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.

**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 Empower Projects’ largest sponsor in Australia.

**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.

Shanil Samarakoon
James Feng
Shyamika Peeligama
Sam Stark
Sharini Samarakoon
Shashika Peeligama
Matt & Kelly Ponsford
Michael Brunac
Gloria Chan
Kelly Fisher
Sophie Tomarchio
Jenny Tomarchio
Aaron Tomarchio
Sulaiman Lebbe
Anthony Kellett
Dev Singh
Gary Paramanathan
Bob Chen
Eduard Von Slawik
Julia Sharwood
Sandeep Liyanage.

MALAWI

Jones Ntauikira
Runil Patel
Bright Msuku
Cathy Kamsikiri
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 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’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.
2018 OVERVIEW

This financial year saw us putting our new five-year strategic plan for Malawi into action. This involves an ambitious effort to positively impact the lives of 100,000 Malawians through five large scale projects (launching one per year). These projects will involve a combination of establishing cooperatives and facilitating sustainability initiatives in schools. At the time of writing our team in Malawi have established new projects in two districts (Lilongwe and Kasungu) and has plans to establish a third in Mchinji district in 2019/2020. As we will highlight in this report, our new project in Lilongwe has seen us co-developing action plans for three agricultural cooperatives and conducting permaculture workshops at two schools that will serve as regional sustainability hubs.

Related to these expansionary efforts has been the establishment of an MOU with American NGO in A Perfect World (IAPW), who have a strong commitment to building schools in Malawi. Aligned with our focus on sustainability in schools, we will be spearheading efforts to improve food production, energy access, water access and sanitation at two schools in Kasungu (over 1,100 students). To date IAPW have committed USD 88,364 towards these two school projects. We hope for this to be a fruitful partnership.

In addition to our continuing efforts in Malawi, we have also turned our attention to establishing a new project in Northern Sri Lanka. We are currently in discussions with potential partner organisations and hope to launch a pilot project in early 2019. All this would not be possible without the generosity of our tribe. On behalf of the board, I’d like to extend our deepest appreciation to our teams, partner organisations and our supporters.

With Gratitude,

Shanil Samarakoon
Executive Director
PROJECT HIGHLIGHTS

Lilongwe, Malawi
Our latest project in Malawi’s Lilongwe district involves two sub-regions (Demera and Ngwangwa) comprising of 100 villages.

Having completed a community-led “Vision Workshop” to identify community priorities and develop action plans, our support for these two regions will involve:

1) Providing training, investment and support to three agricultural cooperatives. These cooperatives grow crops such as paprika, peanuts, beans and cassava for their livelihoods. Their 5-year action plans center on boosting membership, finding new markets and establishing warehouses.

2) Support two primary schools to become regional sustainability hubs, addressing central issues such as hunger and nutrition, energy access, water access, and sanitation.

FIGURE 1: A VISION WORKSHOP IN PROGRESS IN LILONGWE DISTRICT

FIGURE 2: TRAINERS FROM THE MINISTRY OF TRADE TEACHING FARMERS ON HOW TO ESTABLISH AND MANAGE A COOPERATIVE.
We have commenced work with two schools in the region, Kakoma Primary School (900+ students) and Kabadula Primary School (2000+ students). Our mission is to help transform these schools into community-led sustainability hubs.

A group of 50 participants, comprising of students, parents and teachers were trained in permaculture at Kakoma Primary School. This design science for sustainability, taught by our own staff, forms the foundation of our approach by helping communities understand what sustainability looks like in practice. With this knowledge they develop action plans to address some of the core issues that students contend with at school e.g. coming to class hungry, having no access to electricity or water, poor toilet facilities.
PROJECT HIGHLIGHTS

Nkhata Bay and Likoma Island, Malawi

Our support for the Timbiri Savings and Credit Cooperative continues. 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.

The cooperative has expanded its base of members past 450 members from 300 members in our last report. At present, 45% of the membership are women. This tremendous growth has been driven by the establishment of a second branch on Likoma Island. As of writing, it is the only financial institution on the island and is thus providing critical services to households who have previously been excluded. Previously, residents had to travel by ferry to Nkhata Bay to access a bank/micro-finance institution, this used to take up to two days. Here are some stories from the field that highlight the impact this community organisation is having.

Rose Odala is a resident of Likoma Island and a member of the Timbiri Savings and Credit Cooperative. She is a mother of three and she credits the co-op for her ability to leave an abusive marriage. A business loan to establish a business selling dry fish from the lake, along with ongoing business support, meant that she could gain the necessary financial independence to support her children. Her priority is to see to it that all her children complete their education. Her story is a testament to the crucial role that financial cooperatives can play in providing vital access to credit, and the support necessary to overcome life’s challenges.
Mike Mhindimba (39) lives with his wife and three kids on Likoma Island, Malawi. He got his training experience as a welder 5 years ago while in neighbouring Mozambique. He then came back home to establish his own welding shop. It was hard and he had to work at a friend's welding shop to raise his own capital. After saving up, he started his own shop and became a member of the Timbiri Savings and Credit Cooperative. He first heard about the co-op when he was hired to do some welding work for their new office on the island. Since then, saving has helped him to build a bigger house. He is now saving to expand his business and is benefitting from business training provided by the Timbiri Savings and Credit Cooperative.
FINANCIAL HIGHLIGHTS

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 2018.

INCOME

» The total funds raised came in at **AUD 63,635**

» This year we received a slight reduction in funds raised. This was mainly due to our major supporter Reho Travel experiencing some slight setbacks and reducing their commitment. Reho Travel has been a major source of support for us and we are grateful for their continued support. However, this also points to the need for us to further diversify our fundraising sources.

» The board this year also embarked on a journey to identify and engage with other companies and organisations. Several avenues have been identified such as grants, community organisations, and are looking to increase our regular donor’s contribution.

» The reduction of our income this year was set off by the reduction of cost and our ability to generate other income locally in Malawi.

» We have just received a grant of **AUD 120,000.00** from In A Perfect World. This is in order to complete permaculture projects in two schools in Malawi’s Kasungu District over 2 years. We anticipate this being the start of a long-term development.
EXPENSES

Our volunteer-run operation continues to maximise the percentage of funds supporting our operations in Malawi. We continue to ensure that an impressive **96% 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 of **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).

![Expenses Diagram]

In summary, we have had a very impactful 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 2018*

<table>
<thead>
<tr>
<th></th>
<th>2018 ($)</th>
<th>2017 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>101.66</td>
<td>53.14</td>
</tr>
<tr>
<td>Fundraising</td>
<td>12,075.93</td>
<td>11,102.36</td>
</tr>
<tr>
<td>Donations Received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- External Donations</td>
<td>49,357.38</td>
<td>56,396.21</td>
</tr>
<tr>
<td>- Internal Donations</td>
<td>2,100.00</td>
<td>6,400.00</td>
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<tr>
<td><strong>Total income</strong></td>
<td>63,634.97</td>
<td>73,951.71</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Web Hosting</td>
<td>575.20</td>
<td>0.00</td>
</tr>
<tr>
<td>- Bank Fees And Charges</td>
<td>240.00</td>
<td>360.00</td>
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<tr>
<td>- Accountancy</td>
<td>1,150.00</td>
<td>1,150.00</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>1,965.20</td>
<td>1,510.00</td>
</tr>
<tr>
<td>Donations</td>
<td></td>
<td></td>
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<tr>
<td>Event Expense</td>
<td>101.66</td>
<td>52.19</td>
</tr>
<tr>
<td>- Fundraising supplies</td>
<td>594.36</td>
<td>771.95</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>594.36</td>
<td>771.95</td>
</tr>
<tr>
<td>Project Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Overseas Project</td>
<td>55,472.72</td>
<td>72,603.53</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>58,133.94</td>
<td>74,937.67</td>
</tr>
<tr>
<td>Profit from Ordinary Activities before income tax</td>
<td><strong>5,501.03</strong></td>
<td><strong>(985.96)</strong></td>
</tr>
</tbody>
</table>

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.
Empower Projects Limited ABN 58 164 937 982

Balance Sheet as at 30 June 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Assets

**Current Assets**

<table>
<thead>
<tr>
<th>Cash assets</th>
<th>2</th>
<th>6,618.26</th>
<th>2,717.23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>6,618.26</td>
<td>2,717.23</td>
</tr>
</tbody>
</table>

| **Total Assets** | | 6,618.26 | 2,717.23 |

### Liabilities

**Current Liabilities**

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>3</th>
<th>1,000.00</th>
<th>2,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>1,000.00</td>
<td>2,000.00</td>
</tr>
</tbody>
</table>

**Non-Current Liabilities**

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>3</th>
<th>5,000.00</th>
<th>5,600.00</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>5,000.00</td>
<td>5,600.00</td>
</tr>
</tbody>
</table>

| **Total Liabilities** | | 6,000.00 | 7,600.00 |

| **Net Assets** | | 618.26 | (4,882.77) |

### Equity

| Reserves | 2,415.13 | 2,415.13 |
| Retained profits / (Accumulated losses) | (1,796.87) | (7,297.90) |
| **Total Equity** | | 618.26 | (4,882.77) |

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.
Note 2: Cash assets

Bank accounts:
- CBA #681 150.60 150.60
- Westpac #773 892.72 892.72
- Westpac #978 48.39 48.39
- Bendigo #601 0.00 1,625.48
- Bendigo #577 5,526.55 0.04

Total 6,618.26 2,717.23

Note 3: Financial Liabilities

Current
Unsecured:
- Loan from members - Sam Stark loan 1,000.00 2,000.00

Non-Current
Unsecured:
- Loans from members 5,000.00 5,600.00

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 2018, 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
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.

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

10 November, 2018

This compilation report is to be read in conjunction with and forms part of the attached unaudited financial statements and notes.