



## Annual Report 2020



## Acknowledgements

The Board of Directors of Empower Projects Ltd (Australia) would like to extend their sincere thanks to the following individuals and organisations for helping us achieve all the enclosed milestones as an organisation.

### Our Partners

Our projects are made possible by our outstanding partners. We would like to take this opportunity to thank them for their contributions over the last year.



[In A Perfect World \(IAPW\)](#) – A charitable foundation based in the USA that champions educational projects across the world. As of 2018, we are collaborating with IAPW to address issues of hunger, energy, water, and sanitation in Malawian schools.



[Reho Travel](#) – A B-Corp and our most generous corporate sponsor.



[Opportunity To Do](#) – An Australian funding organisation that has consistently supported our efforts in Malawi.



[Vasudhara Foundation](#) – An Australian foundation that is the primary funder for our project in Kilinochchi, Sri Lanka.



[Lak Saviya Foundation](#) – An registered non profit organisation in Australia run by members of the Sri Lankan diaspora. A contributor towards our project in Kilinochchi, Sri Lanka.



[Vanni Hope](#) – An registered non-profit organisation in Australia run by members of the Sri Lankan diaspora. Vanni Hope coordinates fieldwork for our project in Kilinochchi through their field partner, *Kaveri Kala Manram*.



[ARK Construction](#) – An innovative construction company based in Lilongwe, Malawi. ARK is Empower Malawi's biggest corporate sponsor, covering a large portion of the organisation's overheads through unrestricted funding.

### Our Empower Tribe

The heart of our organisation, our amazing members, and volunteers. Thank you for your passion and commitment to our mission.

## Our Purpose

To empower underserved communities to take charge of their own development so that they are socially and economically self-reliant.

We believe that when it comes to sustainable development, local communities know best. They know what they would like to change in their communities and understand the challenges they face. Our role is not simply to “teach them how to fish” but to help them organise and act on their own development priorities.

## Our Mission

We partner with underserved communities in Malawi and Sri Lanka for up to 5 years to support their plans towards self-reliance.

Our work is focused on ensuring that communities are more socially and economically self-reliant by the end of this partnership. So that when we leave, our partner communities are better able to manage their own development projects and start new ones. This is an inspiring journey that we make together in solidarity.

Here is how we make this happen...



Vision Workshops to translate community aspirations to action plans.



Access to finance e.g. interest-free loans to start up projects.



Access to sustainable technologies e.g. solar power.



Training and support to ensure long-term sustainability.

## Our Values

We subscribe to the ethics of [permaculture, a design science for sustainability](#).

**Earth Care** – Respecting our environment and nurturing natural systems.

**People Care** – A commitment to equality, enabling self-reliance, valuing community, and the power of collaboration.

**Fair Share** – A commitment to equity, sharing knowledge and experience with others.

## Overview by Executive Director - Shanil Samarakoon



We have had a very productive year! Our project portfolio in Malawi has grown to three regional projects and involve a combination of [establishing cooperatives and facilitating sustainability initiatives in schools](#) – in Nkhata Bay, Kasungu and Lilongwe. Though we note that our project in Nkhata Bay draws to a close.

In 2018/2019, we began our partnership with U.S. NGO [In A Perfect World \(IAPW\)](#), to address issues of food security, energy, water, and sanitation at two schools in Kasungu – Dwalala and Mitula Primary Schools. As highlighted in this report, work across these schools is already improving the lives of over 1,100 students. I'm also excited to share that we have commenced efforts to expand our project portfolio in Malawi through a third 5 year project in Malawi's Mchinji District. This is still at a nascent stage and I look forward to sharing further details in our next report.

In addition to our continuing efforts in Malawi, we were also able to launch a new project to improve the livelihoods of war affected women in Kilinochchi, a war-affected region in Northern Sri Lanka. This collaboration between Australian NGO [Vanni Hope](#) and **Kaveri Kala Manram (KKM)** will benefit 21 households through access to irrigation and the development of an agricultural cooperative. We are so pleased that the [Vasudhara Foundation](#) and [Lak Saviya Foundation](#) committed to fully funding this project.

All this would not be possible without the generosity of our tribe. On behalf of the board, I would like to express our gratitude to all our staff, supports and partner organisations.

With Gratitude,

Shanil Samarakoon  
Executive Director

## Project Highlights

### Kasungu, Malawi

In 2018, we commenced work with two rural primary schools in [Kasungu District](#) through our partnership within **A Perfect World (IAPF)**. Both **Dwalala Primary School (870+ students)** and **Mitula Primary School (800+ students)** have made great strides towards improving the wellbeing of staff and students over the last 12 months. With each recording improved school improvements of 21% and 10% respectively, compared to the previous year.

- Building off the foundation laid last year, both schools launched their school feeding programs in October 2019. **As a result, over 1,670+ students are receiving a daily breakfast through a meal program run by the local community using inputs from the school farm.** The program centers on a daily porridge that draws on locally grown maize, soya and beans. This is a key outcome in our school projects, and we are so proud of the fact that both schools have successfully achieved it through high levels of collaborative effort.



*A daily school breakfast program is now run by the local community at Mitula Primay School*

- Thanks to additional funding from IAPF, each school has had their **rainwater storage capacity increased from 5,000-litres to 20,000 litres through additional tanks.** This water rainwater harvesting system for irrigation and sanitation purposes.



- Both Mitula and Dwalala Primary have reported positive impacts because of their solar systems, with an average of 61 and 82 senior students benefitting from regular night classes since installation last year.



- Both schools now have eco-sanitation urinals and toilets (male and female). In addition to the benefits of additional sanitation capacity, these toilets are generating 300-400kgs of organic manure per year.



## Project Highlights

### Lilongwe, Malawi

Our project in Malawi's Lilongwe district involves two sub-regions (Demera and Ngwangwa), comprising of 100 villages. We have worked alongside three cooperatives and two schools in the region over the last year.

### Agricultural Cooperatives

We have been working with three agricultural cooperatives in the region – **Demera**, **Tithese Umphawi** and **Milindi**. These community collectives are growing a diverse range of crops including paprika, maize, beans, soya, and peanuts. Each has received preliminary training on formalising their cooperatives, with Demera Cooperative filing for registration with the Department of Trade late in the financial year.

All three cooperatives presented 5-year action plans for growth, with each achieving very significant improvements in membership numbers over the year:

Demera – 154% (110 to 280 households)

Tithese – 51% (49 to 74 households)

Milindi – 74% (50 to 87 households)



*Demera Cooperative after developing their action plan*



*An example of a smallholder farming plot that is part of Demera Cooperative*

## Schools

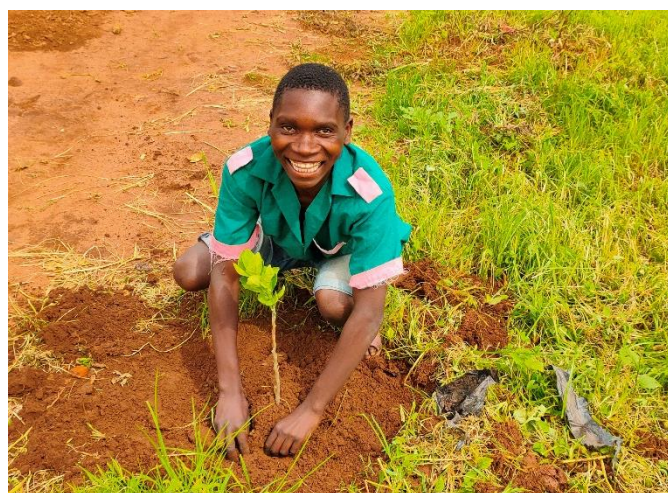
Our work with two schools in the region, **Kakoma Primary School (900+ students)** and **Kabadula Primary School (2000+) students)** continued this year. Our mission is to help transform these schools into community-led sustainability hubs.

A highlight over this period was the **installation of off-grid solar systems** at Kakoma Primary School. These systems will provide high quality lighting for night classes, and the capacity to power a range of ICT devices.



*Installation of a solar system at Kakoma Primary School*

Both these schools also allocated land towards the establishment school gardens. These gardens will eventually provide a sustainable form of inputs for community-run breakfast programs for students. Drawing upon the permaculture training conducted across 2018, each of these schools **planted 100 trees** to start establishing these gardens. The majority of which were fruit trees.



*A student at Kakoma Primary School planting a fruit tree in the school's garden*



## Project Highlights

### Nkhata Bay and Likoma Island, Malawi

Our support for the [Timbiri Savings and Credit Cooperative](#) draws to a close, shifting from direct implementation to monitoring of this cooperative's board and management staff with a view towards long-term sustainability.

This community-owned and operated bank is now providing affordable financial services, including mobile money services, to **over 450 members** in Nkhata Bay and Likoma Island. The cooperative's slogan, "I'm not just a customer, I own it" encapsulates the focus on promoting grassroots empowerment.



Scenes from Timbiri SACCOs branches

## Impact Story



Macleen Gondwe at work

Macleen Gondwe is from Mtambalika Village in Northern Malawi and is a father of two. A brick layer by profession, Mr Gondwe has received and successfully repaid loans from the Timbiri Savings and Credit Cooperative several times. When he is awarded a contract to build a house for a client, he also needs to organise his fellow workers to help him do the job in time, hence the need for cash on hand to pay them daily wages. This was a big challenge due to lack of affordable financial services in the area, but now, thanks to the community bank, he can borrow the capital he requires and pay it back when he gets paid by his clients. Cashflow problem solved! On the back of his growing business and improved income, Macleen is working on his most meaningful project to date, a new home for his family.

## Financial Highlights

Having been part of this wonderful organisation from the start I can testify to the passion and integrity of both the work that has been carried out as well as its people.

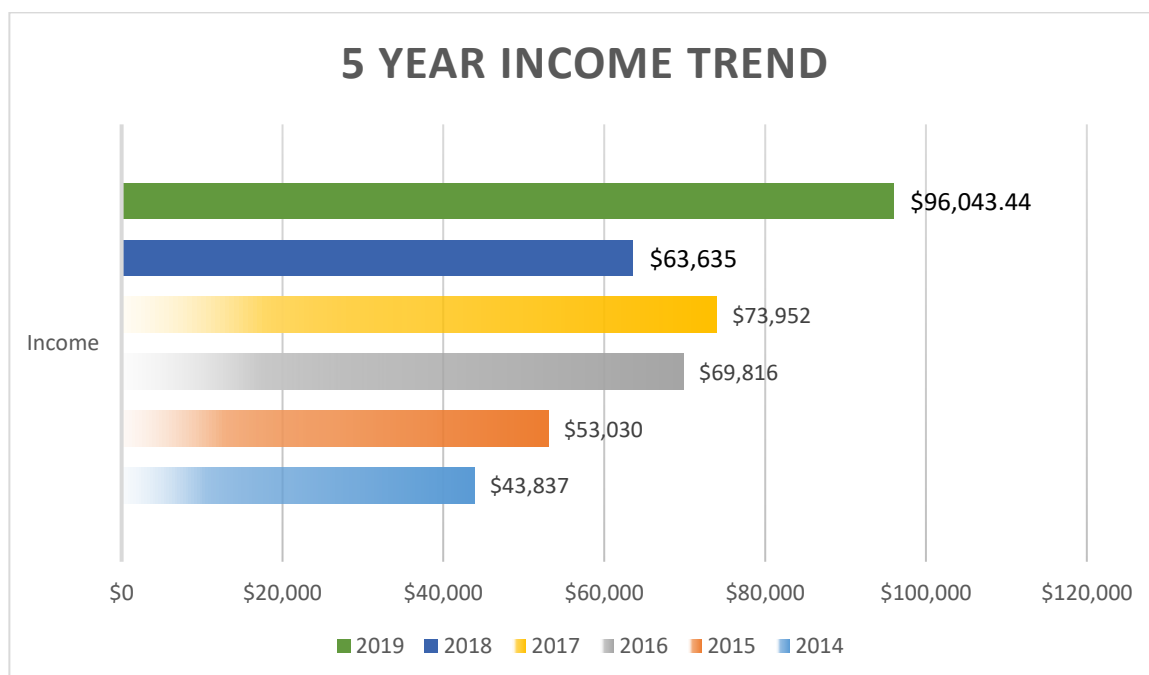
What is important to note is that our sister organisation **Empower Malawi** receives funding from other like-minded organisations and individuals from around the globe. This is not necessarily reflected in Empower Australia's financial statements but nonetheless demonstrates recognition for the work we have done and on behalf of the board I would like to thank these individuals and groups for their contribution.

I would like to also thank my fellow directors, those who have been there from the beginning, Shanil, Shyamika and Sam. I say this from the bottom of my heart, without all your generous time and support I would not be able to fulfil my role.

Here are the financial highlights:

### Income

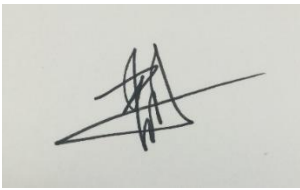
- Our total income grew appreciably to **A\$96,043.44**.
  - This growth was driven by a few key developments. Most notably, the finalisation of an **Auspicing Agreement with Towards a Better World** which raised revenue by A\$40,000.00.
  - We also received initial funding for our latest project in Sri Lanka from the **Vasudhara Foundation**, amounting to A\$ 10,000.
  - We have finalized a commitment of A\$10,000/year from **Reho Travel**.
  - We also noted improvements in inflows through regular donations, which now total A\$ 9,120 /year.



## Expenses

- Our total expenses for the year totaled **A\$54,012.73**
  - These expenses were predominantly towards project costs for our initiatives in Malawi. Specifically, our work with schools and cooperatives in **Lilongwe** and **Nkhata Bay**.
  - We maintained our strong record of maintaining low administrative expenses here in Australia which was just **4.89% of total expenses**.
  - We have been able to keep our overheads in Malawi low through corporate sponsorship arrangements, and a shared office space with our sister organisation, Zuwa Energy.

Many Thanks

A handwritten signature in black ink, appearing to be 'James Feng', written over a light grey rectangular background.

James Feng

Director - Finance

# FINANCIAL STATEMENTS

**Empower Projects Limited ABN 58 164 937 982**

**Financial Statements  
For the year ended 30 June 2020**



**Progressive Accounting and Taxation**

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Burwood NSW 2134

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**Detailed Profit and Loss Statement  
For the year ended 30 June 2020**

	<b>2020</b>
	<b>\$</b>
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<b>Income</b>	
Interest received	224.06
<b>Donations Received</b>	
- Empower donations received	45,241.34
	<hr/>
	45,241.34
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<b>Total income</b>	<b>45,465.40</b>
	<hr/>
<b>Expenses</b>	
<b>Administrative Expenses</b>	
- Bank Fees And Charges	240.00
- Accountancy	1,300.00
- Rent	65.00
	<hr/>
	1,605.00
<b>Advertising and promotion</b>	
- Subscription	392.00
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	392.00
<b>Donations</b>	20.24
<b>Project Expense</b>	
- Malawi	35,650.02
- Sri Lanka	10,120.00
- Auspicing	10,030.00
	<hr/>
	55,800.02
	<hr/>
<b>Total expenses</b>	<b>57,817.26</b>
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<b>Profit (Loss) from Ordinary Activities before income tax</b>	<b>(12,351.86)</b>
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## Balance Sheet as at 30 June 2020

	Note	2020 \$
<b>Assets</b>		
<b>Current Assets</b>		
Cash assets	<u>2</u>	30,905.09
Other	<u>3</u>	1,092.02
<b>Total Current Assets</b>		<u><b>31,997.11</b></u>
<b>Total Assets</b>		<u><b>31,997.11</b></u>
<b>Non-Current Liabilities</b>		
Financial liabilities	<u>4</u>	1,700.00
<b>Total Non-Current Liabilities</b>		<u><b>1,700.00</b></u>
<b>Total Liabilities</b>		<u><b>1,700.00</b></u>
<b>Net Assets</b>		<u><u><b>30,297.11</b></u></u>
<b>Equity</b>		
Reserves		2,415.13
Retained profits		27,881.98
<b>Total Equity</b>		<u><u><b>30,297.11</b></u></u>



**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

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**Note 1: Summary of Significant Accounting Policies**

**Basis of Preparation**

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

**(a) Impairment of Assets**

**At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.**

**(b) Cash and Cash Equivalents**

**Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.**

**(c) Revenue and Other Income**

**Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.**

**Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.**

**Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.**

**All revenue is stated net of the amount of goods and services tax (GST).**

**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

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**(d) Goods and Services Tax (GST)**

**Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.**

**Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.**

**Notes to the Financial Statements  
For the year ended 30 June 2020**

2020

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**Note 2: Cash assets**

**Bank accounts:**

- Bendigo #601	725.92
- Bendigo #577	5.35
- Bendigo #586	30,173.82
	<u>30,905.09</u>

**Note 3: Other Assets**

**Current**

Other	1,092.02
	<u>1,092.02</u>

**Note 4: Financial Liabilities**

**Non-Current**

**Unsecured:**

- Loans from members	1,700.00
	<u>1,700.00</u>
	<u>1,700.00</u>

## Directors' Declaration

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The director has determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The director of the company declares that:

- 1. the financial statements and notes, present fairly the company's financial position as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;**
- 2. in the director's opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.**

The director is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This declaration is made in accordance with a resolution of the director.

Dated:

## Compilation Report to Empower Projects Limited

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We have compiled the accompanying special purpose financial statements of Empower Projects Limited, which comprise the balance sheet as at 30 June 2020, the Statement of Profit and Loss for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Australian Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

### *The Responsibility of the Director*

The director of Empower Projects Limited is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the significant accounting policies used are appropriate to meet their needs and for the purpose that the financial statements were prepared.

### *Our Responsibility*

On the basis of information provided by the director, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies as described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the significant accounting policies described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

### *Assurance Disclaimer*

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the director who is responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.

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**Progressive Accounting and Taxation**  
**Suite 7 170 Burwood Road**  
**Burwood NSW**

27 November, 2020