She also played a vital part in our response to the challenges we faced with the impact of the Coronavirus pandemic. We wish Amy all the very best and thank her for all she has done in supporting the aims, vision and outcomes of Classrooms for Malawi.

I would like to take this opportunity to thank everyone who has helped Classrooms for Malawi when it became clear that Amy was leaving us. Change is never easy and it can be challenging. Our aim was to

carry on our operations smoothly and with as little disruption as possible, I believe that, on the whole, we have been able to do that which is great testament to our Board, volunteers and of course, our Country Facilitator, Dezie Trigu.

Although the impact Covid had on our operations was significant, I am of the view that we are in effect refreshing our charity and are starting to rebuild from what was possibly our lowest point in terms of outputs. The plans we have in place to revisit not so much the Strategy Objectives but rather what we do and how we will do it will be very helpful in starting the rebuilding journey. My hope is to resume our face to face Board meetings and these will be the first steps in giving us a clear direction.

In September 2022 we celebrated the 10th anniversary of the official registration of our charity. Our Country Facilitator Dezie Trigue keeps a running total of the work we do, it shows the amazing results we have achieved in those 10 years. Up to 2021 we had completed the following:

- 214 classrooms built/renovated
- 40 toilets/latrines built/renovated
- 8 dormitories built/renovated
- 7 showers/changing rooms built/renovated

In addition, our Treasurer has confirmed that the total funds raised to date now stands at £1,534,953. This is a fantastic legacy and a tribute to all our supporters, volunteers, donors and members of our charity over the last 10 years. I want to thank every person who has contributed to what has been achieved to date.

I take great encouragement from what we have been able to achieve so far and hope we can take inspiration from this as we start the rebuilding process in the year ahead.

Best wishes,

James Kelly
Chair: Classrooms for Malawi

Trustees Annual Report

As restrictions ease and the world continues to open up again, we look back at our achievements. We used our drive and determination to make sure our work continued. Real progress was made thanks to the hard work and dedication of our team in Malawi, our loyal supporters in the UK and the commitment of our office volunteers in Scotland.

Projects Overview

Emazinyeni Primary School

During the past year we completed a new three using sustainable building blocks. Funds for the raised by Williamwood High School with help from Foundation. Building work for the project was sustainable building company 14 Trees with coordinating community engagement on the this students were taught outdoors.



classroom block project were the Celtic FC managed by TAFIKA ground. Prior to

The project was a story of strong partnership Emazinyeni community and several other NGOs that had a holistic approach. Each NGO played its specific role. The NGOs included TAFIKA, the Zambia and Malawi Community Partnership, Nourishing Minds, Mary's Meals, Formidable Joy, HarvestPlus and Bananabox Trust.

among the

Rotary International District 1190 Partnership

Safe drinking water, sanitation and hygiene are crucial to and well-being. We are pleased to report that three new toilet were built in three different nurseries: St Mary's Chemusa, and Namame with the help of funding from Rotary International District 1190.



health blocks Mpemba

nursery

As well as this 6 toilet blocks were renovated at the following schools: Bongwe, Kachere, Likhula, Maloya, Matchuwana



Handwashing materials were also distributed to 15 nursery schools; each nursery school received 5 buckets with taps, 5 basins and 90 tablets of soap.

Ngumbe Community Day Secondary School

Some of the finest moments in the cycle of our Malawi are when commissioning new building April, 2022 we commissioned a new project at Community Day Secondary School. This project construction of much needed 2 x 4 pit for boys and girls as well as renovations to laundry facilities.



work in projects. On 1 Ngumbe involved the latrines/toilets shower and



Students at Ngumbe Secondary School returned to school after the holidays to find new dormitory beds and bedding.

The work was funded by our friends at Holyrood Secondary in Glasgow and St Margaret's Academy in Livingston Scotland. Our sincere thanks to them for their support.

School Name	District	Work	In partnership with
Ntenjera		Provision of locally crafted desks and chairs.	Marr College
Emazinyeni Primary School	Mzimba North	New three classroom block built with SSB.	Williamwood High School Celtic FC and Foundation
St Mary's Nursery School	Chemusa	New Toilet Block	Rotary International District 1190
Mpemba Nursery School	Mpemba	New Toilet Block	Rotary International District 1190
Namame Nursery School	Namame	New Toilet Block	Rotary International District 1190
Ngumbe Secondary School	Ngumbe	New beds and bedding for the girls' dormitories	
Six Nursery Schools	Bongwe, Kachere, Likhula, Maloya, Matchuwana	Toilet Block Renovations	Rotary International District 1190
Ngumbe Secondary School	Ngumbe	A 4-cubicle toilet block for boys and a 4-cubicle toilet block for girls with an additional changing room. Both with hand washing facilities and electricity.	Holyrood Secondary School, Glasgow and St Margaret's Academy, Livingston
Ngumbe Secondary School	Ngumbe	Boys' Shower Room and Laundry Area Renovation	Holyrood Secondary School, Glasgow and St Margaret's Academy, Livingston

Fundraising

Over the year we promoted a range of appeals e.g. 'Dear Malawi' and '12 Days of Giving' as well as seeking walkers and runners for the Kiltwalk and various marathons. We are very grateful to all those who supported and donated to these ventures. Funding is the key to ensuring that our strategic aims are met. We also introduced our weekly lottery with the aim of providing Classrooms for Malawi with a regular income stream.

2022 saw the return of 'in person' fundraising. We held our 8th Gala Charity Ball followed by a Ladies Prosecco Afternoon Tea and a film evening in the Everyman Cinema.

Our Governance

In 2022 we said goodbye to Michael Daly; our treasurer of the past * years. He remains a committed supporter of CfM and we are very grateful for his 10 years of service on our Board.

We are pleased to welcome our new treasurer Michael Cunningham to our Board and look forward to benefitting from his expertise.

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) 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.

Independent Examiner's Report to the Trustees of Classrooms for Malawi

I report on the accounts for the year ended 30 September 2022 set out on pages fifteen to twenty eight.

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(l)(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 Regulationshave 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

Accounts for the Year Ending September 2022

Legal and Administration

Board of Trustees

James Kelly (Chair)

Andrew Vincent (Vice Chair)

Michael Daly (Treasurer) ceased to hold office 31 July 2022

Michael Cunningham (Treasurer) first elected 22 September 2022

Patricia Duffy (Secretary)

Aurelie Walker Dean

Kerry Lindsay

David Morley

Registered Office and Principal Address

2 Kirkwood Street, Rutherglen, Scotland
G73 2SL

Contact Details

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Website: www.classroomsformalawi.org

Registered Charity Number

SC048091

Independent Examiner

Brett Nicholls Associates 63 Ruthven Lane Glasgow
G12 9BG

Bankers

Barclays Plc.

12 Churchill Place Canary Wharf London
EH 14 5HP

Thank You

A huge thank you to our volunteers and supporters who dedicate their time, energy and resources to the advancement of Classrooms for Malawi's cause - that every child in Malawi has access to a suitable learning environment.

CLASSROOMS FOR MALAWI

STATEMENT OF FINANCIAL ACTIVITIES AS AT 30 SEPTEMBER 2022

	Notes	Unrestricted Funds	Restricted Funds	2022 Total Funds	Unrestricted Funds	Restricted Funds	2021 Total Funds
		£	£	£	£	£	£
INCOME FROM							
Donations and legacies	2	52,281	-	52,281	44,513	-	44,513
Charitable activities:	5	-	-	-	-	-	-
Building projects in Malawi		-	3,000	3,000	6,465	19,501	25,966
Educational materials in Malawi		-	-	-	-	-	-
WASH programme in Malawi		-	-	-	626	959	1,585
Other trading activities	3	-	-	-	3,063	-	3,063
Investment income	4	21	-	21	61	-	61
Total		52,302	3,000	55,302	54,728	20,460	75,188
EXPENDITURE ON							
Raising funds	6	15,649	-	15,649	3,977	-	3,977
Charitable activities:	7						
Building projects in Malawi		51,646	27,172	78,819	65,378	28,601	93,979
Educational materials in Malawi		-	-	-	-	-	-
WASH programme in Malawi		-	-	-	-	727	727
Total		67,296	27,172	94,468	69,355	29,328	98,683
Net income/(expenditure)		(14,994)	(24,172)	(39,166)	(14,627)	(8,868)	(23,495)
Transfers between funds		(3,491)	3,491	-	-	-	-

Net movement in funds	(18,485)	(20,681)	(39,166)	(14,627)	(8,868)	(23,495)
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RECONCILIATION OF FUNDS

Total funds brought forward	33,289	20,681	53,970	47,916	29,549	77,465
Total funds carried forward	<u>14,804</u>	<u>(0)</u>	<u>14,804</u>	<u>33,289</u>	<u>20,681</u>	<u>53,970</u>

CLASSROOMS FOR MALAWI

BALANCE SHEET AT 30 SEPTEMBER 2022

	Notes	Unrestricted Funds £	Restricted £	2022 Total Funds £	2021 Total Funds £
FIXED ASSETS					
Tangible assets	12	447	-	447	203
CURRENT ASSETS					
Debtors	13	3,169	-	3,169	28,039
Cash at bank and in hand		22,825	-	22,825	57,836
Total current assets		25,993	-	25,993	85,875
CREDITORS					
Amounts falling due within one year	14	(11,636)	-	(11,636)	(32,107)
Net current assets		14,357	-	14,357	53,768
Total assets less current liabilities		14,804	-	14,804	53,971
Net assets		14,804	-	14,804	53,971
FUNDS					
15					
Unrestricted funds:					
General reserves				14,804	29,886
Designated reserves				-	3,404
Restricted funds				-	20,681

Total funds

14,804

53,971

The financial statements were approved by the Board of Trustees on 26 September 2023 and were signed on its behalf by:

Treasurer

**CLASSROOMS FOR MALAWI
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	Notes	2022 £	2021 £
Net income for the year		(39,166)	(23,494)
Adjusted for:			
Depreciation charges	11	774	519
Decrease/(increase) in debtors	12	24,870	35,564
(Decrease)/increase in creditors: amounts falling due within one year	13	(20,471)	(34,939)
Net cash provided by operating activities		(33,993)	(22,350)

STATEMENT OF CASH FLOW

	Notes	2020 £	2020 £
Cash flow from operating activities			
Net cash provided by operating activities		(33,993)	(22,350)
Cash flow from investing activities			
Purchase of tangible fixed assets		(1,018)	-
Net cash provided by investing activities		(1,018)	-
Change in cash and cash equivalents in the reporting period		(35,011)	(22,350)
Cash and cash equivalents at the beginning of the reporting period		57,835	80,185
Cash and cash equivalents at the end of the reporting period		22,825	57,835

The notes on pages 18 to 28 form part of the Financial Statements.

**CLASSROOMS FOR MALAWI
ACCOUNTS TO 30 SEPTEMBER 2022
NOTES TO THE ACCOUNTS**

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 16.

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 registered charity and is thus exempt from tax on its charitable activities. 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.

INCOME

DONATIONS AND LEGACIES

	Unrestrict ed	Restricted	2022	Unrestrict ed	Restricted	2021
	£	£	£	£	£	£
Donations	52,281	-	52,281	15,564	-	15,564
Grants	-	-	-	28,859	-	28,859
Team donations	-	-	-	-	-	-
In memorium	-	-	-	-	-	-
	52,281	-	52,281	44,423	-	44,423

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

	Unrestrict ed	Restricted	2022	Unrestrict ed	Restricted	2021
	£	£	£	£	£	£
Allan & Nesta Trust	-	-	-	-	-	-
Souttar Trust	-	-	-	-	-	-
Isabella Memorial Trust	-	-	-	-	-	-
Other*	-	-	-	28,859	-	28,859
	-	-	-	28,859	-	28,859

OTHER TRADING ACTIVITIES

	Unrestrict ed	Restricted	2022	Unrestrict ed	Restricted	2021
	£	£	£	£	£	£
Fundraising events	-	-	-	3,063	-	3,063

INVESTMENT INCOME

	Unrestrict ed	Restricted	2022	Unrestrict ed	Restricted	2021
	£	£	£	£	£	£
Bank interest	21	-	21	61	-	61

INCOME FROM CHARITABLE ACTIVITIES

		Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
Partnership contributions	Activity	£	£	£	£	£	£
	Building projects in Malawi	-	3,000	3,000	6,465	19,501	25,966
	WASH programme in Malawi	-	-	-	626	959	1,585
		-	3,000	3,000	7,091	20,460	27,551

EXPENDITURE

RAISING FUNDS

	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	£	£	£	£	£	£
Events	12,545	-	12,545	1,482	-	1,482
Marketing and advertising	292	-	292	1,089	-	1,089
Subscriptions	1,606	-	1,606	1,249	-	1,249
Other fundraising activities	1,207	-	1,207	157	-	157
	15,649	-	15,649	3,977	-	3,977

DIRECT COSTS OF CHARITABLE ACTIVITIES

	Notes	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
		£	£	£	£	£	£
Project costs		-	27,172	27,172	-	29,328	29,328
Project support costs		4,302	-	4,302	1,650	-	1,650
Staff and contractor costs		41,202	-	41,202	55,552	-	55,552
Governance		670	-	670	1,432	-	1,432
Premises and facilities		4,948	-	4,948	4,153	-	4,153

Information technology	524	-	524	2,591	-	2,591
	<hr/>			<hr/>		<hr/>
	51,646	27,172	78,819	65,378	29,328	94,706

TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ended 30 September 2022 (2021: nil).

Trustee's expenses for the year ended 30 September 2022 were £8 (2021: Nil).

	2022	2021
	£	£
Fundraising expenses	-	-
Team expenses	-	-
Travel expenses	8	-
	<hr/>	
	8	-

STAFF COSTS

a)	2022	2021
	£	£
Wages and salaries	31,303	42,554
Social security costs	2,546	4,353
Pension costs	636	1,043
Employment Allowance	-	(3,405)
	<hr/>	
	34,485	44,545

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

	2022	2021
Full-time	-	1
Part-time	1	-
	<hr/>	
	1	1

b)	2022	2021
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Non-payroll costs	<u>9,971</u>	<u>11,007</u>
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Non-payroll costs relate to the remuneration of the contracted In-Country Director Based in Malawi.

No employee received emoluments in excess of £60,000

TANGIBLE FIXED ASSETS

Cost	Information Technology	
	2022	2021
	£	£
At 01 October	2,077	2,077
Additions	<u>1,018</u>	-
	3,095	2,077
Depreciation		
At 01 October	1,874	1,354
Charge for the year	<u>774</u>	519
At 30 September	2,648	1,874
Net book value		
At 30 September	<u>447</u>	<u>203</u>

DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	3,169	25,230
Other debtors	-	2,808
	<u>3,169</u>	<u>28,038</u>

CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	11,636	31,027
Other creditors	-	1,080
	<u>11,636</u>	<u>32,107</u>

MOVEMENT IN FUNDS

	Balance 2021 £	Income £	Expenditur e £	Transfers £	2022 £
Unrestricted funds					
General funds	29,886	52,302	(18,243)	-	63,945
Designated funds	3,404	-	(49,053)	-	(45,649)
	33,290	52,302	(67,296)	-	18,296
Restricted funds					
Building projects in Malawi	20,681	3,000	(27,172)	-	(3,491)
Total funds	53,971	55,302	(94,468)	-	14,805

Comparatives for movement in funds

	Balance 2020 £	Income £	Expenditur e £	Transfers £	Balance 2021 £
Unrestricted funds					
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
Restricted funds					
Building projects in Malawi	29,549	20,460	(29,328)	-	20,681
Total funds	77,465	75,188	(98,682)	-	53,971

Independent Examiner's remuneration

	2022 £	2021 £
Independent examination	1,080	1,080

1,080	1,080
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