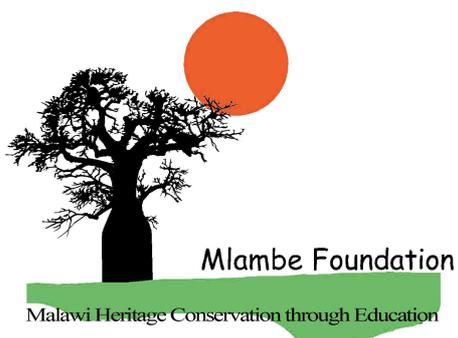


Mlambe Foundation Annual Accounts 2007



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Report by the Board of Mlambe Foundation

The second fiscal year running from 1 January 2007 through and including 31 December 2007

Introduction

This annual report, including the annual accounts and the budget, has been approved by the board of Mlambe Foundation in the board meeting held on the 28th May 2008.

Information about the reporting institution

Name : Mlambe Foundation (*Stichting Mlambe*)
Address : Diependaalsedrift 32, 1213 CR Hilversum
Chamber of Commerce no. : 32110120

Mission

The objective of Mlambe Foundation is to conserve Malawi's cultural heritage for the future. The Foundation aims for sustainable cultural and economic development in Malawi and the rich history of Malawi is its source of inspiration. To achieve its objectives the Foundation initiates and supports projects and activities in the field of:

- Education and research in respect of the tangible and intangible cultural heritage of Malawi, regardless of ethnic origin or historical period;
- Supporting activities that lead to greater publicity and awareness of Malawian cultural heritage, and thus its conservation;
- Cultural resource management in Malawi; and
- Rural poverty alleviation by promoting cultural tourism and reviving ancient arts and crafts.

Dutch developmental aid policy endorses the importance of culture for economic development. Mlambe Foundation fully supports this view. Attention for local cultures and cultural heritage is essential, especially in this time of globalisation. Mlambe Foundation is committed to achieving this in close cooperation with her partners in Malawi.

Members of the Board and Managing Director

As of 2008 there has been a change in the board due to the untimely death of Mr. Stef Jacobs and the resignation of Ms. Dr. Lilian Steffens. In a resolution adopted during the board meeting held on the 22nd of December 2007, the resignation of Ms. Dr. Lilian Steffens has been accepted and two new board members have been appointed. The amendments have been registered with the Chamber of Commerce at the beginning of 2008.

Board as of 2008

Drs. J.A. Welling (chairman)
Drs. H.W. Bakker (secretary)
Mrs. Dr. Y.M.J. Lammers-Keijzers (treasurer)
Ms. Drs. K. Spijker (member)
Mr. P.B. Bakker (member)

Managing Director

Drs. M. Welling

Honorary Chairman

The Board has appointed Prof. dr. J.M. Schoffeleers s.m.m. as honorary chairman of the Foundation, due to his vast contribution to the collection and the distribution of knowledge in the field of the cultural heritage of Malawi. Prof. Schoffeleers lived and worked in Malawi for many years. Through his work as a missionary he became interested in the cultures and history of Malawi. His many publications and his dissemination of knowledge as a lecturer and, later, professor of Anthropology, first in Malawi and subsequently in the Netherlands (in Amsterdam (Vrije Universiteit) and Utrecht), have been essential for the national and international recognition of the value and idiosyncrasy of the cultural heritage of Malawi.

Advisory Committee

In accordance with article 10.1 of the Foundation's articles of association the Board has the power to install an Advisory Committee. The Board has made use of this power and has found very capable persons willing to become a member of the Advisory Committee. The Committee was installed during the board meeting held on the 4th September 2005 and has the following three members: Dr. E.C. Mandala, associate professor at the University of Rochester, NY, USA; Dr. B.W. Smith, Director of the Rock Art Research Institute and Acting Head of Archeology and Environmental Studies, University of the Witwatersrand, Gauteng, South Africa; and Dr. Y.M. Juwayeyi, associate professor at the Long Island University, NY, USA (former director of the Malawian Department of Antiquities, former Malawi Commissioner for Culture in Malawi and former Ambassador for Malawi at the United Nations).

Committee of Recommendation

In accordance with article 10.6 of the Foundation's articles of association the Board has the power to install a Committee of Recommendation. The Board has made use of this power and has found persons committed to the objectives of the Foundation, willing to become a member of the Committee of Recommendation. The Committee was installed during the board meeting held on the 4th September 2005 and has the following five members: Mrs. Dr. E. Gomani, Director for Culture, Malawi; Mrs. M. Sacranie, Dutch Consul in Malawi, Prof. Dr. R.M.A. Bedaux, former Curator for Africa of the National Museum of Ethnology, Leiden; Prof. Dr. R. van der Ploeg, emeritus Professor of Archaeology/Anthropology, Faculties of Archaeology and Social Sciences of the Leiden University and former Dutch Secretary of State of Culture, member of the UNESCO World Heritage Commission and Professor of Economics at the Robert Schuman Centre, European University Institute, Oxford University; and Dr. Ilja Leonard Pfeijfer, poet, *graecus*.

Policy

The policy of the Foundation in respect of the acquisition and acceptance of funds is that, in respect of the larger projects, the Foundation prepares and submits specific and focussed project proposals to different institutions that committed to the Foundation's objectives and goals and to companies who promote and practice social entrepreneurship, both in the Netherlands and abroad. The funds received by the Foundation that have not been earmarked for a specific project (*non-earmarked capital*) are (partly) used to fill any unforeseen gaps in the budget of the different projects.

The management costs of the Foundation are minimal (see the explanatory notes to the annual accounts). The director has, as of August 2006, been granted a monthly cost compensation of 250 Euro for all his activities. The director's activities can be split up as follows (see also the explanatory notes to the annual accounts): execution costs for the sale of (used) goods (200.00 Euro); information and education in respect of the Foundation's mission and projects, both in

the Netherlands and Malawi (500.00 Euro has been booked under the heading *information and education*); acquisition of funds (500.00 Euro has been booked under the heading *execution costs acquisition of funds*); and supervision of the projects in Malawi (1,850.00 Euro has been booked under the heading *execution costs projects abroad*). The director reports the actual costs made by him to the board at the end of each calendar year.

Acquisition of Funds

Donations in cash

A part of the subsidies received from Impulsis (ICCO) and World Wildlife Fund (the Netherlands) in 2006 has been used in 2007. Although the Foundation has not received any other subsidies in 2007, it has received many donations. A large donation has been received for the new tree project (see under the heading: Activities & Projects) and another substantial donation for the transport of donated goods. The Foundation also has a number of periodic donors who donate a specific amount every month or quarter. In 2007 the Foundation has also collected funds at different functions and is still a participant in the so-called *association programmes* with Amazon.com, Amazon.co.uk, Amazon.fr, Amazon.de, Bol.com, Barnes&Noble.com and Powellsbooks.com. These programmes entail that these companies donate 5% of the, through the Foundation's website, generated turnover to the Foundation.

Donations in kind

In 2007 the Foundation itself has not received any donations in kind. The Lower Shire Heritage Trust, a charitable trust established under the laws of Malawi, of which the Foundation is a partner, has been donated a maize mill and a second hand Nissan Patrol. Both donations are to be used by Tisunge! Lower Shire Heritage Centre. The maize mill shall be installed in 2008 to start generating income for Tisunge!. From the thus generated income a director shall be employed for Tisunge!.

The goods that were donated to the Foundation in 2006 shall be transferred to the Lower Shire Heritage Trust. As of 2008 Tisunge! shall be managed by the Lower Shire Heritage Trust.

In 2007, with the assistance of the Foundation, a large number of goods have been donated to the Catholic University of Malawi; books, computers and printers etc. These goods have all been donated directly to the Catholic University and are therefore not reflected in the Foundation's accounts.

The transport of these goods has been funded partly by earmarked donations and partly from the non-earmarked funds of the Foundation.

Publicity

The Foundation and its projects, especially Tisunge! Lower Shire Heritage Centre, have had a lot of publicity in 2007.

In February 2007 the director gave a presentation on the cultural heritage of the Lower Shire Valley and Tisunge! for quite a substantial audience of the Society of Malawi.

With the support of the Foundation a new magazine – the Culture Connection Magazine – has been published and launched by the Chichiri Museum in Blantyre. The magazine contains an article written by the director of the Foundation on the cultural heritage of the Lower Shire Valley and Tisunge!. During the official launch of Culture Connection in the presence of the Deputy Minister of Tourism, Wildlife and Culture, the director also gave a presentation.

Ulendo (the in-flight magazine of Air Malawi) contained a substantial feature on Lengwe National Park in which Tisunge! is extensively covered.

A film crew of the South African Broadcasting Company (SABC) visited Malawi in November 2007 to film the projects of the Foundation for its lifestyle programme Africa Within. They filmed for a full day and interviewed the director of the Foundation at different cultural heritage

sites: Tisunge!, Chifunda Lundu, Singano Village (where the skill of traditional weaving was filmed) and Ndakwera Village (where traditional dances were filmed). A total of 4 hours of footage has been transformed to a good 20 minutes for Africa Within. This lifestyle programme is broadcast through satellite television and can be seen across the African Continent and the United Kingdom. Re-runs are shown repeatedly.

In October 2007 Annemiek Kleiberg interviewed the director of the Foundation for Postbus 51 which was aired on the 12th of January 2008 on the Dutch radio.

Some of the members of the board visited the Malawi Day organised by ICCO on the 22nd of September 2007 and also paid a visit to the Africa Day in Eindhoven which was held on the 19th and 20th of May 2007. Goede Doelen TV also organised a day for small charitable organisations and a part of the board was also present there.

The Radboud University of Nijmegen has set up a research project that intends to critically analyse the influence and functioning of Dutch private initiatives on the development of Ghana and Malawi. Mlambe Foundation has taken part in this project. Lecturer and researcher Lau Schulpen of the Radboud University visited Malawi in July 2007 to see the Foundation's projects. He also spoke extensively with our Malawian partners and paid a memorable visit to Singano and Kampomo Village in the Lower Shire Valley. These two villages are very (pro-) active in their cooperation with Tisunge!. Lau Schulpen presented his initial findings on the Malawi Day organised by ICCO.

At the time of writing the website of the Foundation is being re-constructed. The website attracts quite a number of visitors: the Dutch version has some 120 hits per day, whereas the English version around 80. The Newsletter of the Foundation is distributed to some 300 people.

Activities and Projects

In 2007 the Foundation has continued and initiated the following projects. All of these projects are located in Malawi (apart from activities to acquire funds, which have up till now all taken place in The Netherlands). As of August 2006, the director of the Foundation supervises and executes the projects in Malawi, together with the (as of 2008 former) treasurer Lilian Steffens.

Publications

By taking several publications into re-print the Foundation aims to make the cultural heritage of Malawi more widely known with the general public. Due to unforeseen circumstances the Foundation has not been able to achieve any publications in 2007. The funds that have been donated specifically for these publications will of course remain earmarked for that purpose in 2008 (see the Explanatory Notes to the Annual Account and the Budget 2008). The published version of the dissertation by J.M. Schoffeleers – *Mang'anja Traditional Religion. Spirit beliefs and practices in Malawi's Lower Shire Valley* – shall be presented at the celebration of his 80th birthday on the 31st of August 2008, 40 years after he obtained his doctorate).

The progress of Tisunge! Lower Shire Heritage Centre.

The Lower Shire Heritage Trust is now operational, although the registration process has not quite been completed. In 2007 it was decided to transfer the management of the Tisunge! Lower Shire Heritage Centre to the trust. As mentioned in our previous report over 2005/2006, the construction of the heritage centre has been made possible by funds donated by the Dutch Embassy in Zambia, Impulsis (ICCO) and the World Wildlife Fund (the Netherlands). In 2007 many donations were received that have assured us that we can continue the project with full confidence. Whenever required the Foundation assists from its non-earmarked funds.

'Tisunge' means 'Let us conserve' in Chewa, the national language of Malawi. The aim of the centre is to protect the rich natural and cultural heritage of this southern most tip of Malawi and

to bring it to the attention of national and international visitors and the local communities. Essential in this project is the close cooperation with the community based organisations (CBOs). The support of the local communities is indispensable for an effective resource management. Equally important is the recognition of the local communities as the rightful owners of these natural and cultural riches. They shall hence be entitled to the benefits of this project.

The centre has the following objectives:

- Dissemination of knowledge of Lower Shire cultural and natural heritage.
- Education on the importance of natural and cultural resource preservation.
- Promoting regional sustainable tourism.
- Facilitating sustainable income generation for local communities, like the re-introduction of an old weaving tradition (see below).
- Preserving archaeological sites of the Lower Shire Valley for future generations.
- Promotion and facilitation of national and international research and co-operation.
- Promotion of the community based natural and cultural resources management programmes.

At the end of 2007 Tisunge! had to deal with two set backs. The almost finished roof of the meeting area collapsed due to heavy rains and storms in December. The framework of the roof could however be saved and most of the thatch has been re-used. The second set back concerned the transformer, which broke down in 2007, leaving Tisunge! (and the Department of National Parks and Nyala Lodge) without electricity. Luckily the transformer could be repaired.

At the time of writing (May 2008) the following buildings (with the exception of the external decorations) have been completed: the exhibition building; the arts & craft shop; the ablution block; two offices; the library, the storeroom and the meeting area.

The Arts & Craft Shop is operational and the stock of traditionally woven cloth and other crafts made in the Lower Shire Valley is growing every day.

The traditional weaving has turned out to be a great success. The traditional spinning has on the other hand not seen the same success. The reason for this is that it takes a long time to get from raw cotton to (traditionally) spun cotton yarn and the proceeds do not compare to the proceeds of the weaving. The cloth is thus woven with industrially spun (Malawian) cotton yarn. The cotton yarn is coloured by the weavers themselves with natural dyes using locally available resources (bark and leaves of trees and bushes, flowers etc). There are currently about 8 different colours. The weavers work alone or in groups of two or four people. We now have 23 weavers from 5 different villages surrounding Lengwe National Park. The weavers invest in buying the cotton yarn and at the end of the day earn around 3000 kwacha (= 21 Dollars) pure profit per week. Considering the fact that day-labourers earn about 150 kwacha (= 1.05 Dollars) a day for unskilled labour, the weaving is an important income generating activity for the communities. The sales in the shop are increasing and at the time of writing (May 2008) a second outlet has been found in Blantyre where the cloth is sold quicker than it can be delivered. The products currently being woven are: table runners in different sizes; chair cloths; bags; potholders; and placemats. By the end of 2007 some of the weavers were also experimenting with wall hangings. All of the income generated by the shop is re-invested in Tisunge! which can attain self sustainability in the long run.

With a view to sustainability great effort was put into the planting of indigenous trees at Tisunge! and along the river Nkhomedzi. The football and netball teams of the surrounding

villages have all received a ball for the planting of 350 trees each. After a 6 month period the teams would also receive uniforms provided they had taken care of the trees they planted. In first instance the project seemed to fail as only 5 of the total 19 teams that had taken part in the project were eligible for a uniform. None of the trees planted by the other teams had survived. However, a number of teams has now seen the importance of planting trees along the river and have taken the initiative to plant trees. We hope the Tisunge! League will take off in 2008. The cost of the purchase, planting and taking care of the trees has been funded by the World Wildlife Fund (the Netherlands).

A second tree project that was started in 2007 is the setting up of plantation of indigenous trees. In August 2007 a nursery of 10,000 trees was set up at Nyala Lodge. Chief Singano has donated a plot of land for the plantation and the Community Based Organisation Chigoda shall plant the seedlings and take care of the trees against payment of a fee. Half of that fee shall be used by Chigoda in achieving its goal – taking care of the elderly, sick and orphans of the 7 villages that fall within the authority of Chief Singano.

Additional funds for setting up the exhibit in respect of the cultural and natural heritage of the Lower Shire Valley must be raised in 2008 (see Budget). It is intended that both the Foundation and the Lower Shire Heritage Trust shall engage in acquiring those funds.

The roofing of the iron smelting furnace in Kasungu National Park

Probably the last standing Chewa iron smelting furnace is to be found in Kasungu National Park. At the time of writing this iron smelting furnace is subject to erosion by wind and rain and must be provided with a roof to conserve it. The Foundation has already raised funds for this purpose. At the beginning of January 2008, the director has visited Kasungu National Park to inspect the condition of the furnace. Drawings for the roof were also made.

The royal stool of senior-Chief Chulu

Senior-Chief Chulu, Kasungu, has temporarily given his royal stool, according to oral tradition given to the first Chief Chulu by the great Chief Karonga, to the Foundation for research (dating) and conservation. Recently the Foundation received the sad message from the United States that the stool did not contain enough carbon to be able to date the stool without completely ruining it. The stool will be returned to Malawi.

Website Malawiheritage.info

The Foundation has reserved this domain to establish an informative and educational website in the future. The annual costs of the domain (12.50 Euro) have been included in the balance sheet as fixed annual costs under the heading *working fund assets*. A volunteer shall start designing this website in 2008.

Mlambe Foundation Study and Education Fund

Mlambe Foundation has set up a separate study and education fund. This fund helps students and organisations in Malawi to finance the costs of study and education in the field of cultural heritage. The funds are kept in a separate account that the Foundation has opened with the ASN bank.

The Foundation is actively acquiring funds to assist the Anthropology students of Malawi in financing their university fees.

The publication of the Culture Connection Magazine has also been funded with monies from the study fund.

The Anthropology Club of the Catholic University of Malawi applied to the study fund to assist the club in financing a study trip. This application has been approved.

The Catholic University of Malawi has applied to the study fund for the acquisition of books. This application has also been approved.

On the 31st of December 2007 the study fund contains 1,547.13 Euro.

Photo-archive

With thanks to the Hoge School Nijmegen, the late Stef Jacobs and Harrie Bakker, the photo's and slides of Prof. Schoffeleers, Brother Zonneveld and Dr. Van Zanten have now all been scanned and digitalised in a digital photo-archive.

Future Projects

In 2008 the ongoing support and finalisation of the above-mentioned projects is first and foremost in the planning of the Foundation.

The Foundation shall furthermore start to raise funds for the following projects:

- The documentation of, and the production of a CD containing, old recordings of traditional music from Southern Malawi;
- The renovation of the Fathers House in Nguludi, Malawi and setting it up as an exhibition area. This project will be executed in cooperation with the Department of Antiquities, the Catholic University of Malawi and the diocese (owner of the Fathers House). A project proposal requesting funds for this specific project has already been submitted.
- The repatriation of valuable historical and ethnographic objects.
- In 2008 the board shall start collecting the books that have been donated by Dr. Nurse. Dr. Nurse has donated his large book collection, which is currently still in England, to Mlambe Foundation.

For the required and existing budget the board refers to the attached Budget 2008.

Concluding remarks

In its second financial year the Foundation has continued its trend and a lot has been achieved. Despite the abovementioned set backs the projects are extremely successful. The Board is therefore convinced that the self sustainability of the projects can be attained. This is mainly due to the large support the projects receive from the communities in Malawi and their effort to make the projects a success. Furthermore, without the many volunteers and their dedication to the projects we would not have come so far. Through publications, the flyer, several articles in magazines, radio interviews given and presentations held by our director, both in the Netherlands and in Malawi, and the websites the Foundation and its objectives are gaining renown. The cooperation with her local partners in Malawi is very successful. The board hence concludes this report with full confidence in the future both in respect of the acquisition of funds as well as the successful completion, continuation and sustainability of the projects.

Annual Accounts Mlambe Foundation – 2nd fiscal year from 01-01-2007 to 31-12-2007

Balance Sheet

	31 December 2007	31 December 2006
Assets		
<i>Intangible assets</i>	0.00	0.00
<i>Tangible assets</i>		
Assets	0.00	0.00
directly used for the projects	<u>3,562.98</u>	<u>2,330.26</u>
	3,562.98	2,330.26
<i>Financial assets</i>		
Loans and advances	0.00	0.00
Loans and advances in relation to the projects	<u>0.00</u>	<u>43.35</u>
	0.00	43.35
<i>Investments</i>	0.00	0.00
<i>Stock</i>		
Working stock	0.00	0.00
directly used for the projects	<u>630.48</u>	<u>1,151.27</u>
	630.48	1,151.27
<i>Receivables</i>	2,039.95	0.00
<i>Cash</i>	18,097.50	21,196.79
Total	<u><u>24,330.91</u></u>	<u><u>24,721.67</u></u>

	31 December 2007	31 December 2006
Liabilities		
<i>Capital</i>		
Non-earmarked capital	3,956.18	2,186.35
Earmarked capital		
earmarked funds	13,055.68	15,902.29
project assets fund	7,205.96	6,494.03
company assets fund	<u>113.09</u>	<u>139.00</u>
	20,374.73	22,535.32
<i>Provisions</i>	0.00	0.00
<i>Debt</i>		
long term	0.00	0.00
short term	<u>0.00</u>	<u>0.00</u>
	0.00	0.00
Total	<u><u>24,330.91</u></u>	<u><u>24,721.67</u></u>

Profit and Loss Account

Acquisition of Funds	01-01-2007 through 31-12-2007	
<i>Proceeds arising out of acquisition of funds</i>		
Collection	205.00	
Mailings	0.00	
Contributions and donations	25,494.00	
Contributions and donations in kind	0.00	
Inheritances	0.00	
Lotteries	0.00	
Other	1,096.43	
		26,795.43
<i>Costs of acquisition of funds</i>		
(in)direct costs of acquisition	456.21	
execution costs	500.00	
		956.21
<i>(in % of the proceeds of the acquisition of funds)</i>	3.57%	
Net proceeds		25,839.22
<i>Proceeds sale of (used) goods</i>		
net turnover	1,230.00	
Cost	1,483.010.00	
gross profit	(253.01)	
execution costs	200.00	
net profit		(453.01)
Total acquisition of funds		25,386.21
<i>Stake in joint actions</i>		0.00
<i>Stake in third party actions</i>		0.00
Available from acquisition of funds		25,386.21
<i>Subsidies governments and others</i>		0.00
<i>Proceeds investments</i>		0.00
<i>Other proceeds and liabilities</i>		26,926.49
		26,926.49
Total available for projects		52,312.70

Expenditure01-01-2007 through 31-12-2007

Spent on the projects*Information/Education*

own activities	500.00
granted subsidies	0.00
execution costs	<u>0.00</u>

500.00

The Netherlands

projects managed by foundation	0.00
granted subsidies	0.00
execution costs	<u>0.00</u>

0.00

Abroad

projects managed by foundation	15,094.73
granted subsidies	7,939.94
execution costs	<u>4,883.96</u>

27,918.63**Total spent on projects**28,418.63*Surplus/deficit has been added
to/subtracted from*

Earmarked funds	16,955.39
Non-earmarked capital	<u>6,938.68</u>

23,894.07

Explanation of execution costs

Division of costs over projects

	Project Tisunge!	Information	Acquisition of Funds	Total fiscal year 2005/2006
Travel/accommodation expenses	4,083.96	0.00	0.00	4,083.96
Managing costs	0.00	0.00	0.00	0.00
Cost compensation	800.00	0.00	500.00	1,300.00
Printing costs	0.00	0.00	0.00	0.00
Total execution costs	4,883.96	0.00	500.00	5,383.96

Explanatory Notes to the Annual Accounts of Mlambe Foundation

The second fiscal year running from the 1st of January to the 31st of December 2007

Introduction

The annual accounts have been drafted in accordance with the guidelines (*Richtlijn Fondsenwervende Instellingen*) published by CBF.

Explanatory notes to the Balance Sheet

On the 31st of December 2006 the *assets/liabilities* stood at EUR 24,721.67 and there was a surplus of EUR 24,721.67.

On the 31st of December 2007:

Assets

Mlambe Foundation does not have any *intangible assets*.

The *tangible assets* of Mlambe Foundation are all in direct use of the projects of the Foundation and are hence recorded under *assets directly used for the projects*.

- The objects that have been purchased in 2006 and 2007 for Tisunge! Lower Shire Heritage Centre with a value of EUR 839.23 shall form part of the exhibition. For the valuation see Annex I: *Cost value of historical and ethnographical objects*.
- The goods that were donated in 2006, valued at EUR 2,330.26 are directly used by Tisunge! Lower Shire Heritage Centre. The goods are in ownership of the Foundation. All goods have been fully depreciated in the Netherlands but have been valued at the day value in Malawi. See Annex II – *Valuation of donated goods*.
- In 2007 the Foundation purchased lighting for the museum of Tisunge! for an amount of EUR 279.88 and two bicycles for an amount of EUR 113.61 to be used by the volunteers working at Tisunge!.

In 2006, *in relation to the projects*, the Foundation granted a loan to the Department of National Parks and Wildlife in respect of the Tisunge! Lower Shire Heritage Centre. The amount of the loan was 7,750.00 Malawi Kwacha – which amounts to 43.35 Euro at an exchange rate of 178.2 Kwacha for 1 Euro over 2006. This loan has been written off as a bad debt and no longer appears on the balance sheet.

Mlambe Foundation does not have any *investments*.

The *stock directly available for the projects* of Mlambe Foundation consists of the arts and crafts purchased for the Tisunge! shop. These consist of: woven cloth (table runners, placement, potholders, bags, etc), baskets, drums, chairs, books and cotton yarn. The stock of the shop is valued at cost which on the 31st December 2007 comes to EUR 630.48

Mlambe Foundation has two *receivables*.

- From the Catholic University of Malawi in the amount of EUR 2,000.00. The Foundation has advanced this amount for payment of the transport of goods donated to the Catholic University from the Netherlands to Malawi; and

- From Lexa.nl in the amount of EUR 39.95. This amount has inadvertently been debited from the Foundation's account in favour of Lexa.nl. At the time of writing (May 2008) this amount has been recovered.

Mlambe Foundation has *cash* in the amount of EUR 18,097.50, divided as follows:

- EUR 11,990.41 on the Foundation's account with ABN AMRO Bank, Amsterdam;
- EUR 1,547.13 on the Foundation's account with ASN (this is the account designated for the Mlambe Foundation Study- and Education Fund); and
- EUR 4,559.96 the Foundation holds in petty cash in Malawi: EUR 59.96 in Malawi Kwacha (= K11,611.25 at an average exchange rate over 2007 of K193.65 for EUR 1.00) and EUR 4,500.00.

Liabilities

The *total capital* of the Foundation on the 31st of December 2007 amounts to: EUR 29,021.82.

The *non-earmarked capital* on 31 December 2007 amounts to: EUR 3,999.53

The *earmarked capital* (EUR 27,972.29) is divided as follows:

- The amount under the heading *earmarked funds* of EUR 13,055.68 can be divided over the following projects:
 - EUR 6,508.55 for Tisunge! Lower Shire Heritage Centre. EUR 460.11 are Impulsis (ICCO) funds; EUR 1,098.44 are World Wildlife Fund (The Netherlands) funds; EUR 350.00 is an earmarked donation for the construction of the water tank; and EUR 4,600.00 is an earmarked donation for the tree plantation project;
 - EUR 500.00 is earmarked for the iron smelting furnace in Kasungu National Park;
 - EUR 3,000.00 is earmarked for the publication of J.M. Schoffeleers' dissertation;
 - EUR 1,500.00 is earmarked for *Land of Fire*; and
 - EUR 1,547.13 is the amount in the Mlambe Foundation Study and Education Fund.
- The following amounts are reflected under the heading *project assets fund*: the agreed upon cost compensation for the director over 2008 (3,000.00 Euro); the fixed costs for the website malwiheritage.info (12.50 Euro); the value of the fixed tangible assets (EUR 3,562.98); and the value (at cost) of the stock of the arts & craft shop of Tisunge! (EUR 630.48). In total an amount of EUR 7,205.96.
- Under the heading *company assets fund* EUR 113.09 is reflected. These are the following costs over 2008: registration with the Chamber of Commerce; the costs of the websites of the Foundation and the bank costs.

Explanatory notes to the Profit and Loss Account

The *proceeds out of acquisition of funds* in the second fiscal year derive from four sources:

- *Collections* that have been held by the Foundation during several functions (EUR 205.00);
- *Contributions and donations* (EUR 25,494.00); and
- *Other proceeds*. These have arisen out of: (i) proceeds from *associate programmes* that the Foundation has entered into with Amazon.com, Amazon.co.uk and Bol.com (EUR 697.30); (ii) the interest earned on the bank accounts (EUR 44.91); (iii) the sale of thatch for thatching (EUR 354.22).

The *costs of the acquisition of funds* are the following:

- *Indirect acquisition costs*: the costs of cashing the cheques received in connection with the abovementioned *associate programmes* (EUR 106.47); the acquisition of 30 books by Douglas Curran used as promotion material for the acquisition of funds (EUR 318.76);

and the costs made in connection with the film made by SABC's lifestyle programme (see the Report by the Board) (EUR 30.98).

- *Execution costs*: the director has spent a lot of time in Malawi and the Netherlands on the acquisition of funds. Part of his cost compensation (EUR 500.00) has hence been booked under this heading.

This fiscal year the Foundation has sold arts & craft through the arts & craft shop of Tisunge! and hence has acquired proceeds out of the *sale of (used) goods*.

- The *net turnover* of the sales of arts & crafts from the shop is EUR 1,230.00.
- Considering the fact that the shop has to build up stock the costs of the shop are currently higher than the turnover. The *cost* came to an amount of EUR 1,483.00.
- The *net loss* hence came to EUR 253.01.
- The director has spend a lot of time in making the shop operational and a part of his cost compensation (EUR 200.00) has been recorded under *execution costs*.

In 2008 these proceeds shall directly accrue to the Lower Shire Heritage Trust.

The Foundation did not acquire any proceeds out of *joint actions* or *actions of third parties*.

The Foundation has not received any *subsidies* in 2007

The Foundation did not have any *investments* in 2007

The *other proceeds and liabilities* of the Foundation in the first fiscal year can be split up as follows:

- The management costs of the Foundation have been recorded as a *liability* (EUR 113.09);
- The following items have been recorded as *other proceeds* (a total of EUR 27,039.58):
 - The value of the goods donated in 2006: EUR 2,330.26;
 - The value of the stock of the arts & craft shop on the 31st of December 2007: EUR 630.48;
 - The value of the objects for the exhibition: EUR 839.23;
 - The monies credited to the bank account as per the 1st of January 2007: EUR 19,511.83;
 - The monies in petty cash as per the 1st of January 2007: EUR 1,687.83; and
 - The value of the receivables in respect of the Catholic University of Malawi (EUR 2,000.00) and Lexa.nl (EUR 39.95): EUR 2,039.95

The proceeds have been *spent on the projects* as follows:

For *information and education*:

- The director of the Foundation has given several presentations in Malawi and the Netherlands to *inform and educate* the public about the work of the Foundation and the cultural heritage of Malawi. Of the cost compensation he has received 500.00 Euro has been booked under this heading.
- No *subsidies* have been received for information and education.
- There are no execution costs.

The Foundation does not have any *projects in the Netherlands*.

In this second fiscal year the Foundation has initiated and manages the following *projects abroad* (i.e. in Malawi):

- Projects that the Foundation has (partly) financed out of the proceeds of the acquisition of funds and have hence been booked under the heading *projects managed by the Foundation* (EUR 15,094.73), are:
 - Tisunge! Lower Shire Heritage Centre: EUR 8,740.42.
 - Website Malawi Heritage: EUR 14.88.
 - Mlambe Foundation Study and Education Fund: EUR 872.71.
 - Transport of donated goods for Tisunge! and the Catholic University of Malawi: EUR 5,466.72.
- The *subsidies* that have been received by the Foundation in 2006 have been spent on Tisunge! Lower Shire Heritage Centre as follows:
 - Of the 2006 subsidy of Impulsis (ICCO) in the amount of EUR 20,000.00, EUR 2,131.17 was left on the 1st of January 2007. In this financial year EUR 1,643.86 has been spent on Tisunge! (EUR 337.87 on the collection of objects; EUR 120.49 on construction; and EUR 1,185.50 on the weaving project); and
 - Of the 2006 subsidy of WWF (The Netherlands) in the amount EUR 10,000.00, EUR 7,466.07 was left on the 1st of January 2007. In this financial year EUR 6,296.09 was spent on Tisunge! (EUR 1,992.18 on the tree project; EUR 3,163.99 on water management; and EUR 1,139.92 on the construction of the library).
- The following costs (see also Explanation of Execution Cost) have been booked under the heading *execution costs*:
 - EUR 800.00 of the cost compensation paid to the director;
 - EUR 3,083.96 on airplane tickets for volunteers;
 - EUR 1,000.00 Euro as contribution to the costs of the airplane ticket from Malawi to the Netherlands of the director.

The surplus of EUR 23,894.07 has been added to:

- Under the heading *earmarked funds* an amount of EUR 16,955.39 has been booked, which is divided over the following projects:
 - EUR 5,808.26 for Tisunge! Lower Shire Heritage Centre. Of that amount EUR 487.31 are Impulsis (ICCO) funds; EUR 1,170.98 are WWF (The Netherlands) funds; EUR 335.00 Euro has been specifically donated for the construction of the water tank; EUR 839.23 is de value of the objects for the museum; EUR 630.48 is the value of the stock of the arts & craft shop; and EUR 2,330.26 is the value of the donated goods;
 - EUR 500.00 has been earmarked for the roofing of the iron smelting oven in Kasungu National Park;
 - EUR 3,000.00 has been earmarked for publication including the dissertation by J.M. Schoffeleers;
 - EUR 1,500.00 has been earmarked for the publication of *Land of Fire*; and
 - EUR 1,547.13 is for the Mlambe Foundation Study and Education Fund.
- Under the heading *non-earmarked capital* an amount of EUR 6,938.68 has been booked. Of that amount EUR 3,956.18 Euro is truly non-earmarked capital whereas the remaining amount is to be used for the managing costs of the Foundation and the cost compensation owed to the director over 2008 (see the explanatory notes on the balance sheet).

Annex I Acquisition costs of historical and ethnographic objects

Documented objects for the exhibition	MKw	Euro (<i>€1 = MK 193.65</i>)
Total of 532 objects	162,517.00	839.23

Annex II - Valuation of donated goods 2007

Computer equipment	No.	Value per item in Euro	Total value in Euro
BJC250 Canon printer	1	15.00	15.00
Lexmark scanner and printer	1	20.00	20.00
HP scanjet Canon 3690 printer	1	20.00	20.00
HP deskjet 500 color printer	1	25.00	25.00
HP Laserprinter	1	25.00	25.00
HP deskjet 500 printer	1	15.00	15.00
UPS	5	25.00	125.00
Key boards	8	2.00	16.00
HP pentium III computer	2	30.00	60.00
Compaq presario 7230 computer	1	20.00	20.00
Commodore pentium I computer	1	5.00	5.00
FiF pentium I computer	1	5.00	5.00
IBM Aptiva computer	1	5.00	5.00
Packard Bell pentium mmx223 computer	1	5.00	5.00
Dell pentium III computer	1	30.00	30.00
Targa pentium III computer	3	30.00	90.00
Q pentium III computer	1	30.00	30.00
Fuji Siemens computer	1	20.00	20.00
Speakerset	1	5.00	5.00
Compaq P1210 19" screen	2	10.00	20.00
Compaq P110 19" screen	6	10.00	60.00
HP 71 17" screen	2	7.50	15.00
Compaq P710 17" screen	1	7.50	7.50
HP 72 17" screen	2	7.50	15.00
17" screen (make unknown)	5	7.50	37.50
Philips 201 19" screen	1	10.00	10.00
Vision Master 511 19" screen	1	10.00	10.00
Vision Master 450 17" screen	2	7.50	15.00
Subtotal			726.00

Annex II Cont.

Other materials	No.	Value per item in Euro	Total value in Euro
Mattress	2	29.38	58.75
Chest of drawers (4)	2	15.00	30.00
Filing cabinet (4 drawers)	5	25.00	125.00
Small fridge with freezer	1	35.00	35.00
Amplifier Marquant	1	50.00	50.00
Chest of drawers (4)	4	20.00	80.00
Large filing cabinets	5	50.00	250.00
Flipover	1	15.00	15.00
Whiteboard	1	30.00	30.00
Iron	1	5.00	5.00
Filing cabinet (3 drawers)	1	20.00	20.00
Videorecorder Philips	1	20.00	20.00
Press	1	58.51	58.51
Wooden bed	2	13.50	27.00
Books			800.00
Sub total			1,604.26
Total			2,330.26

ANNEX III - BUDGET 2008

Overview of existing budget on 28 May 2008 and budget for 2008

Surplus 2007	Tisunge!	Furnace	Publications	Study fund	Fathers House	Music	Transport	Fixed Costs Foundation	Non-earmarked
20,137.45	6,608.29	500.00	4,500.00	1,547.13				3,125.59	3,856.44

Income 2008	Tisunge!	Furnace	Publications	Study fund	Fathers House	Music	Transport	Fixed Costs Foundation	Non-earmarked
5,000.00	5,000.00								
300.00				300.00					
5,000.00	5,000.00								
300.00				300.00					
6,361.94								5,000.00	1,361.94
750.00	750.00								

Total required funds 2008	Tisunge!	Furnace	Publications	Study fund	Fathers House	Music	Transport	Fixed Costs Foundation	Non-earmarked
57,213.89	36,949.50	500.00	7,100.00	1,200.00	500.00	300.00	2,000.00	8,664.39	0.00

Total existing budget 2008	Tisunge!	Furnace	Publications	Study fund	Fathers House	Music	Transport	Fixed Costs Foundation	Non-earmarked
37,849.39	17,358.29	500.00	4,500.00	2,147.13	0.00	0.00	0.00	8,125.59	5,218.38

Funds to be acquired	Tisunge!	Furnace	Publications	Study fund	Fathers House	Music	Transport	Fixed Costs Foundation	Non-earmarked
19,364.50	19,591.21	0.00	2,600.00	-947.13	500.00	300.00	2,000.00	538.80	-5,218.38

Annex III Cont. - Budget 2008

Project Tisunge!	Budget		Existing Budget		Funds to be acquired	
	EURO	MKw	EURO	MKw	EURO	MKw
Construction						
Water management	47.80		47.80		0.00	
3 Staff houses **	13,500.00		4,000.00		9,500.00	
completion store room	250.00		0.00		250.00	
completion meeting area	600.00		0.00		600.00	
construction water tank	600.00		350.00		250.00	
Travel & communication	400.00		0.00		400.00	
Maize Mill **	4,800.00		750.00		4,050.00	
Decoration walls	1,000.00		0.00		1,000.00	
Furniture	700.00		0.00		700.00	
Stock shop	1,000.00		0.00		1,000.00	
Exposition						
collection artefacts	203.70		203.70		0.00	
					0.00	
Weaving & Spinning						
Weaving area	800.00		800.00		0.00	
Materials	200.00		200.00		0.00	
					0.00	
Tree Plantation						
Set up nursery Tisunge!	300.00		0.00		300.00	
Materials plantation ***	500.00		500.00		0.00	
Bore holes	5,000.00		5,000.00		0.00	
CBO Chigoda ***	800.00		800.00		0.00	
Tree project Nkhomedzi						
Prize money Tisunge! League	100.00		0.00		100.00	
Football kit	1,148.00		1,148.00		0.00	
Unforeseen						
Unforeseen	5,000.00		0.00		5,000.00	
Totaal	36,949.50		13,799.50		23,150.00	

** ICCO/Impulsis has earmarked EUR 8,500.00 for the Maize mill, transformer and one of the staffhousing, provided the Foundation raises the final EUR 2,500.00 to complete the budget

*** A total amount of EUR 4,600.00 has been donated to be spread out over 5 years.

Annex III Cont. - Budget 2008

Project: Roof Kasungu IJzersmeltoven	Budget		Existing Budget		Funds to be acquired	
	EURO	MKw	EURO	MKw	EURO	MKw
Cost of materials	500.00		500.00		0.00	

Annex III Cont. - Budget 2008

Project: Publications	Budget			Existing Budget			Funds to be acquired	
	EURO	MKw		EURO	MKw		EURO	MKw
Land of Fire	1,500.00			1,500.00			0.00	
Dphil Schoffeleers	3,000.00			3,000.00			0.00	
Religion and Dramatization of Life	600.00			0.00			600.00	
In search of truth & justice	2,000.00			0.00			2,000.00	
Total	7,100.00			4,500.00			2,600.00	

Annex III Cont. - Budget 2008

Project: Study fund	Budget			Existing Budget			Funds to be acquired	
	EURO	MKw		EURO	MKw		EURO	MKw
Upon request	1,200.00			2,147.13		-947.13		

Annex III Cont. - Budget 2008

Project: Fathers House	Budget			Existing Budget			Funds to be acquired	
	EURO	MKw		EURO	MKw		EURO	MKw
Plan development	500.00			0.00			500.00	

Annex III Cont. - Budget 2008

Project: Music Van Zanten	Budget			Existing Budget			Funds to be acquired	
	EURO	MKw		EURO	MKw		EURO	MKw
Preliminary cost for publication 2009	300.00			0.00			300.00	

Annex III Cont. - Budget 2008

Transport	Budget			Existing Budget			Funds to be acquired	
	EURO	MKw		EURO	MKw		EURO	MKw
General costs	2,000.00			0.00		2,000.00		
Totaal	2,000.00			0.00		2,000.00		

Annex III Cont. - Budget 2008

Fixed costs Foundation	Budget		Existing Budget		Funds to be acquired	
	EURO	Mkw	EURO	Mkw	EURO	Mkw
Costs Foundation						
websites						
Chamber of Commerce						
bank costs	113.09		113.09		0.00	
Cost compensation	3,000.00		3,000.00		0.00	
Malawiheritage.org	12.50		12.50		0.00	
Cost acquisition of funds	200.00		0.00		200.00	
Congoma: annual fee + preliminary costs	178.80	32,900.00	0.00		178.80	
Antiquities	160.00		0.00		160.00	
Tickets volunteers	5000		5000		0	
Totaal	8,664.39	32,900.00	8,125.59		538.80	