



2021



Annual Report

An overview of our impact
and financial statements



Our Partners



A registered NGO in Australia and Sri Lanka. They are funding and fieldwork partner for projects in Sri Lanka



A registered charity in Australia. They regularly fund our projects in Malawi



An innovative construction firm in Malawi. ARK is our largest corporate sponsor, covering a large portion of our operational overheads in Malawi.



A social enterprise selling PAYG solar home systems in Malawi. Zuwa is partly owned by Empower Malawi and is a regular donor to operations in Malawi.



An foundation based in Northern Ireland that regularly funds initiatives within our school projects in Malawi.

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.



Overview by Executive Director



Predictably, **the prevailing COVID-19 pandemic has had a profound impact on our partner communities across both Malawi and Sri Lanka.** However, despite these challenges, I am pleased to share that we have been able to collaborate and achieve impressive outcomes despite this global crisis.

In fact, our initiatives around livelihood development through support for agricultural cooperatives in Malawi and Sri Lanka have provided families with greater levels of food and income to help weather the economic shocks associated with the pandemic. Indeed, **these difficult times have only strengthened our resolve to support local efforts toward self-reliance.**

Our project portfolio in Malawi has grown to three regional projects and involves a combination of establishing cooperatives and facilitating sustainability initiatives in schools – in the districts of Kasungu, Lilongwe, and Mchinji. So much is being done across a total of five schools and five cooperatives across these regions. We will be sharing just some of the highlights of the year. **Our partnership with U.S. NGO In A Perfect World (IAPW), has improved the lives of over 1,100 students across Kakoma and Dwalala Primary Schools.**

The launch of meal programs at each of these schools was a highlight of our efforts in 2020. In addition to bolstering these programs for the future, we also partnered with IAPW to provide **dry rations to 716 families in the region as COVID relief.** Staying with schools, we initiated our partnership with Mphanga Primary School in our new project region of Mchinji by **planting over 900 trees.** In Lilongwe, we highlight our partnership with Demera Cooperative, an agricultural cooperative going from strength to strength.

Our collaboration with Vanni Hope and Kaveri Kala Manram (KKM) to **support 21 women-headed households through access to irrigation and the development of an agricultural cooperative** has been successfully completed. We are grateful for the generous support from the Vasudhara Foundation and Lak Saviya Foundation. We share the impact of this project in this report.

All this would not be possible without the generosity of our Community Champions.

On behalf of the board, I would like to express our gratitude to all our staff, supports and partner organisations.

Shanil Samarakoon
Executive Director

Project Highlights

Kasungu, Malawi

In 2018, we commenced work with two rural primary schools in Kasungu District through our partnership with **A Perfect World (IAPF)**. Both Dwalala Primary School (870+ students) and Mitula Primary School (800+ students).

Both schools are going from strength to strength with their **community-run breakfast programs providing students with breakfast 3 days a week**. Each are expanding the land under cultivation (over 8 acres in total) to drive these popular programs and increasing the adoption of organic farming practices by smallholder farmers in the region.



In response to the pandemic, thanks to generous support from IAPF, **we were able to provide 716 families with dry rations.**



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 agricultural cooperatives** and **two primary schools** in the region over the last year.

Our focus with the three cooperatives - Demera (200+ households), Thithetse Umphawi (42 households) and Milindi (45 households)- was on capacity building. This included a training program by the *Malawian Ministry of Trade* on cooperative governance, as well as a business skills training program. **Demera Cooperative was the first beneficiary of our revolving fund for our partner cooperatives, and has successfully paid 76% of their 2.1 million kwacha loan** - used to purchase agricultural inputs.



Meanwhile, progress was made at both Kabadula (1800+ students) and Kakoma Primary (800+ students) through the **construction of rainwater harvesting systems, eco-sanitation and meal kitchens** in preparation for the launch of community-run meal programs. Efforts at Kabadula Primary were generously funded by the *Australian Government's Direct Aid Program*.



Project Highlights

Mchinji, Malawi

Despite the challenges of the pandemic, we were able to scope out and establish a **new regional project in Mchinji District** - expanding our impact to four districts in Malawi.

Our work in the region will involve work with two agricultural cooperatives and two primary schools. The cooperatives include **Mthiraseembe** (23 households), which produces cooking oil from peanuts and sunflowers, and **Mtenjemanga** (35 households), a women-led collective that produces honey. Our work will focus on providing the necessary **skills development and interest-free** finance so that these member households can improve their livelihoods.



We will be working with two schools in Mchinji - **Mphanga Primary School** (1,000+ students) and **Mchinji Mission School** (900+ students). This year, we started work with Mphanga Primary, **planting 700+ trees at the school** to initiate work on a school farm to drive a community-run breakfast program.



Project Highlights

Kilinochchi, Sri Lanka

Our work in Northern Sri Lanka drew to a close this year and the impact of this initiative to empower **21 women-headed households in Kilinochchi** was impressive! In partnership with *Vanni Hope*, we were able to provide these households with **access to irrigation systems, seedlings, livestock, training and a small revolving fund to operate as a cooperative.**

The establishment of home gardens and operating as a cooperative was able to offer these households a tremendous boost in monthly income despite lockdowns and the economic hardships associated with the pandemic. **On average, household income rose from Rs 3,500 to Rs. 18,000 per month.**



The outlook for this women-led cooperative is promising, and we are grateful to the *Vasudhara Foundation* for their pivotal funding support.



Impact Story



Kilinochchi, Sri Lanka

My name is Indrani Santhirakumar and I live in Utrupulam Kilinochchi with three children who are in high school, and my mother. I was widowed in 2009 due to the war. I worked hard from dawn to dusk as a labourer to sustain my family, which is physically tiring and difficult for me to continue in the long run. This is when KKM (our local partner NGO) came forward to encourage and motivate me by building a tube well with a motor and helped me establish a home garden to live on.

This was so touching ... a joyful moment for my whole family. With the support of my kids and my mother we are able to work together and take care of a healthy organic garden. I can feed my family, sell the produce to the community and in the market. This gives me a sustainable income. I am thankful to God for giving me the strength to stand on my own feet.

As a part of my land was uneven and slightly elevated, I was unable to irrigate, or plant any crops. With the help of Empower Projects to install an irrigation system, I am confident of getting better yields soon. I will be using water much more efficiently and save time to make vegetable pickles and fruit preserves.

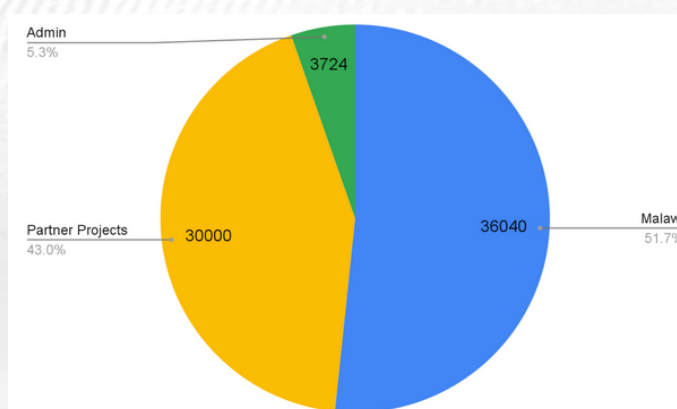
In the years to come I am sure to expand my garden to get more crops for a stable income. My ambition is to inspire, motivate, and encourage most of my brothers and sisters, and the young youths in my community to empower farmers to end hunger!

We will always be grateful for the generous support given by the Empower project team and Vanni Hope. Thank you."

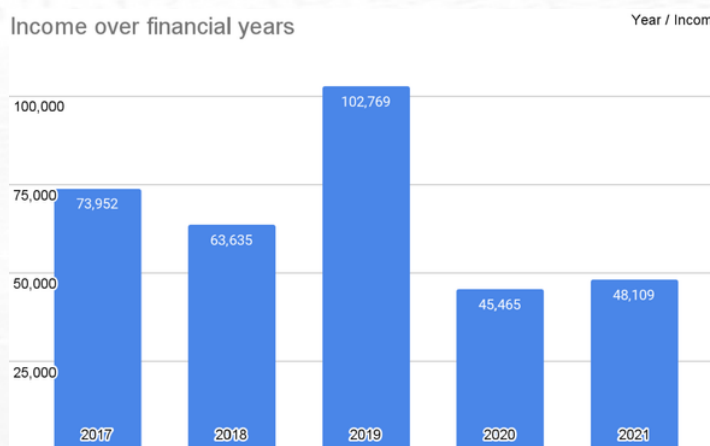
Financial Highlights

We are immensely grateful for the continued support of our Community Champions in the midst of these difficult times. These regular contributions from our supporters have helped sustain our capacity to deliver impactful projects in Malawi and Sri Lanka. Below are some highlights across this financial period, followed by our financial statements (prepared externally).

- **Project expansion in Malawi** (Mphanga Primary School and Kakoma Primary School) were our biggest source of expenditure - 51% of total project costs.
- Our admin expenses in Australia remain very low, **94.7 cents of every dollar went to project work**
- **We had no expenses in Sri Lanka** as we all fundraising and expenditure was completed in the previous year.
- **Large investment in a partner project in Namibia** via an formal auspicing arrangement with *Walk Towards a Better World*. This was towards the establishment of a community garden demonstration centre in Swakopmund, Namibia. This constituted a transfer of AUD 30,000 that had been donated (separately) to this project.



While our income has declined relative to the 2017-2019 period, we were able to improve our revenue by 5.8% compared to 2020. This was largely due to contributions by regular donors and project sponsors.



Financial Statements

Empower Projects Limited ABN 58 164 937 982

**Financial Statements
For the year ended 30 June 2021**



Progressive Accounting and Taxation

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Detailed Profit and Loss Statement
For the year ended 30 June 2021

	2021 \$	2020 \$
Income		
Interest received	62.98	224.06
Donations Received		
- Empower donations received	48,045.98	45,241.34
	<u>48,045.98</u>	<u>45,241.34</u>
Total income	<u>48,108.96</u>	<u>45,465.40</u>
Expenses		
Administrative Expenses		
- Bank Fees And Charges	240.00	240.00
- Accountancy	2,750.00	1,300.00
- Rent	0.00	65.00
	<u>2,990.00</u>	<u>1,605.00</u>
Advertising and promotion		
- Subscription	729.46	392.00
	<u>729.46</u>	<u>392.00</u>
Donations	5.03	20.24
Project Expense		
- Malawi	36,040.00	35,650.02
- Sri Lanka	0.00	10,120.00
- Auspicing	0.00	10,030.00
- Namibia	30,000.00	0.00
	<u>66,040.00</u>	<u>55,800.02</u>
Total expenses	<u>69,764.49</u>	<u>57,817.26</u>
Profit (Loss) from Ordinary Activities before income tax	<u>(21,655.53)</u>	<u>(12,351.86)</u>

These financial statements are unaudited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

Balance Sheet as at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current Assets			
Cash assets	<u>2</u>	7,549.56	30,905.09
Other	<u>3</u>	1,092.02	1,092.02
Total Current Assets		<u>8,641.58</u>	<u>31,997.11</u>
Total Assets		<u>8,641.58</u>	<u>31,997.11</u>
Non-Current Liabilities			
Financial liabilities	<u>4</u>	0.00	1,700.00
Total Non-Current Liabilities		<u>0.00</u>	<u>1,700.00</u>
Total Liabilities		<u>0.00</u>	<u>1,700.00</u>
Net Assets		<u><u>8,641.58</u></u>	<u><u>30,297.11</u></u>
Equity			
Reserves		2,415.13	2,415.13
Retained profits		6,226.45	27,881.98
Total Equity		<u><u>8,641.58</u></u>	<u><u>30,297.11</u></u>

**Notes to the Financial Statements
For the year ended 30 June 2021**

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 2021

(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 2021

	2021	2020
Note 2: Cash assets		
Bank accounts:		
- Bendigo #601	3,372.44	725.92
- Bendigo #577	5.35	5.35
- Bendigo #586	4,171.77	30,173.82
	7,549.56	30,905.09
	7,549.56	30,905.09
 Note 3: Other Assets		
Current		
Other	1,092.02	1,092.02
	1,092.02	1,092.02
	1,092.02	1,092.02
 Note 4: Financial Liabilities		
Non-Current		
Unsecured:		
- Loans from members	0.00	1,700.00
	0.00	1,700.00
	0.00	1,700.00
	0.00	1,700.00

Directors' Declaration

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 2021 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

We have compiled the accompanying special purpose financial statements of Empower Projects Limited, which comprise the balance sheet as at 30 June 2021, 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.

Progressive Accounting and Taxation

Suite 7 170 Burwood Road

Burwood NSW

19 November, 2021



2021

Annual Report

Documenting our impact and financials across the financial year to our key stakeholders

