



Chesney Trust for Education in Malawi

Financial Statements

For the

Year Ended 31 July 2024

Scottish Charity No SC037540

Contents

	Pages
Trustees' annual report	1-6
Independent examiner's report	7
Receipts and payments account	8
Statement of balances	9
Notes to Financial statements	10-12

Trustees' Annual Report for the year ended 31 July 2024

The Trustees have pleasure in presenting their annual report together with the financial statements and the independent examiner's report for the year ended 31 July 2024

Name & Address

The Trust's name is Chesney Trust for Education in Malawi and it may be contacted via the Secretary, [REDACTED]

Governing Document

The Chesney Trust for Education in Malawi (The Chesney Trust) is a charitable unincorporated association, registered as a Scottish Charity - No SC037540, and the purposes and administration arrangements are set out in our constitution and governance manual.

The Government of Malawi has endorsed the project and as a result the Council for Non-Governmental Organisations in Malawi (CONGOMA) has granted The Chesney Trust Non-Governmental Organisation status.

The Chesney Trust is overseen by a Board of no fewer than five Trustees. The founder of the Trust, [REDACTED], is the Honorary Chief Executive. She works full-time as a volunteer to provide oversight of all operations and is the key point of contact between Scotland and Malawi.

Charitable Purposes

The purposes of The Chesney Trust, as recorded in the constitution, are:

- a) To advance education of girls in Northern Malawi by means of funding a project to build a secondary school, including a department for girls with hearing impairment and by the funding of bursaries;
- b) To provide health facilities, including antenatal care and improve the infrastructure (roads, water, electricity, and employment opportunities) of the surrounding area for the benefit of the local community.

This is being achieved by the construction of a girls' secondary boarding school, named the Edinburgh Girls' High School (EGHS) In Engcongolweni. It is being built in stages, as funding permits, to provide additional teaching facilities, pupil accommodation and staff houses with the ultimate aim of having a roll of 320 girls. At present, bursaries are being provided to 12% of the girls. The community in the surrounding rural area is also benefiting as we improve the infrastructure. It is also planned to help establish health facilities, including antenatal and child health care.

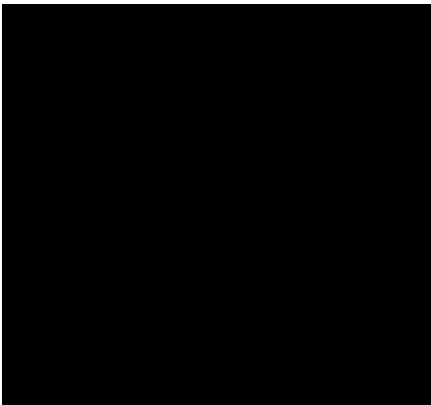
Recruitment and Appointment of Trustees

Trustees are recruited and appointed in accordance with the Constitution.

Chesney Trust for Education in Malawi

Trustees' Annual Report for the year ended 31 July 2024

Trustees



Chairman and Secretary
Treasurer

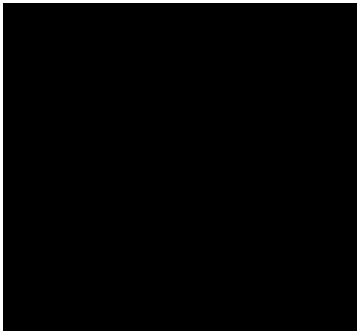
Resigned 18 November 2023

Appointed 18 November 2023
Appointed 18 November 2023

The Trustees have expertise in governance of non-statutory and public bodies, senior management, education, accountancy and fundraising. Thorough governance processes have been developed.

The Chesney Trust funds a separate voluntary organisation in Malawi, The Chesney Trust for Girls' Education in Northern Malawi, otherwise referred to as "The Chesney Trust (Malawi)", which is responsible for building the school. It is that organisation, and not the Scottish charity, that occupies land and the buildings that are in the course of construction.

The Chesney Trust (**Malawi**) has its own board of trustees:



Secretary

Fundraising co-ordinator
Treasurer
Project director
Vice chair

Chair

Donations in kind

The Chesney Trust is indebted to the Mbano family for donating the land, to Inkosana Jere for assisting with processing the land deeds, to a number of schools and other organisations for items for the school, and to the members of the local community for their continued support.

The Trust is proud to work in partnership with ESMS (Erskine Stewart's Melville Schools), Edinburgh and is indebted to the Junior School headmaster, [redacted] and to the ESMS Principal, [redacted] for their support, encouragement and leadership.

Trustees' Annual Report for the year ended 31 July 2024

Activities & Achievements

The Chesney Trust is one of many projects building on the historical ties between Scotland and Malawi, the 'Warm Heart of Africa'. The Trust is a genuine partnership aiming to provide education and opportunity for young Malawian girls who would otherwise miss out. Providing education for girls has been shown to be one of the most effective ways to help countries reach their potential. Improving even basic literacy skills helps raise health and well-being standards.

In this, the seventeenth full year that the Trust has been in existence, steady progress has been made, on the organisational front, both in fundraising and operations in Malawi.

Organisational - The Work of the Trustees

During this year, the Trustees in Scotland have held four meetings. In addition, Trustees keep in regular contact through informal meetings and by email communication.

Opportunities for networking have been taken through meetings of the Scotland-Malawi Partnership and through membership of Scotland's International Development Alliance. The work of the Chesney Trust is well known through representation at the Scotland-Malawi Cross Party Group meetings in Holyrood, Edinburgh.

The Trust website (www.chesneytrust.org) and Facebook (www.facebook.com/chesney.trust.org/) provide information on the project in Malawi, and outline areas where financial support is needed and also other resources for the school and human resources to help **with** the running of the Trust in Scotland.

The following "living documents" are continually updated as the project progresses:

- Governance manual, to ensure due diligence with the project.
- Project Plan
- Strategic Plan
- List of Funding Bodies and Useful Contacts
- Fundraising Plan

In order to seek the highest standards of governance, we follow the five Principles for effectiveness in international development that comprise the NIDOS Effectiveness Tool.

No record has been kept of the total number of hours worked on Trust business, but the Chairman/ Secretary and Treasurer each work at least a day a week for the Trust and the Honorary Chief Executive works full-time as a volunteer.

Chesney Trust for Education In Malawi

Trustees' Annual Report for the year ended 31 July 2024

Fundraising

The income received during the year was lower than that of the previous year (£35,317 compared to £55,936), mainly as a result of a large drop in grants received (£11,906 compared to £36,788). Fundraising events at the Erskine Stewart's Melville Junior School and Mary Erskine School, which included a non-uniform day, the Kaleidoscope Show and a Jumper sale, raised £9,198. Sponsorship of students amounted to £5,010, and donations amounted to £3,668. In addition, there were receipts from recoverable Gift Aid and bank interest, which totalled £5,535.

During this year, £25,517 was transferred to Malawi for charitable purposes (£15,772 towards the hostel construction, and purchase and installation of a septic tank and solar lighting, £9,745 for pupil sponsorship); the balance (19%) covered on-going costs. As a result of the transactions this year, our total assets at the end of the financial year were £17,449.

Sums raised during the year by ESMS Junior School have been placed in a restricted fund for use solely for the construction of school buildings.

Operations in Malawi

(a) The Edinburgh Girls' High School (EGHS)

In the 2023 Malawi School Certificate of Education examinations, there was a 89.5% pass rate, with 14 students gaining places at public Universities. The pass rate was 98% in the Junior Certificate of Education examination.

The school roll increased to 194 in September 2023, with a further increase planned. This year, 16 pupils were supported by bursaries. Work on the new hostel (the third) to reduce overcrowding had stopped when funds ran out due to an ~Gs% increase in cost of items such as cement and plumbing materials. An additional grant from Beit Trust and a contribution from the Chesney Trust enabled the construction to be completed and the hostel was opened in November. As part of the project, a large septic tank, funded by the Chesney Trust, was installed.

In order to improve the power supply, two 5.5 kVA diesel generators, funded by the Chesney Trust, have been installed. One is a backup for the solar system connected to the submersible water pump, while the other is backing up the solar system connected to the library/computer laboratory and the administration block. Five street solar lamps have been installed at strategic places to improve security on campus.

The Malawi kwacha was devalued by 44% in November 2023. School fees were not increased during the school year in case pupils were withdrawn from the school by inability to pay the increase.

Trustee [REDACTED] visited the school in October 2023 and had discussions about the school's needs. He was impressed by the work ethic of the girls, noting that they studied between lessons and in the evenings and also looked after the cleaning of the school and school site. He was pleased to meet the Malawi Board trustees informally over a meal.

[REDACTED] left on unpaid leave in April 2024 to take a one-year course in Project Management in Washington DC. As replacement, [REDACTED] has been given a twelve-month contract as Programme Officer (Trainee). The Malawi Board has also appointed [REDACTED] as part time accountant.

Chesney Trust for Education in Malawi

Trustees' Annual Report for the year ended 31 July 2024

The next stage:

The future role of the Trust will be to:

- Continue to support the Edinburgh Girls High School through provision of uniforms, sports clothing, writing materials and books.
- Continue to raise funds for capital build, and for completion of projects, especially the provision of textbooks and science materials.
- Seek additional sponsorship for students.

To this end, the Trust will continue to work closely with the ESMS Schools in future fundraising activities, and in developing the planned link between the Mary Erskine School and EGHS.

In addition:

- Further talks will be arranged with the Soroptimists, Rotary Clubs, Church Guilds and other organisations to raise awareness of the work of The Chesney Trust.
- The website www.chesneytrust.org will be regularly updated.
- Involvement will be maintained in the Scotland-Malawi Partnership organisation to ensure that best practice of working in Malawi is followed, and with Scotland's International Development Alliance to ensure that the Chesney Trust follows their Good Practice Guide.

In Scotland and Malawi:

- An updated school development plan with items prioritized and costed will form the basis of future fundraising activities.

Funds required:

Donations towards this work are gratefully received via the Secretary, John Dymond.

Reserves Policy

In order to avoid cash flow problems, it is Trust policy to maintain a minimum balance of £1,000 above the authorised expenditure for the following period of three months, in case of unexpected cash requirements. This position was maintained this year.

Chesney Trust for Education In Malawi

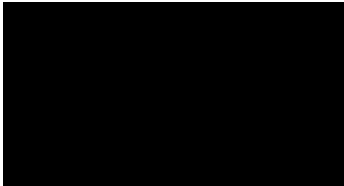
Trustees' Annual Report for the year ended 31 July 2024

Risk Management

For the school building programme to proceed smoothly, it is essential that the Trust has sufficient funds at each stage of the project, that money is not wasted in Malawi, and that the construction work is up to a high standard and completed within an agreed time. In order to achieve this:-

- i. There will be close contact between the Trustees in Scotland, the Trustees in Malawi and the Honorary Chief Executive with a regular review of the log frame showing the project plan and timeframe of the building programme and the associated costings. The Trust will continue to build up its reserves so that, even if the applications for grants from other Trusts should prove unsuccessful, it can support the building programme for several months ahead.
- ii. There will be strong oversight of the programme in Malawi by trusted individuals. Janet Chesney has now moved back to the UK but is in regular contact with the strong team of **Malawian** Trustees, and will ensure that all funds are spent appropriately for the construction and equipping of the school.

Approved by the Trustees on 16 November 2024 and signed on their behalf by:-



Chairman

Independent Examiners' Report to the Trustees of Chesney Trust for Education In Malawi

I report on the financial statements of the charity for the year ended 31 July 2024, which are set out on pages 8 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

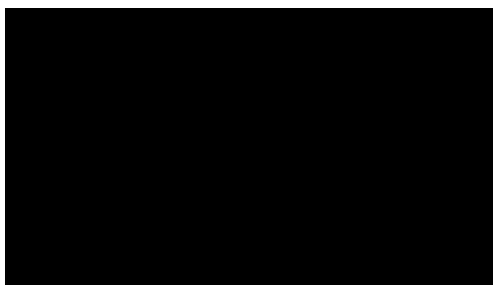
Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare financial statements which accord with the accounting records and comply with Regulation 9 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 financial statements to be reached.



Chesney Trust for Education in Malawi

Receipts and payments account
For the year ended 31 July 2024

			Year ended 31 July 2024 £	Year ended 31 July 2023 £
Notes	Unrestricted £	Restricted £		
Receipts				
Donations	3,668		3,668	5,662
Fundraising activities	2 6,888	2,310	9,198	2,670
Sponsorship of students		5,010	5,010	9,164
Gift Aid recovered	5,321		5,321	1,561
Bank interest	214		214	91
Grants		11,906	11,906	36,788
Total receipts	16,091	19,226	35,317	55,936
Payments				
Sponsorship of students		8,504	8,504	9,206
University fees	1,241		1,241	
Payments relating to the running and construction of the school in Malawi	3 10,515	9,500	20,015	49,219
Subscriptions	165		165	330
Bank charges	216		216	69
Expenses for fundraising activities	216		216	144
Shipping		-	-	135
CEO travel expenses			-	<u>1,500</u>
Total payments	12,353	18,004	30,357	60,603
Surplus/(deficit) for the year	3,738	1,222	4,960	(4,667)

Chesney Trust for Education in Malawi

Statement of balances - As at 31 July 2024

	Notes	Total 2024 £	Total 2023 £
Opening cash at bank and in hand		12,489	17,156
Surplus/(deficit) for the year		4,960	(4,667)
Closing cash at bank and in hand		<u>17,449</u>	<u>12,489</u>

		Total 2024 £	Total 2023 £
Current assets			
Cash at bank and in hand		17,449	12,489
		17,449	12,489
Net Assets		17,449	12,489

Funds			
Unrestricted funds	6	7,716	3,978
Restricted funds	6	9,733	8,511
		17,449	12,489

These financial statements were approved by the Trustees on
were signed on their behalf by:

[Redacted signature area]

[Redacted signature area]

Chesney Trust for Education in Malawi

Notes on financial statements - 31 July 2024

1 Accounting Policies

- a) The financial statements have been prepared on a Receipts and Payments basis in accordance with the Trustee and Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- b) Unrestricted funds are those that may be used at the discretion of the Trustees in furtherance of the objects of the charity. These funds will be used for the ongoing costs and provision of a motor vehicle and classroom supplies and equipment.
- c) Restricted funds may only be used for specified purposes as laid down by the donor.
- d) The trust is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.
- e) During the year, the Trust received grants totalling £5,000 from The Beit Trust, specifically for the construction of a hostel at the school in Malawi. The grant income was therefore received into the Trust's account and transferred over to Malawi shortly after. Accordingly, the grant income is shown as a receipt and the onward donation is shown as a payment.

2 Fundraising activities

	Unrestricted £	Restricted £	Year ended 31 July 2024 £	Year ended 31 July 2023 £
ESMS Junior School events		2,310	2,310	1,121
The Mary Erskine School events	6,888	-	6,888	1,549
	6,888	2,310	9,198	2,670

3 Payments relating directly to charitable activities

	Unrestricted £	Restricted £	Year ended 31 July 2024 £	Year ended 31 July 2023 £
Malawi school (construction & running costs)	10,515	9,500	20,015	44,431
Bursaries	--			4,788
	10,515	9,500	20,015	49,219

Notes on financial statements - 31 July 2024 (continued)

4 Transactions with Trustees and connected persons

During the year four Trustees (2023: three) donated money towards the sponsorship of students totalling £1,600 (2023: £2,364). Four Trustees (2023: two) donated £1,260 (2023: £460) to the Trust during the year.

During the year, no Trustees (2023: one) of The Chesney Trust (Malawi) received a reimbursement for Trust expenditure of £Nil (2023: £1,500).

5 Other information

██████████ has donated his services for the independent examination of the financial statements.

6 Movement in funds

2023/2024	At 1 Aug 2023 £	Income £	Expenditure £	At 31 July 2024 £
Unrestricted funds	3,978	16,091	(12,353)	7,716
Restricted funds	8,511	19,226	(18,004)	9,733
Total funds	12,489	35,317	(30,357)	17,449
2022/2023	At 1 Aug 2022 £	Income £	Expenditure £	At 31 July 2023 £
Unrestricted funds	6,164	8,863	(11,049)	3,978
Restricted funds	10,992	47,073	(49,554)	8,511
Total funds	17,156	55,936	(60,603)	12,489

Chesney Trust for Education in Malawi

Notes on financial statements - 31 July 2024 (continued)

6. Movement In funds (continued)

Restricted funds:

Sums raised during the year by ESMS have been placed in a restricted fund for use solely for the construction of school buildings.

Donations received specifically for the sponsorship of students have been placed in a restricted fund to be used solely for that purpose.

Grant awards received specifically for scholarships or bursaries for students at the school in Malawi are shown in a restricted fund to be spent solely on that purpose.

Grant awards received specifically for hostel construction are shown in a restricted fund to be spent solely on that purpose.