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. You have all contributed towards our mission and we are immensely grateful.

OUR PARTNERS

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

Malawi Ministry of Trade and Malawi Union of Savings and Credit Cooperatives for their assistance in training and supporting our partner communities in establishing cooperatives.

Nkhotakata District Council and M’mbelwa District Council for hosting us in their districts.

REHO TRAVEL

A B-Corp and our corporate sponsor in Australia. ARK Construction – Our corporate sponsor in Malawi.

OPPORTUNITY TO DO

An Australian funding organisation that has consistently supported our efforts in Malawi.

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.


MALAWI

Jones Ntau kira, Runil Patel, Bright Msuku, Cathy Kamsikiri, Tawina Chikwapulo, Vincent Sitima, Chigomegzo Mwalwanda, Solister Mhango.
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 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’s 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

We are proud to present our progress and lessons learned over the last year. We are making great progress towards our goal of impacting the lives of 100,000 through our projects in Malawi and Sri Lanka. This last year was momentous for two key reasons:

1. We concluded our first 5-year project in Malawi – our collaboration with 38 villages in Kapita (Mzimba District). This included a 3rd party evaluation of our efforts in the region. We’ve produced a video of some of the highlights!

2. We engaged our teams in Malawi and Australia to develop a 5-year strategic plan for the organisation and refined our project model. This will see us adding on a new regional project each year. Notably, an analysis of our 7-year track record lead us to identify support for rural cooperatives, and permaculture in schools, as being our greatest points of leverage with respect to experience, expertise and impact. We are all very excited about the road ahead.

I’d like to extend our deepest appreciation to our teams, partner organisations and our supporters. Your support has enabled us to impact the lives of hundreds of Malawian households. It is with great pride that we share the highlights of our partnerships with the Kapita and Mpamba regions of Northern Malawi.

With Gratitude,

Shanil Samarakoon
Founder & Executive Director
Empower Projects
Greetings!

First and foremost, let me express my gratitude to all supporters of our work. If you are reading this Annual Report, it is likely that you support our work or you have supported us in the past. Everything that we do here could not be possible without the generous support of our financial and technical partners – past and present.

2017 was a year of expansion. Having worked in one region – the Northern region of Malawi in the two districts of Mzimba and Nkhatabay for the past years, we took a bold decision to take on a new challenge. We added 2 new districts in the central region of Malawi – Mchinji and Lilongwe. This expansion is being in response to our new strategic plan that we developed in 2017. With many weeks of planning and discussion, we adopted a new Empower Malawi Strategic Plan that will guide our work from 2017 to 2021. In the new SP17-21, we have narrowed down our project focus to 2 thematic areas – **Permaculture in Rural Schools and Development of Cooperatives**. One of the ambitious goals of this new SP17-21 is to penetrate central and southern regions of Malawi and operate in 6 districts in total. With just 1 year into the SP, we have already added 2 new districts (Lilongwe and Mchinji).

To date, our projects have reached out and benefited 50,000 people both directly and indirectly. Unsurprisingly, 66% of the beneficiaries are women and children. We have given an opportunity and supported more than 100 kids below the age of 5 to have access to early childhood education. 60 people have benefited by getting a loan from Timbiri SACCO and the total loan portfolio has grown to more than K3million from K950,000 in 2016.

We look forward to making more positive impact and supporting communities to become self-reliant

Thanks

Jones Ntauikira  
**Executive Director** 
Empower Malawi
MALAWI: 5 YEARS IN KAPITA

This year marked the conclusion of our efforts in Kapita, a region of 38 villages that we have supported across a range of locally-led initiatives. Our volunteer Kelly Fisher produced this short film to celebrate our work in the region.

Key Highlights

» An 8-room community center with 10,000 litres of water storage and a solar system

» An organic food garden and school meal programme introduced at Kapita Primary School

» 5,000L rainwater harvesting system and 5 eco-sanitation toilets installed at Kapita Primary School

» 2 community-run preschools supporting kids under the age of 5 from the surrounding Kapita community (60-70 a year).

» Our two flagship partner cooperatives – Kapita COMSIP and Mkanako Cooking Oil Cooperative have been linked to the Cooperative Union body and already benefited from loans facilitated by the Union. They are also benefiting from the cooperatives insurance programme facilitated by the Cooperative Union
Project Evaluation

In line with our project model, we contracted a 3rd party project evaluation organisation to assess the impact of our projects in Kapita. The emphasis was gathering evidence of community perspectives on our collaborations. This was achieved through a blend of household surveys, focus groups and field observations. We’d like to share some of the highlights of the report with you.

“We found it difficult to imagine that a woman could sit with her husband and take decisions together about the family. As a result of this project, the women are seated here (in the meeting place) otherwise they would be outside, and the men would take the decisions and inform them later. Now with this project we feel safe to sit with men and discuss.”
"Approximately 72.3 percent of respondents emphasized their appreciation for this project’s focus on community’s involvement noting that previous work failed to engage them directly but that this approach contributed to empowering and enabling communities themselves to challenge traditional perceptions of their capacity and role within society."
“Evidence of a further 15-20% of Kapita's population purchasing solar systems on the back of Empower's efforts to promote solar lanterns. Suggesting that there has been a very significant ripple effect”
Residents of Kapita identified the establishment of two community-run preschools as being one of them most successful programs across our partnership. These two schools now provide early childhood education (including a daily breakfast) to 60-70 children per year. The local principal of Kapita Primary School, Mr Mbasi Mbasi Milazi, shared that they have already observed a notable improvement in the quality of students starting primary school in the region.
MALAWI: PROGRESS IN MPAMBA

Our flagship project in Mpamba (Nkahata Bay, Malawi) is the Timbiri Savings and Credit Cooperative. A collaborative effort by 38 villages in the region, this cooperative was launched in 2016 as a response to the need for more affordable financial services in the region. Whilst there have been a number of microfinance organisations and local lenders operating in the region, residents characterized them as being expensive and, in many instances, unscrupulous with their lending practices.

Timbiri Savings Credit Cooperative (TCS) was established through deep community consultation and the election of a community board (refreshed annually). TCS has since hired a team of professional staff to manage the day-to-day operations of the bank and ensure that the cooperative is geared towards sustainability. Our role has been to provide the cooperative with a seed investment and facilitate ongoing training for the board, management team, and members of the cooperative. This includes areas such as financial literacy, policy development and community outreach. TCS reports to the Malawi Union for Savings and Credit Organisations (MUSCO) and is recognised as a financial institution by the Reserve Bank of Malawi.

**Highlights**

- Loan portfolio grew from K450,000 to K1.5million
- Full paid up membership reached 300
- Over 50 households supported with loans
- Introduction of mobile money services to enable remote transactions for members
- Initial scoping for a second branch on Likoma Island (a nearby island in Lake Malawi)
Lyness Tavale (35) is a single mother of two teenage girls, she also has a disability. She is one of the founders of **Vichitike Disability Group** which runs a nursery school, of which she is the head care giver. She and her fellow group members joined the Timbiri Savings and Credit Cooperative (TCS) in January 2017. Many of the group members could not sustain their livelihoods and were reliant on donations from the group for survival. However, after a talk with TCS, some have started small businesses and started to save with TCS. We are able to offer a safe and affordable source of finance to this group's members. Lyness Tavale is a great example of this as she has been able to build a good level of savings at TCS. She has a dream of opening a grocery shop after saving enough. As a community bank, we vowed to support the belief that disability is not inability and we therefore serve customers like Lyness right in their homes so that they don’t have to worry about walking long distances.
Maclean Gondwe (25) is a father to a two-year-old boy (Junior) and is a builder by profession. He joined Timbiri Community SACCO (TCS) in 2015 with the aim of benefiting from a business loan, as well as saving what he earns from his building contracts. TCS has helped him with loans to support his business and his progress has created employment opportunities for several youths in the area. Things are looking up and he is now in the process of building his own house (featured below) so that he can shift away from having to rent a home.
FINANCIAL ANALYSIS

Welcome to another year and what a fantastic year we have had in terms of our projects and spreading our message of sustainability.

As the Director of Finance I am both proud of the progress we have accomplished and I am also thankful for the entire Empower team both here and abroad for believing in our cause and continue to perform at their best and continue to create transformative change in many communities across the world. So here it is the financial highlights of 2017.

Income

» This year we have moved away from event-based fundraising to a more sustainable and manageable donations based fundraising strategy. This involved approaching many close contacts of our community and actively trying to seek support to which we were overwhelmed with the number of supporters both businesses and individuals that came on board.

» Notably our biggest financial contributor is still Reho Travel and on behalf of the board I would like to thank them for their continuous support and contribution.

» Our regular donors targeted at individuals who donate every month often through automatic deduction at a fixed amount has also doubled.

» This year we also saw our sister organisation Zuwa kicking off with a flying start. As mentioned in this annual report, Zuwa is a social enterprise focused on delivering sustainable solar renewable solutions to all customers. The company was found on the mandate that 70% of the company is legally owned by Empower Malawi. This is a fantastic initiative and not doubt it will serve both Empower Malawi, as well as Empower Projects, well into the future.

» The total funds raised came in at $73,952.00 AUD and this represented a 6% increase in funds raised. It should be noted that our sister organisation Empower Malawi has also made significant progress with fundraising through corporate sponsorship (Ark Construction), successful grant applications e.g. UNESCO, as well as developing partnerships with foundations.
Expenses

Our volunteer-run operation continues to maximise the percentage of funds supporting our operations in Malawi. We continue to ensure that an impressive **97% of funds raised went directly to our Malawi operations**. A portion of these funds are allocated towards funding salaries and administrative expenses in Malawi. We see this as integral to project delivery given that our organisation primarily delivers consultancy, training and support, a naturally labour-intensive enterprise.

We’d like to extend our appreciation to **ARK Construction** in Lilongwe, Malawi for their support in covering over 50% of Empower Malawi’s overheads through quarterly contributions. While quality and impact will continue to be more primary focus, we are conscious of the need to expand and diversify sources of income while striving to tap into pro bono services and long-term cost efficiencies (e.g. not renting vehicles).

![Usage Of Funds Diagram]

In summary, we have had a very successful year. Our improved fundraising capacity has been achieved through a very cost-effective fundraising effort. On behalf of the board of directors I would like to thank all our supporters for their interest and generosity.

Many Thanks

James Feng
Director – Finance
Empower Projects Limited ABN 58 164 937 982

Detailed Profit and Loss Statement
For the year ended 30 June 2017

<table>
<thead>
<tr>
<th></th>
<th>2017 $</th>
<th>2016 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>53.14</td>
<td>66.19</td>
</tr>
<tr>
<td>Fundraising</td>
<td>11,102.36</td>
<td>5,312.71</td>
</tr>
<tr>
<td><strong>Donations Received</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- External Donations Received</td>
<td>56,396.21</td>
<td>55,427.96</td>
</tr>
<tr>
<td>- Internal Donations Received</td>
<td>6,400.00</td>
<td>9,010.00</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>62,796.21</td>
<td>64,437.96</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Bank Fees And Charges</td>
<td>360.00</td>
<td>540.00</td>
</tr>
<tr>
<td>- Accountancy</td>
<td>1,150.00</td>
<td>1,150.00</td>
</tr>
<tr>
<td><strong>Donations</strong></td>
<td>52.19</td>
<td>65.12</td>
</tr>
<tr>
<td><strong>Event Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fundraising supplies</td>
<td>771.95</td>
<td>987.42</td>
</tr>
<tr>
<td><strong>Project Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Overseas Project</td>
<td>72,603.53</td>
<td>74,132.01</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>74,937.67</td>
<td>76,874.55</td>
</tr>
<tr>
<td><strong>Profit (Loss) from Ordinary Activities before income tax</strong></td>
<td>(985.96)</td>
<td>(7,057.69)</td>
</tr>
</tbody>
</table>
Empower Projects Limited ABN 58 164 937 982

Balance Sheet as at 30 June 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Assets**

**Current Assets**

| Cash assets | 2 | 2,717.23 | 2,103.19 |

**Total Current Assets**

|       |      | 2,717.23 | 2,103.19 |

**Total Assets**

|       | 2,717.23 | 2,103.19 |

**Liabilities**

**Current Liabilities**

| Financial liabilities | 3 | 2,000.00 | 2,500.00 |

**Total Current Liabilities**

|       | 2,000.00 | 2,500.00 |

**Non-Current Liabilities**

| Financial liabilities | 3 | 5,600.00 | 3,500.00 |

**Total Non-Current Liabilities**

|       | 5,600.00 | 3,500.00 |

**Total Liabilities**

|       | 7,600.00 | 6,000.00 |

**Net Assets (Liabilities)**

|       | (4,882.77) | (3,896.81) |

**Equity**

| Reserves | 2,415.13 | 2,415.13 |
| Retained profits / (Accumulated losses) | (7,297.90) | (6,311.94) |

**Total Equity (Deficiency)**

|       | (4,882.77) | (3,896.81) |

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.
Note 1: Summary of Significant Accounting Policies

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant 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 the 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 the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals 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) 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.

(b) 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 reporting date 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).

(c) 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 Tax Office. 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.
Empower Projects Limited ABN 58 164 937 982

Notes to the Financial Statements
For the year ended 30 June 2017

Note 2: Cash assets

Bank accounts:
- CBA #681 150.60 150.60
- Westpac #773 892.72 725.18
- Westpac #978 48.39 48.22
- Bendigo #601 1,625.48 1,114.08
- Bendigo #577 0.04 65.11

2,717.23 2,103.19

Note 3: Financial Liabilities

Current

Unsecured:
- Loan from members 2,000.00 2,500.00

2,000.00 2,500.00

Non-Current

Unsecured:
- Loans from members 5,600.00 3,500.00

5,600.00 3,500.00

5,600.00 3,500.00

These notes should be read in conjunction with the attached financial statements and compilation report of Progressive Accounting and Taxation.
Empower Projects Limited ABN 58 164 937 982

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 2017, the profit and loss statement 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 of Empower Projects Limited
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 adopted as set out in Note 1 to the financial statements are appropriate to meet the director's needs and for the purpose that the financial statements were prepared.

Our Responsibility
On the basis of information provided by the director of Empower Projects Limited, we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework 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 financial reporting framework 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.

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 of Empower Projects Limited who is responsible for the reliability, accuracy and completeness of the information used to compile them. 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

14 October, 2017

This compilation report is to be read in conjunction with and forms part of the attached unaudited financial statements and notes.
ESTHER, A STUDENT OF KAPITA PRIMARY SCHOOL

www.empowerprojects.org