



**CLASSROOMS FOR MALAWI SCIO**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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## **WHAT WE WANT TO ACHIEVE**

The mission of Classrooms for Malawi is as set out in its Constitution, the sole aim of which is to provide a sustainable route out of poverty for the children of Malawi through the creation of a suitable learning environment conducive to improved attendance and academic performance.

## **OUT OF POVERTY; INTO EDUCATION**

Through directing funds to the heart of Malawian communities, we engage builders and local tradespeople to work in unison with the community to construct and refurbish centres of education to benefit their children, the future of Malawi.

## **A LETTER FROM OUR CHAIRMAN**



Dear Friends,

As we come to the end of another year as a charity, our first as a Scottish Charitable Incorporated Organisation (SCIO), I am delighted to report on the many achievements we have made over the past twelve months.

There are two substantial achievements which merit particular mention; firstly, we are delighted to welcome our first full-time employee, Amy Blake, in the position of Chief Executive Officer (CEO). The rate of growth that the charity has experienced over the last couple of years required a radical change in our operational structure to ensure our goals continued to be met. This appointment was not only to manage such growth, but also be the driving force in the next phase in the charity's development.

Secondly, we reached another milestone this year - we surpassed the £1 million mark of funds raised for Malawi. To put this in context, together to date, we have built or renovated over 200 classrooms ensuring that an estimated 16,000 children<sup>1</sup> in Malawi are learning in a safe, clean and vibrant classroom, allowing them every opportunity to obtain the education that they so rightly deserve.

None of this would be possible without the continued support and assistance of our donors and partners - thank you.

I would also personally like to thank the team of volunteers who work so tirelessly all year round for our charity. Whether it be through one of our fundraising teams, committees or by coming into the office each week; your time and effort is gratefully appreciated. If you wish to know more about volunteering with Classrooms for Malawi, please do not hesitate to get in touch by emailing [info@classroomsformalawi.org](mailto:info@classroomsformalawi.org) for more information.

Never has our work at Classrooms for Malawi been so vital. Through monitoring and evaluating our projects, we are already seeing the fruits of your generosity. The direct correlation between the provision of a suitable learning environment and improved attendance and performance is undeniable. Establishing proper sanitation at schools through the provision of adequate toilet facilities has also encouraged more girls to attend school, promoting gender equality.

Lastly, but by no means least, I would like to pay tribute to my fellow Board members and In-Country Facilitator who, have once more, given so much of their time not only to manage the charity, but also work at the operational end. Thank you for all that you do to keep this wonderful charity on course and bring the charity to the level and standard required to ensure greater growth moving forward.

Yours faithfully,

A handwritten signature in black ink that reads "James Kelly".

**James Kelly**  
**CHAIRMAN**

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<sup>1</sup> Based on Malawian government figures of 65 learners/classroom. In reality, the total is much higher.

## **A LETTER FROM OUR CHIEF EXECUTIVE**



I am delighted to have taken up the role as the new Chief Executive Officer for Classrooms for Malawi in August this year. Since taking on the role I have been nothing but impressed with the work that the organisation has carried out since 2012 with a team of dedicated volunteers, partners and a hugely committed Board of Trustees. I am really looking forward to getting to know the current partner schools, the volunteer teams and all of those that have been involved in the Classrooms for Malawi journey so far. It is inspiring to be part of the team working to drive the organisation forward, we already have many committed partners working with us with to provide access to quality education in a safe and secure environment and we look forward to welcoming more partners on board over the coming months and years. We are also looking forward to growing our programme of activities and developing new and innovative ways to provide education for even more young people in Malawi.

Our principle aim is 'education as a sustainable route out of poverty' and one of our key areas of partnership is between schools here in Scotland and the UK and schools in Malawi. Through our impact assessments we have been able to evidence increased attendance, attainment and improved pass rates in National Examinations. We have also seen more girls attending school as a result of proper sanitation and dormitory accommodation.

Our work is only possible with close collaboration with our team in Malawi. We work with schools that have been identified as high priority by the Malawian Department for Education and carry out a needs based assessment with each school to ensure that we are able to offer the best possible support for their requirements. Classrooms for Malawi employs up to fifty builders across Malawi each year, using only local materials and are compliant with building regulations to ensure all of our work meets the appropriate quality standards.

We are extremely grateful to all of those who have supported Classrooms for Malawi this year, from volunteering as part of a team in Malawi; fundraising; attending our events and supporting our office in Rutherglen, our work would not be possible without your help. Classrooms for Malawi is a true grassroots organisation, born out of the desire to ensure that education is accessible and available to all. Most of our income comes from community activities in Scotland, and we are always in awe of the amazing effort our supporters put in to go the extra mile to raise funds.

While this has been a successful year for Classrooms for Malawi there is still much work to be done to ensure that education is accessible to all in Malawi. The Malawian Government have informed us that that a further 41,000 classrooms still need to be built or repaired to be made conducive to learning. The 2019 Africa SDG report indicates that the mean years of schooling in Malawi is stagnating at just 4.5 years and Malawi is continually ranked as one of the lowest performing nations for literacy in sub-Saharan Africa. Despite primary school education being made free in Malawi in 1994 the educational quality has decreased due to such a huge influx in students enrolled to attend schools where the infrastructure cannot cope. There simply are not enough schools and classrooms to support enrolment levels, schools are overcrowded with average teacher to



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student ratios at primary school being around 1:130, many pupils learn outdoors under trees due to inadequate classroom facilities which means that school is often cancelled due to weather conditions and poor teaching conditions.

Unsurprisingly, drop-out rates are high in Malawian schools with pupils and parents losing hope in the education system, only 8 % of students complete a high school education and of that, only 14.9% are girls.

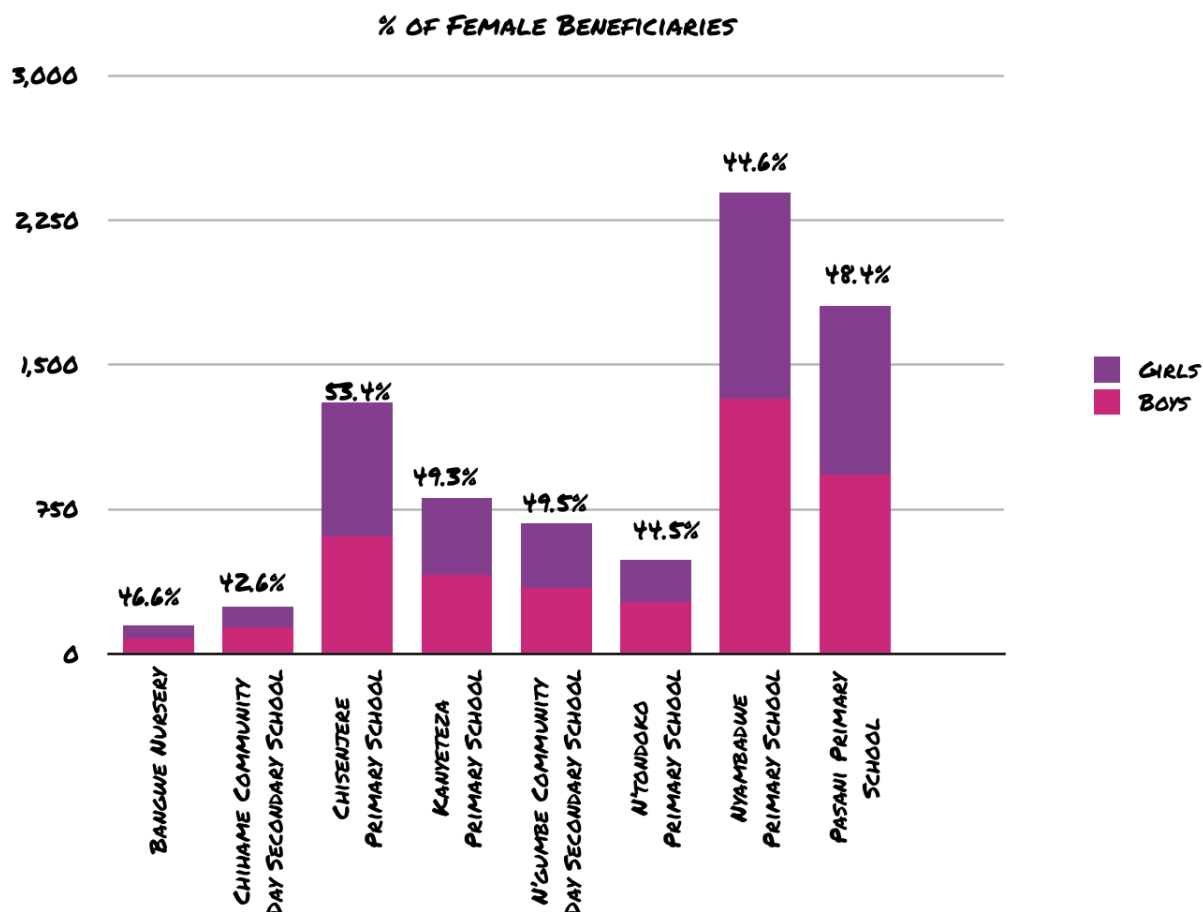
In response to this, the message from Classrooms for Malawi is clear, we must continue to enable better learning environments by working in partnership with schools in Malawi and ensure that education is a key driver to alleviate poverty in Malawi.



**Amy Blake**  
**CHIEF EXECUTIVE**

## OUR REACH

In the financial year 2019, Classrooms for Malawi was proud to support 8 schools, ensuring that 7,873 children are now learning in an educational environment conducive to improved academic performance, 3,766 of this total are girls. Our 2019 building programmes and partnerships spanned the length and breadth of Malawi, operating in 3 districts; Blantyre; Mulanje; and Nkhata Bay.



Our reach in 2019 only shows half of the picture. The number of children being taught in safe and engaging classrooms will continue to grow with the continuation of our work, and also through the existing classrooms that we have built to date that have seen scores of brothers, sisters and new families enter education through the door of buildings that have been funded by our generous supporters.

In order to fully understand the benefit that Classrooms for Malawi has provided the children of Malawi, in 2020, we intend to undertake a comprehensive impact assessment which will be published this coming year. This document will provide tangible and anecdotal evidence to show the positive effect that your money has had in the Warm Heart of Africa.

In 2019, we also prioritised advancement of the operational development of Classrooms for Malawi to prepare for future charity growth. The first step in this ongoing process was to employ a highly skilled individual with third sector experience, who would be motivate in achieving our charitable aims and working alongside the Board as our Chief Executive Officer. To this end, we are thrilled to introduce Amy Blake in this post.

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The vast reach of Classrooms for Malawi doesn't simply stop in another continent. Here at home, in the United Kingdom, young people's lives are being positively impacted through their relationship with Malawi and their experiences with Classrooms for Malawi:

*"[volunteering] helped me make a lot of decisions I had for leaving school with picking a career path and reinforcing my choices ... and helped develop me as an adult"*

**RYAN**

To date, over 21 different organisations, schools and independent groups have travelled to or contributed to the building of classrooms in, Malawi. Hundreds of individuals have experienced the warmth and kindness at the heart of Malawian villages greatly in need of their support. With your help, we can expand our reach to ensure that no one is left behind.

2020 is looking like another fantastic year for Classrooms for Malawi where we can focus our attention to those who are most at risk of falling out of the education system in Malawi, girls and those with additional support needs. We are an inclusive charity both at home and abroad and we will make it our mission to leave no one behind.



## **IN PARTNERSHIP WITH PASANI**

In July this year, a team from the 25<sup>th</sup> Stirling (Dunblane) Boys' Brigade travelled to Malawi to undertake a project with Classrooms for Malawi. The team stayed in the Likhubula area, Mulanje for 2 weeks where they assisted in the built of 2 classrooms and renovated 10 others in Pasani Primary School.



The project in Malawi was the culmination of a year of fundraising and hard work involving all 17 boys and their families. They raised a phenomenal amount of money which covered all expenses plus the work required to build and renovate the classrooms.

Following an initial information evening where parents and interested boys were invited to come and hear about the project, we conducted a team participant selection afternoon to test certain capabilities: commitment, teamwork, awareness and creativity. The afternoon consisted of several team exercises that were fun and challenging, discussions about the negative impact of "voluntourism" and an individual interview. It was clear that the team wanted all team members to be fully briefed on expectations while in Malawi and to understand the importance of the project.

**"BE RESPECTFUL, BE HELPFUL, BE HAPPY, HAVE FUN"**

The group held a planning meeting with parents and team members where they discussed possible fundraising plans and set specific targets to meet. Each team member had responsibility for raising a minimum of £1000, with the remaining funds to be raised as a collective goal. Some examples of their fundraising activities include; major sporting events sponsorships, whiskey & gin tasking, afternoon teas, trust fundraising and company support.

Following their successful year of fundraising and community support the team were ready to leave for Malawi in July, they travelled as a team to Likahbula in the district of Mulanje. Their welcome at Pasani Primary Schools was "mind-blowing", receiving a welcome by pupils and the Headteacher and an overview of the Malawi education system by the Classrooms for Malawi Country Facilitator. During the project, the group split into two groups, one group laid bricks and the other group were tasked with painting. The bricklaying was totally different from what the team had practiced in Dunblane, the bricks were uneven, and it took some skill to choose the right bricks, they did not use spirit levels but used a string line instead. The Malawian builder oversaw all the work and the boys quickly got into the rhythm and made

**"GO IN WITH AN OPEN  
MIND AND AN ATTITUDE TO  
LEARN A LOT"**

great progress. They finished all the brick work that we could manage without going on any scaffolding within 3 days.



The painters had done a lot of preparation work of the 10 classrooms to be decorated before the team arrived. They had lime washed the walls, which left the team with two coats of white paint for the top half of the walls and then blue gloss on the bottom half of the walls, as well as the doors and windows. This was still hard work, and the team were dedicated and determined and made great progress. The team also made time to put murals up on the wall, two boys prepared the stencilling and the rest of the boys followed with the acrylic paint (when they weren't painting their shoes or their shirts for the upcoming football match).

In total, they managed to complete the painting of 10 classrooms in Pasani and the newly built classroom block was completed by the Malawian building team for the start of the new term this September.

At the end of the project a celebration lunch was held in the school with the teachers, learner representatives, the committee, local chiefs and representatives from the Ministry of Education. After the necessary speeches, everyone shared a wonderful lunch cooked for by the teacher and played a game of football with the staff that everyone really enjoyed.

*"words cannot express or give justice to how the team behaved during the project. It would be easy to say that they went to Malawi as boys and came back men but that doesn't really give justice to the maturity, proactiveness, compassion and sheer guts that the team displayed. What they achieved was remarkable and was without protest"*

**Colin Anderson**

**PROJECT LEAD, 25<sup>TH</sup> STIRLING (DUNBLANE) BOYS' BRIGADE**

**"TAKE FULL  
ADVANTAGE OF  
THE TRIP AS IT IS  
A LIFE CHANGING  
EXPERIENCE"**

**"THANKS FOR THE OPPORTUNITY TO BE PART OF THIS PROJECT. I THINK IT IS THE  
BEST THING I'VE EVER DONE AND WOULD 100% RECOMMEND. THE PEOPLE OF  
MALAWI ESPECIALLY IN LIKHUBULA ARE SO HAPPY AND WELCOMING"**

## **OUR STRATEGIC PRINCIPLES**

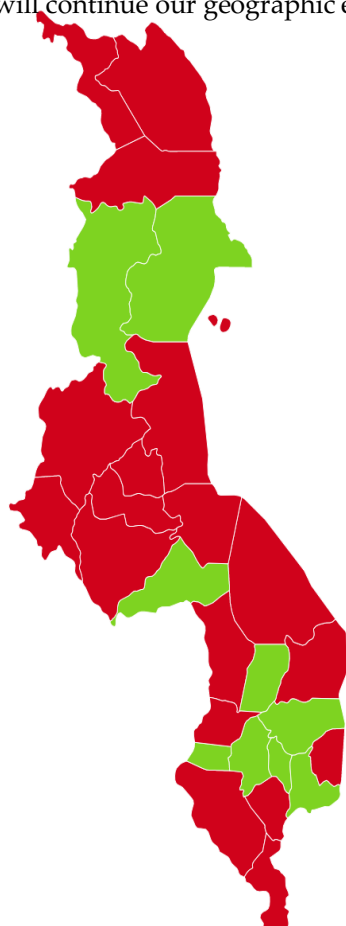
Our four strategic principles help us achieve our mission in the most efficient and effective way. Classrooms for Malawi's strategy is broadly consistent yet varies year on year depending on the variable influences of international development and macroeconomic factors that we face.

- Grow and develop our Malawi School Building Programme in line with the Malawian Department of Education;
- Working to promote Global Citizenship in the context of Malawi;
- To develop a faster, cheaper and more environmentally and economically sustainable method of building classrooms in Malawi;
- Advancing the operational development of Classrooms for Malawi to prepare for future charity growth.

To date, Classrooms for Malawi has maintained a passive strategy in relation to our partners in the UK through not soliciting funding for building projects in Malawi. However, with increased costs on the ground in Malawi, we are now in a position where we need to ask those who are financially capable, to help improve the learning environment for thousands of Malawian children. Funding is the key to ensuring that our strategic aims are met.

2020 is an important year for Classrooms for Malawi as we develop our new strategy through to 2025. This will take into account changing resources and opportunities that will come our way in the months and years ahead.

The map of Malawi below shows the regions where Classrooms for Malawi has delivered at least one of our strategic goals. We will continue our geographic expansion in the years ahead.



● WHERE WE HAVE WORKED  
● WHERE WE HOPE TO WORK

## **LEAVE NO ONE BEHIND**

As a relatively new charity, formed in 2012, Classrooms for Malawi has grown in tandem with our participants; both in age and number. Every year, we build and refurbish more and more classrooms in Malawi. By doing so we are providing a sustainable route out of poverty by creating a classroom environment conducive to learning, enhancing academic performance.

### **BACKGROUND**

By adopting the Sustainable Development Goals (SDGs) all member states have committed to 'Leave No One Behind' in their implementation of the 2030 Agenda. Relating to SDG 4 (Quality Education) all members have agreed to a set of ambitious targets, including the pledge to 'ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes' and to 'eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations' by 2030.

Especially, SDG 4 target 4.a highlights the requirement to 'build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all'. The mission of Classrooms for Malawi directly supports SDG 4, its targets and indicators and with the development of our Strategic Plan to 2025 we will continue to work to provide assistance through partnership development to build and upgrade education facilities in Malawi.

### **SIGNIFICANT CHALLENGES**

To date, initially reporting through the Millennium Development Goals and now through the SDG's, Malawi has consistently ranked as one of the lowest performing nations for literacy in sub-Saharan Africa. Malawi is one of the poorest and least developed countries in the world and education is proven as one of the driving forces in alleviating poverty

Free primary school education was introduced to Malawi in 1994. This policy boosted primary school enrolment from 1.6 million children to over 3 million children. However, while primary school enrolment increased, there was not the same investment in infrastructure and teaching provision. Although more children now have access to education in Malawi, the quality of education has decreased due to weak infrastructure, poor hygiene and low quality teaching. Classroom construction has not increased in line with enrolments, and the number of pupils per classroom is far from the government target of 60 learners per classroom. The average primary student to classroom ratio increased from 105:1 in 2011/2012 to 130:1 in 2017/18. We are hopeful that the 2019 statistics will show a decrease in this ratio however, in order to reduce the pupil to classroom ratio to 67:1 an additional 3,400 classrooms per year would be required<sup>2</sup>. Government statistics show that a further 41,000 classrooms are needed to meet the current demand to ensure all children access education indoors.

Currently, only 35 percent of children in Malawi complete primary school and of those, only 20% go on to complete secondary school. This means that just 7% of the population is educated to secondary level. Such low ratios can be attributed to many factors including poor infrastructure, long distances to travel to school, in addition, more than half of the country's population lives below

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<sup>2</sup> Malawi Education Sector Implementation Plan 2018



the poverty line and many children enrol in school but are forced to drop out due to employment responsibilities or illness. Overcrowding of classrooms is found to be another contributing factor to high drop-out rates in Malawian schools, pupils are crammed into unsuitable learning spaces due to the poor supply of classrooms and are unable to hear, concentrate or receive feedback in such crowded conditions and lose hope in the education system. For girls, drop out rates are further exasperated due to poor hygiene facilities (WASH), young marriage, pregnancy and illness including HIV/AIDS. 2019 data shows that only 14% of girls go on to achieve a secondary education.

Every day we are improving **WHO** we help, **HOW** we help, but the one thing that doesn't change, is **WHY** we help...

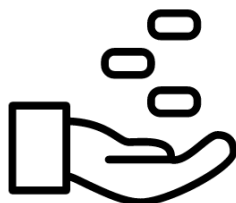
**REDUCES  
POVERTY**



For every year at school, earnings increase by 10%

Universal basic reading skills would reduce world poverty by 12%

**FOSTERS  
ECONOMIC  
PROSPERITY**



If a country's population is educated an extra year on average, its annual per capita GDP growth gets a 25% boost, from 2% to 2.5%

**CHANGES  
ATTITUDES TO  
EMPOWER  
WOMEN**



If all girls had secondary education, child marriage would fall by 64%

**IMPROVES  
HEALTH**



If all women had primary education, we could avert almost 1 million child deaths.

If all women had secondary education, we could avert 3 million child deaths, halving child mortality

3

**THE NEXT STEP**

We will continue to invest in smarter working principles. We will continue to nurture a culture of high performance in an environment that promotes education and we will provide volunteers and staff with the leadership and support they need to help win the fight against poverty.

Innovation is the key to the future. We cannot indefinitely continue to pass on increased costs to our partners and that is why we are working with some very exciting architects and builders to create a low-cost, eco-friendly, safe classroom prototype that we believe can be rolled out across Malawi and further afield to solve the developing world's classroom shortage.

**THANK YOU FOR YOUR DONATIONS**

We take the responsibility of making every penny count very seriously. We continuously scrutinise our performance and measure impact to ensure our activities represent good value for money and that is why in the year to 30 September 2019, £0.91 in every pound was spent on our charitable activities.

<sup>3</sup> Global Education First Initiative: The UN Secretary-General's Global Initiative on Education

**THANK YOU FOR YOUR SUPPORT**

We are hugely grateful to every one of our supporters and it is important that they continue to have confidence in us. We are an accountable and transparent organisation and, should you have any questions on this report or our charitable activities, please feel free to email them to [info@classroomsformalawi.org](mailto:info@classroomsformalawi.org) and we will promptly respond.

**THANK YOU FOR MAKING US WHAT WE ARE – A CHARITY LIKE NO OTHER**

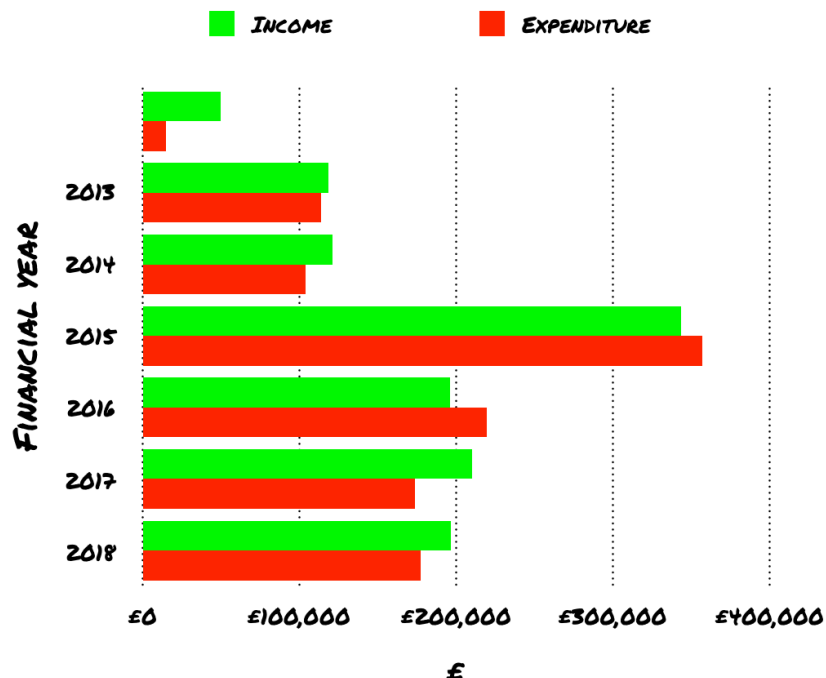
We are committed to making the most of your generous donations through careful planning and monitoring; ensuring we manage risk effectively and have robust assurance and compliance functions. We operate in challenging economic and regulatory times; however, Classrooms for Malawi hold the children of Malawi and their educational needs at the forefront of everything we do. They are our number one priority and we will not stop in our pursuit of educational equality.

To provide a sustainable route out of poverty, we need to be at the top of our game. That means attracting and retaining supporters who share our vision and running our charity in the most efficient way possible.

Classrooms for Malawi began with a handful of people sharing a common vision, sitting around a kitchen table; now, we have an office with volunteers and a full-time paid member of staff.

## FINANCIAL REVIEW

During 2018, we reached the landmark of surpassing **one million pounds** raised in our goal of achieving a better educational environment for the children and young people of Malawi. Thanks to our fantastic



supporters, the cramped classrooms and learning outdoors under trees are becoming a thing of the past – but not quickly enough. We can, and must, do more...and we are!

### Income

An incredible £196,921 was raised in the year ended 30 September 2019.

Our income continues to be largely dependent on our partners and there is a direct correlation between the number of partners and our year on year income growth.

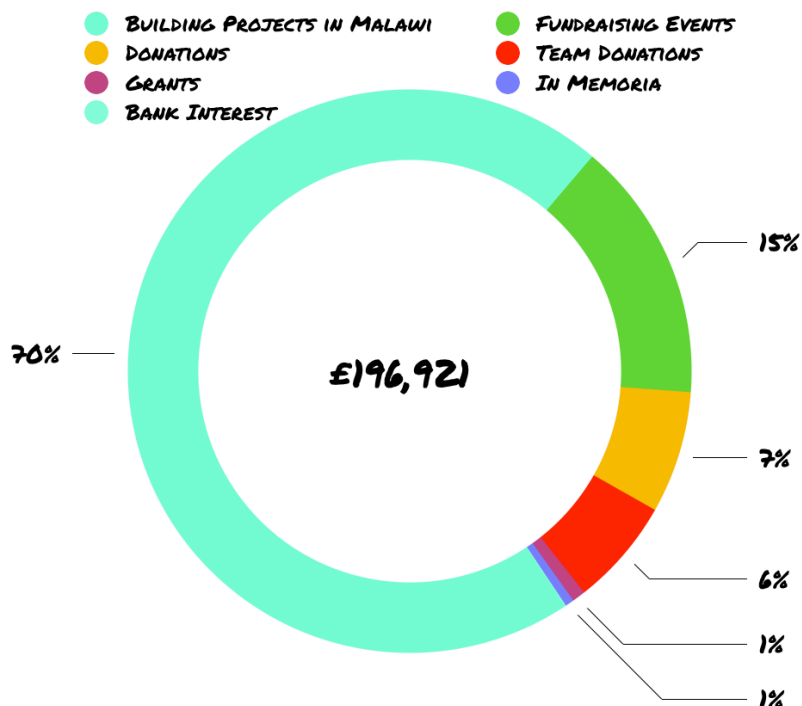
In 2019, building projects in Malawi accounted for 71% of our total income, equating to a phenomenal £138,804, and a 62% real-term cash increase on the previous year.

Donations and legacies were down over £60,945 compared with the same period last year, however this was balanced by an increase in £53,169 in building projects. The reason for this was due to a substantial amount being donated to Classrooms for Malawi in memory of others in 2018, which was restricted to building projects at Bangwe Nursery and Ekwendeni Primary School.

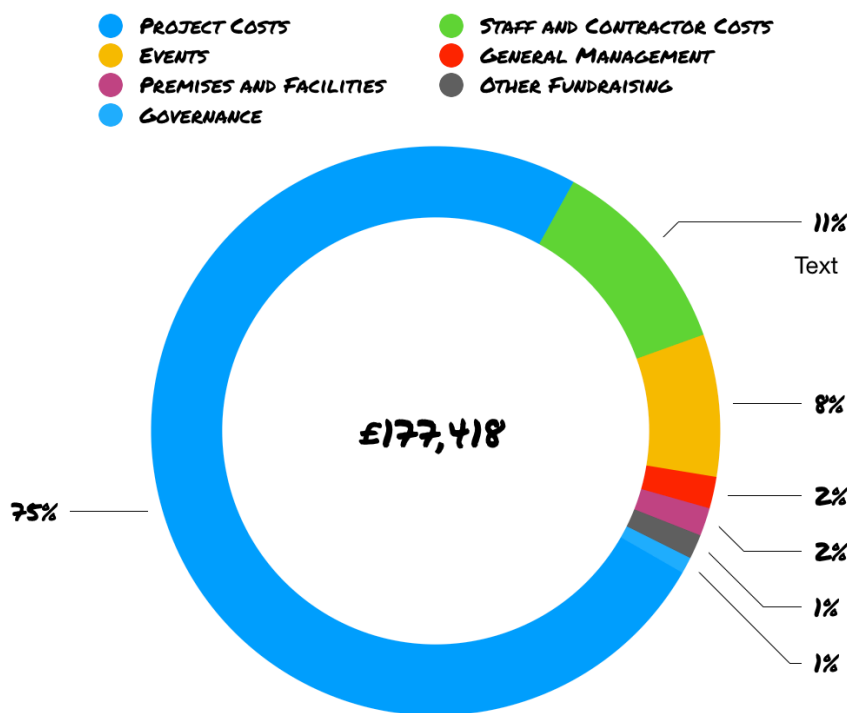
We raised £81,831 in unrestricted income in 2019. Our flagship fundraising ball continued to be a major source of funds, generating an incredible £27,163.

### Expenditure

In 2019 we spent £177,418, a 2% increase when compared with 2018.



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91% of expenditure was spent directly on achieving our charitable objectives, with most spent in Malawi. We started 2019 with a healthy level of unrestricted reserves. This enabled us to react to unexpected building emergencies at partner schools in Malawi.

The year ahead will be challenging. We face increasing costs in the delivery of our charitable aims as well as Macro-economic factors such as increased fuel impacts on transportation costs for bricks and mortar. In addition, climate-change-driven governmental directives are impacting on the

materials we use in constructing Malawian schools. This means that to continue building efficiently and effectively we must consider exploring alternative building materials which meet the new regulations set by the Malawian Government. Specifically, this will see a move away from the use of 'Burnt Bricks' to more sustainable building materials which will impact on project cost. Additionally, in-line with our Leave No One Behind campaign, the Malawian education authority often recommend toilet blocks are built when new classrooms are added<sup>4</sup> - this increases the costs which we rely on our partners to cover. Toilet blocks and improved sanitation are a vital contributory factor that sees an increase in attendance, especially amongst girls. WASH (water, sanitation and hygiene) is a key health issue in Malawi and is the focus of Sustainable Development Goal 6.



**Year-end Position**

In 2019, Classrooms for Malawi generated a net surplus of funds of £19,503 which represents 10% of gross income.

Classrooms for Malawi's total reserves are £75,344 (2018: £55,841) consisting of:

- General funds £32,383 (2018: £17,115)
- Designated funds £35,794 (2018: £30,814)
- Restricted funds £7,167 (2018: £7,912)

<sup>4</sup> Depending on the number of existing toilet blocks and pupil ratios



**91P IN EVERY £1  
IS SPENT ON PROJECT  
IMPLEMENTATION**



### **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 taken into account when considering 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 Board of Trustees has ultimate legal responsibility for our organisation and works to ensure good governance. The Board agrees the overall strategic direction and currently are responsible for the implementation of policy and for the management of the day-to-day running of the organisation.

The Board of Trustees is committed to ensuring that governance arrangements are effective and relevant. As part of that commitment and its desire for continuous improvement the Board will work to the Charity Governance Code as appropriate.

### **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**

The Classrooms for Malawi SCIO Board of Trustees consists of a Chairperson; Treasurer; Head of Fundraising and Marketing; Head of Community Engagement; and Head of Grants and Trusts. The Board reserves the right to invite members of the charity to Board Meetings and should the Board desire, add Trustees with ratification at the AGM. The diverse age and background of the Board ensures a depth of knowledge and skills that will continue to enable the charity to thrive over the coming years. In keeping with good governance practice, all Trustees retire for re-election at the AGM.

On 01 November 2019, Mrs Seonaid Stevenson resigned from the Board of Trustees. The process is ongoing to find a new Board member. All those involved with Classrooms for Malawi would like to thank Seonaid for her many years of support, insight and knowledge and wish her all the best in her future endeavours.

### **Management**

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.

### **Key management remuneration**

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

### **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**

During 2018, we undertook a review of our core risk management processes to ensure their effectiveness. A revised risk policy was signed off by the Board of Trustees, with a strengthened procedure put in place.

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.

**PRINCIPAL RISKS AND UNCERTAINTIES FACED BY CLASSROOMS FOR MALAWI AND MITIGATING ACTIONS**

Risk	Mitigating Factors
<b>Governance</b>	
Strategic direction	Classrooms for Malawi are entering an exciting development phase in 2020. The Strategic Plan 2020 - 2025 will be developed in January 2020 and reviewed annually at the AGM. The accompanying Operational Plan will be reviewed and updated annually.
Board of Trustees commitments and skill requirements	With a CEO now in place, the Trustees can concentrate on their strategic responsibilities rather than operational activities. Plans are underway to recruit additional board members to complement existing skills and bring new areas of expertise to the board.
Governance and registration in Malawi	Classrooms for Malawi are not currently registered in Malawi as an NGO. While this does not affect the work we carry out, registering in Malawi would bring significant strategic benefits as we grow and develop and will ensure reflective governance in Malawi. During 2020 we plan to officially register in Malawi with the NGO Board and establish a board of trustees based in Malawi.
<b>Operational</b>	
Malawian resource management	In November 2020, the CEO and Chairperson of Classrooms for Malawi visited Malawi to meet with senior representatives of the Government Education Departments as well as the building contractors and In-Country Facilitator. During this visit we were able to formalise the procedure for working with priority schools as identified by the District Education Managers. We were able to see first-hand the work of our building contractors and their teams of builders. We plan to continue regular reviews through the In-Country Facilitator and annual reviews by senior CfM team members.
Lack of volunteers	Volunteers continue to be the backbone of Classrooms for Malawi. We rely on volunteers to support the running of our office in Rutherglen as well as the enormous effort of all our volunteers who participate in Classrooms for Malawi projects through their schools and companies each year. We plan to integrate volunteer recruitment, development and retention into our Strategic Plan 2020-2025.

<p>Policy development</p>	<p>We recognise the importance of reviewing and revising our internal policies and procedures to make them fit for purpose, especially those relating to risk, health and safety, and safeguarding. The Board are committed to reviewing policies on an annual basis.</p>
<p><b>Financial</b></p>	
<p>Inadequate financial resources to meet overall strategic objectives</p>	<p>Our new strategic plan will contain ambitious objectives to further our mission and vision. To accompany this plan, we will develop a diverse income generation strategy to ensure effective and timely delivery.</p>
<p>Decreasing donations</p>	<p>The main focus of our fundraising strategy over recent years has been a programme of events including our Annual Gala Ball and our Annual Burns Supper. While these events remain popular, we recognise that we cannot solely rely on these activities to increase our unrestricted income. To accompany our new strategic plan we will develop a fundraising, marketing and development plan to increase donations from new sources, with a particular focus on growing unrestricted funds.</p>
<p>Lack of grant funding</p>	<p>Classrooms for Malawi does not rely on grant funding to support activities. In order to invest in our future growth, we will approach grant funders for investment in capacity building projects both in the UK and Malawi to ensure the operational effectiveness of our organisation, supported by strong and transparent policies and procedures.</p>
<p>Increasing project costs</p>	<p>Malawian building regulation standards continue to improve especially in relation to the use of sustainable building materials relating to Malawi Climate Change Policies. In addition, macro-economic factors such as fuel, insurance and labour costs also continue to increase. Classrooms for Malawi have a responsibility to mitigate cost increases as much as possible to ensure more funding can be delivered to the heart of Malawian communities whilst maintaining the standard and safety of our builds. We will continue to lobby the Malawian government and authorities to improve building regulation standards whilst ensuring that our core activities are not adversely impacted.</p>

<b>Environmental</b>	
Brexit causes the value of the pound to drop resulting in increased project costs which partners cannot meet	Due to the relatively low free reserves that we currently hold, securing a hedge on foreign currency is not an efficient use of time or money. We have a base of proud partners with a common goal of building and renovating as many classrooms as possible. We are confident that we can pool our partner's resources to cover the increased costs, which may result in less projects being undertaken but delivery of a consistently high standard of build.
Reputation Management	Classrooms for Malawi are committed to upholding our reputation for providing quality learning environments that meet all relevant legislation. To achieve this, we will follow the principles of Do No Harm to ensure that our activities do not undermine existing structures or generate new risks or conflict.
<b>Compliance</b>	
Failure to comply with legislation and UK regulations: charity/employment/data protection/safeguarding	As Classrooms for Malawi moves into a new phase of development, with planned growth, it is vital that we create a register of current legal and regulatory requirements with approved and agreed timetables for reporting and action.
Failure to comply with legislation and Malawi regulations: (as above)	Registering in Malawi in 2020 will bring challenges relating to reporting and regulation in-country. We will take the advice of the Malawi NGO Board and the Malawi Scotland Partnership as we progress this development. We aim to compile a register of all relevant reporting requirements in 2020.

**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 and over the telephone; through letters, emails, and online; from events and community fundraising; from philanthropists, trusts, foundations and corporate partners.

#### **Fundraising standards**

We are members of the Institute of Fundraising (IOF), and as such abide by the Code of Fundraising. We abide by the Fundraising Regulator's Fundraising Promise, and strive to ensure our fundraising is open, honest, legal and respectful. In line with our undertaking signed with the Information Commissioner's Office (ICO), we have moved to an 'opt-in' model of freely given, specific, informed, and unambiguous.

#### **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. In 2019, 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,



Michael Daly  
Trustee

Date:.....18 Feb 2020.....

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

I report on the accounts for the year ended 30 September 2019 set out on pages twenty-six to thirty-six.

**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 ACCA  
Association of Chartered Certified Accountants  
Brett Nicholls Associates  
63 Ruthven Lane  
Glasgow  
G12 9BG

Date:.....*28 February 2020*.....

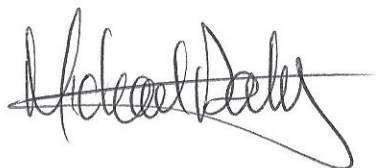
**CLASSROOMS FOR MALAWI SCIO**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £
<b>INCOME FROM</b>							
Donations and legacies	2	26,705	1,766	<b>28,471</b>	54,509	34,907	89,416
Charitable activities	5						-
Building projects in Malawi		25,480	113,324	<b>138,804</b>	14,775	70,860	85,635
Educational materials in Malawi		-	-	-	-	650	650
Other trading activities	3	29,490	-	<b>29,490</b>	34,537	-	34,537
Investment income	4	156	-	<b>156</b>	102	-	102
<b>Total</b>		<b>81,831</b>	<b>115,090</b>	<b>196,921</b>	<b>103,923</b>	<b>106,417</b>	<b>210,340</b>
<b>EXPENDITURE ON</b>							
Raising funds	6	16,803	-	<b>16,803</b>	13,096	2,503	15,599
Charitable activities	7						
Building projects in Malawi		44,780	115,835	<b>160,615</b>	54,537	99,945	154,482
Educational materials in Malawi		-	-	-	-	3,650	3,650
<b>Total</b>		<b>61,583</b>	<b>115,835</b>	<b>177,418</b>	<b>67,633</b>	<b>106,098</b>	<b>173,731</b>
<b>Net income/(expenditure)</b>		<b>20,248</b>	<b>(745)</b>	<b>19,503</b>	<b>36,290</b>	<b>319</b>	<b>36,609</b>
Transfers between funds		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>20,248</b>	<b>(745)</b>	<b>19,503</b>	<b>36,290</b>	<b>319</b>	<b>36,609</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		47,929	7,912	<b>55,841</b>	11,639	7,593	19,232
<b>Total funds carried forward</b>		<b>68,177</b>	<b>7,167</b>	<b>75,344</b>	<b>47,929</b>	<b>7,912</b>	<b>55,841</b>

**CLASSROOMS FOR MALAWI SCIO**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £	2018 Total Funds £
<b>FIXED ASSETS</b>					
Tangible assets	12	1,242	-	1,242	314
				-	-
<b>CURRENT ASSETS</b>					
Debtors	13	734	7,578	8,312	218
Cash at bank and in hand		68,482	14,405	82,887	62,101
		69,216	21,984	91,199	62,319
<b>CREDITORS</b>					
Amounts falling due within one year	14	(2,281)	(14,816)	(17,097)	(6,792)
Net current assets		66,935	7,167	74,102	55,527
Total assets less current liabilities		68,177	7,167	75,344	55,841
Net assets		68,177	7,167	75,344	55,841
<b>FUNDS</b>					
	15				
<b>Unrestricted funds:</b>					
General reserves				32,383	17,115
Designated reserves				35,794	30,814
<b>Restricted funds</b>					
				7,167	7,912
Total funds				75,344	55,841

The financial statements were approved by the Board of Trustees on 18 Feb 2020 and were signed on its behalf by:



Michael Daly  
**TRUSTEE**

**RECONCILIATION OF NET INCOME TO NET CASH  
FLOW FROM OPERATING ACTIVITIES**

	Notes	2019 £	2018 £
Net income for the year		19,503	36,609
Adjusted for:			
Depreciation charges	11	519	158
Decrease/(increase) in debtors	12	(8,094)	3,967
(Decrease)/increase in creditors: amounts falling due within one year	13	10,305	(7,025)
<b>Net cash provided by operating activities</b>		<b>22,233</b>	<b>33,682</b>

**STATEMENT OF CASH FLOW**

	Notes	2019 £	2018 £
<b>Cash flow from operating activities</b>			
Net cash provided by operating activities		22,233	33,682
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(1,447)	-
<b>Net cash provided by investing activities</b>		<b>(1,447)</b>	<b>-</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>20,786</b>	<b>33,682</b>
Cash and cash equivalents at the beginning of the reporting period		62,101	28,419
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>82,887</b>	<b>62,101</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 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.

Gifts in kind donated for resale are included at fair value and are recognized as income and stock when they are sold.

Gifts in kind also include campaigning and fundraising goods and services, all recognized when received or performed. These have been valued by officers of Classrooms for Malawi SCIO either at market value or, where a market value is not available, based on appropriate estimates.

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.

**2. DONATIONS AND LEGACIES**

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Donations	12,037	1,766	13,803	18,108	7,902	26,010
Grants	1,500	-	1,500	6,200	-	6,200
Team donations	12,168	-	12,168	27,572	-	27,572
In Memoria	1,000	-	1,000	2,629	27,005	29,634
	26,705	1,766	28,471	54,509	34,907	89,416

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

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Isabella Memorial Trust	-	-	-	5,000	-	5,000
Other grants	1,500	-	1,500	1,200	-	1,200
	1,500	-	1,500	6,200	-	6,200

**3. OTHER TRADING ACTIVITIES**

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Fundraising events	29,490	-	29,490	34,537	-	34,537

**4. INVESTMENT INCOME**

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Bank interest	156	-	156	102	-	102

**5. INCOME FROM CHARITABLE ACTIVITIES**

Partnership contributions	Activity	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
		£	£	£	£	£	£
	Building projects in Malawi	25,480	113,324	138,804	14,775	70,860	85,635
	Educational materials in Malawi	-	-	-	-	650	650
		25,480	113,324	138,804	14,775	71,510	86,285

## **6. RAISING FUNDS**

	Unrestricted £	Restricted £	2019 £	Unrestricted £	Restricted £	2018 £
Events	14,340	-	14,340	10,854	-	10,854
Marketing and advertising	-	-	-	157	-	157
Subscriptions	1,530	-	1,530	485	-	485
Other fundraising activities	933	-	933	1,600	2,503	4,103
	<b>16,803</b>	<b>-</b>	<b>16,803</b>	<b>13,096</b>	<b>2,503</b>	<b>15,599</b>

## **7. CHARITABLE ACTIVITIES COSTS**

	Direct costs (see note 8)		2019			2018
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Building projects in Malawi	44,780	115,835	160,615	54,537	99,945	154,482
Educational materials in Malawi	-	-	-	-	3,650	3,650
	<b>44,780</b>	<b>115,835</b>	<b>160,615</b>	<b>54,537</b>	<b>103,595</b>	<b>158,132</b>

## **8. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	Note	Unrestricted £	Restricted £	2019 £	Unrestricted £	Restricted £	2018 £
Project costs		1,858	115,835	117,693	17,884	86,569	104,453
Project support costs		14,905	-	14,905	19,325	-	19,325
Staff & contractor costs	8	20,334	-	20,334	8,853	17,026	25,879
Governance		1,662	-	1,662	1,050	-	1,050
General management		907	-	907	1,985	-	1,985
Premises and facilities		2,831	-	2,831	5,224	-	5,224
Information technology		2,283	-	2,283	216	-	216
		<b>44,780</b>	<b>115,835</b>	<b>160,615</b>	<b>54,537</b>	<b>103,595</b>	<b>158,132</b>

In the year ended 30 September 2019, Classrooms for Malawi volunteer team members made contributions of £12,000 (2018: £19,325) (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 2019 (2018: nil).

Trustee's expenses for the year ended 30 September 2019 were £307 (2018: £951).

	2019	2018
	£	£
Fundraising expenses	193	431
Office expenses	-	30
Team expenses	83	398
Travel expenses	31	123
	307	982
	307	982

## **10. STAFF COSTS**

	2019	2018
	£	£
a)		
Wages and salaries	5,724	8,726
Social security costs	691	127
Pension costs	110	-
	6,525	8,853
	6,525	8,853

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

	2019	2018
Part time	-	1
	-	1
b)		
Non-payroll costs	13,809	17,026
	13,809	17,026

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

**11. TANGIBLE FIXED ASSETS**

	Information Technology	
	2019	2018
Cost	£	£
At 01 October	630	630
Additions	1,447	-
	2,077	630
<b>Depreciation</b>		
At 01 October	316	158
Charge for the year	519	158
At 30 September	835	316
<b>Net book value</b>		
At 30 September	1,242	314

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

	2019	2018
	£	£
Trade debtors	7,579	-
Other debtors	733	218
	8,312	218

In addition to the amounts shown in the Statement of Financial Activity, there were £43,983 of pledged donations from partners towards building projects in Malawi. While the Trustees are confident that the pledged donations will be received, they are not recognised as income in these accounts for the sake of prudence.

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

	2019	2018
	£	£
Trade creditors	14,816	5,653
Other creditors	2,281	1,139
	17,097	6,792

**14. MOVEMENT IN FUNDS**

	Balance 2018 £	Income £	Expenditure £	Transfers £	Balance 2019 £
<b>Unrestricted funds</b>					
General funds	17,115	81,831	(55,058)	(11,505)	32,383
Designated funds	30,814	-	(6,525)	11,505	35,794
	47,929	81,831	(61,583)	-	68,177
<b>Restricted funds</b>					
Building projects in Malawi	7,912	115,090	(115,835)	-	7,167
<b>Total funds</b>	<b>55,841</b>	<b>196,921</b>	<b>(177,418)</b>	<b>-</b>	<b>75,344</b>

**Comparatives for movement in funds**

	Balance 2017 £	Income £	Expenditure £	Transfers £	Balance 2018 £
<b>Unrestricted funds</b>					
General funds	11,639	73,109	(67,633)	-	17,115
Designated funds	-	30,814	-	-	30,814
	11,639	103,923	(67,633)	-	47,929
<b>Restricted funds</b>					
Building projects in Malawi	7,593	106,417	(106,098)	-	7,912
<b>Total funds</b>	<b>19,232</b>	<b>179,526</b>	<b>(173,731)</b>	<b>-</b>	<b>55,841</b>

**15. RELATED PARTY DISCLOSURE**

There were no material related party transactions for the year ended 30 September 2019 (2018: nil).

	2019 Total £	2018 Total £
<b>Independent Examiner's remuneration</b>		
Independent examination	1,080	2,122
	<b>1,080</b>	<b>2,122</b>

**16. FUTURE CAPITAL COMMITMENTS**

The SCIO has other ongoing building commitments relating to projects in Malawi which amount to £60,420.05 over the next twelve months.

## **LEGAL AND ADMINISTRATION**

### **Board of Trustees**

James Kelly (Chair of Trustees)  
Michael Daly (Treasurer)  
Andrew Vincent (Head of Fundraising and Marketing)  
Patricia Duffy (Head of Community Engagement)  
Seonaid Stevenson (Head of Grants and Trusts)

### **Chief Executive Officer**

Amy Blake

### **Registered Office and Principal Address**

2 Kirkwood Street  
Rutherglen  
Scotland  
G73 2SL

### **Contact Details**

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✉ [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  
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.

## **SCHOOLS**

Bearsden Academy, East Dunbartonshire  
Cardinal Hume Catholic School, Gateshead  
Gleniffer High School, Renfrewshire  
Princethorpe College, Rugby  
Renfrew High School, Renfrew  
St Margaret's Academy, Livingston  
St Stephen's High School, Port Glasgow  
Whitehill Secondary School, Glasgow  
Williamwood High School, East Renfrewshire

## **REGULAR GIVERS AND COMMUNITY FUNDRAISERS**

Dunblane Boys Brigade

## **OUR CORPORATE PARTNERS**

Renfrewshire Building Services

## **PROFESSIONAL SUPPORT**

Michael Page (Glasgow) Recruitment

## **WHERE WE ARE**

2 Kirkwood Street  
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