

# TEMWA ANNUAL REPORT & ACCOUNTS 2020



## Temwa

**When communities  
come together.**

**Registered charity no: 1185889**



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# INTRODUCTION

Welcome to Temwa's Annual Report 2020, where we show the impact of what happened when communities came together in Malawi and in the UK in 2020.

Temwa means 'love within a community' in the Tumbuka language and our goal is to harness the power of bringing communities together. We partner with remote hard-to-reach communities in Northern Malawi, empowering local people to end poverty and transform their own futures. We inspire communities in the UK to help bring about this change by supporting our work.

As for everyone, 2020 unfolded very differently from what we had envisaged and planned because of the Covid-19 pandemic. When the first lockdown began, Temwa lost 40% of our predicted income for the quarter overnight with the cancellation of events and festivals, and faced considerable uncertainty. Nevertheless, we are proud of what we were able to achieve by the end of 2020, working together with local governance structures and communities in Nkhata Bay North. Here are just some of the highlights:

- **We were able to divert and raise funds for an ongoing Covid-19 response that has provided PPE and run awareness campaigns in remote communities that have received very limited Covid-19 support from the Malawi government.**
- **We successfully launched our new Temwa Carbon Balance scheme, which exceeded its carbon benefit target by 50% in its first year of operation.**
- **We were able to continue our livelihoods work that has created income and safety nets for families living in poverty, who are affected by the climate crisis and now also facing the new public health emergency of Covid-19.**
- **Our long-running secondary school bursary scheme helped to keep students in school and protected girls from early marriage and pregnancy, despite long Covid-19 school closures**

In the UK, the continued generosity and commitment of our supporters from local businesses, individuals, trusts and foundations, artists, creative agencies and experts have been more important than ever during this unprecedented time. With so many charities being forced to close as a result of funding shortfalls during the pandemic, our continued presence was vital for the remote, vulnerable communities we support in Malawi. Thank you for your support in helping Temwa survive and making it possible for us to continue our life-changing work. Looking forward, we will continue to work closely with community governance structures for them to become effective and autonomous overseers of our programmes and wider community development. We will work with communities to increase household resilience to increased climate shocks, and expand projects aiming to improve community literacy, stigma-free HIV testing, and water and sanitation. We hope that through existing and new partnerships in the UK and beyond we can help transform lives for communities in one of the poorest countries in the world.

*Jo Hook*  
Co-Founder and Managing Director





# WHEN COMMUNITIES COME TOGETHER: OUR APPROACH





# WHEN COMMUNITIES COME TOGETHER: OUR APPROACH

Nkhata Bay North is an extremely isolated and poor region in Northern Malawi. Living in villages scattered along the lakeshore and uplands, most of the population can only be reached by foot or by boat, and consequently are neglected by limited government services. The majority find it difficult to access education, healthcare, jobs and markets.

Temwa's approach centres around our belief, based on almost 20 years' experience, that communities coming together is the only way to sustainably address problems faced by communities such as those in Nkhata Bay North. Our community-driven approach has three main threads:

- **Helping communities define their own priorities and strategies**

Our Malawi team utilise their community development expertise to facilitate village-level meetings that help communities identify collective goals and aspirations and the steps to achieve them. This work helps communities come together and find ways of addressing the needs of everyone, including traditionally marginalised groups like women, young people and people living with HIV and AIDS. We do not enter into a new project unless there is community commitment and unless community members are contributing something to the project themselves. Giving communities a voice and space to shape their own future means that we learn lessons from previous projects and ensure that new projects we introduce are needed by communities and can be sustained.

- **Recognising the interlinked nature of development challenges**

We have learnt that in an area as poor as Nkhata Bay North a narrow approach focussed on only one sector cannot help the most vulnerable households improve their conditions. For example, improving access to education will not work if poor harvest yields leave children hungry or poor sanitation makes them ill. Instead, we take a holistic approach, identifying the root causes and interlinked nature of the challenges that people face. That is why we run programmes across several sectors, often simultaneously in the same village: we want to ensure that vulnerability in one area of a person's life does not undermine their progress in another.

- **Building the capability of local leadership**

Area and Village Development Committees are locally elected bodies with a mandate to create local development strategies and have a formal say in local government decision-making, including funding. All of our programmes are designed with the consent of these committees. Our aim is to ensure that they have the skills and networks to demand their rights at local government level and that, at the community level, they are listening to all and representative of all. We provide tailored training and support based on the capacity needs of each structure. Supporting Area and Village Development Committees is also central to our exit strategy – by ensuring that communities can become self-reliant and are able to operate independently of Temwa.

# TEMWA'S INTERLINKED APPROACH: THE EXAMPLE OF HEALTH

Temwa supports the improvement of health knowledge and services, as the health of community members is crucial for them to be able to engage in education and productive activities to lift themselves out of poverty. Our experience shows, however, that a well-resourced health centre will have limited impact on the wellbeing of communities if the underlying practical, social, educational and economic problems are not addressed.

## **Nkhata Bay North experiences multiple deprivations, all of which need to be addressed:**

- Lack of basic road and transport infrastructure means that basic health services can be a nine-hour walk away and hence inaccessible for many. The chances of referrals for critical care in major hospitals outside of Nkhata Bay North are extremely limited.
- Limited access to trusted information sources allows misconceptions, myths and stigma to thrive, which means that people cannot make informed decisions about their own health.
- A poorly resourced education system means many cannot read or write and are unable to understand health education messages.
- Cooking on an open fire increases the risks of respiratory and other diseases, particularly among women who are in charge of most domestic duties.
- Reliance on unsafe water sources results in ill health and loss of working and school days to a preventable disease.
- Focus on monoculture farming of staple crops leads to poor diets and nutrition.
- Extreme weather events caused by climate change destroy crops resulting in food shortages and malnutrition, which can also increase child mortality.
- Gender inequality undermines women and girls' ability to learn about or exercise their sexual and reproductive rights.
- Traditional social and cultural norms often result in acceptance of domestic violence, child marriages and teenage pregnancies.
- Capacity gaps in local governance can lead to poor oversight of healthcare provision and lack of action on locally-available solutions, thereby reducing the quality and availability of care.

In the communities in which we work, all of these challenges need to be addressed if we want to see long-term, sustainable improvements in health for the most marginalised people. The harmful consequences of these underlying challenges, especially with regard to sparse health infrastructure, lack of accurate information and the cultural acceptance of child marriages and pregnancies, have become – tragically – more evident during the Covid-19 pandemic.





# OUR COMMUNITY PROGRAMMES



# COMMUNITY AGRICULTURE AND FORESTRY

Around 90% of households in Nkhata Bay North are smallholder subsistence farmers, and almost 60% of the population lives in extreme poverty, with incomes below £0.52 per person per day. Many families do not have a secure year-round food supply. This food and income insecurity can lead to people cutting down trees to clear more land for farming or to sell as firewood or charcoal for basic survival. This leads to soil erosion which, in turn, affects land fertility, water supply and increases the severity of extreme weather events, thereby exacerbating food and income insecurity further.

In 2020, the communities faced the additional challenge of Covid-19, the impacts of which have gone way beyond public health. As many families in Nkhata Bay North depend on small-scale businesses or hand-to-mouth 'piece work' for income, they have struggled to feed themselves as local markets closed due to Covid-19 restrictions.

Temwa's agriculture and forestry programme is helping to improve the resilience of vulnerable families through promoting forest-friendly livelihoods and the sustainable use and management of local natural resources.

## Key Achievements

- 15 Farmer Associations and Community Enterprises are growing in business capacity and diversifying rural livelihoods, increasing the climate and economic resilience of 180 beneficiary families.
- 64,500 trees were planted in 2020, including 18,000 grown under the Temwa Carbon Balance scheme. Launched in early 2020, the scheme has helped balance 2,263 tonnes of CO<sub>2</sub> emissions of our individual and corporate supporters.
- More knowledgeable, skilled and responsive local governance structures are taking steps to lead on natural resource management in their areas, including enforcement of local forest bylaws and implementing their own local development strategies.





# COMMUNITY AGRICULTURE AND FORESTRY

## **Diversified and sustainable livelihoods for disadvantaged households**

Having sufficient income is crucial for families to be able to meet their basic needs. Temwa's support to 15 Farmer Associations and Community Enterprises in 2020 is enabling the participating households to become more resilient to economic and climatic shocks. It helped to mitigate the challenges posed by Covid-19, while building food and income security among the 1,080 people in the benefiting families. Temwa provided tailored training and material support for each Farmer Association, focussing on forest-friendly livelihoods such as baking, beekeeping and the production of crops and livestock. The groups are gradually growing in business capacity, with four groups selling their produce in Mzuzu, the closest big town, while others planned to reinvest their profits. Our livestock pass-on scheme has proven to be an important safety net in times of crises: group members are reporting more varied diets, additional income and improved soil fertility, with some farmers doubling the size of their harvests thanks to organic manure.

## **Improved community stewardship of local natural resources**

The Northern Region of Malawi has the greatest tree coverage in the country, but the trees are being cut down at an alarming rate: since 2000, Nkhata Bay District has lost 22% of its forest. As 90% of rural households here rely on the land for survival, Temwa is helping to combat deforestation. In 2020, the communities planted 64,500 trees. Most of this was for landscape conversion, transforming 25 hectares of bare land into woodland that will be used for timber on a renewable basis. There is high local demand for timber, and farming families are realising that growing, harvesting and replanting trees for construction materials is a sustainable, long-term investment for future income. Out of the total trees planted in 2020, 18,000 were grown under our new Temwa Carbon Balance scheme. The scheme is exceeding its targets, as potential carbon benefits from the trees planted are 50% higher than the total amount of CO<sub>2</sub> emissions that Temwa has committed to balancing since the scheme was launched in early 2020.

## **Improved community watershed management for local energy generation**

Most communities in Nkhata Bay North do not have access to electricity. A mini hydropower station was constructed in Usingini in 2019, and under a sub-award agreement with Practical Action Malawi, Temwa supported community-led watershed management in this area. Activities included buffer zone demarcation, planting of trees along the demarcation and construction of check dams. The aim of this was to ensure an increase in water levels and a constant flow of water in the Zulunkhuni River for uninterrupted power generation.

## **Enhanced local capacity to lead on sustainable natural resource management**

Temwa continues to work in close collaboration with local governance structures, in particular Area and Village Development Committees. They have specific responsibilities vested in them by the Local Government Act, and play a central role in promoting and enforcing the sustainable use and management of local natural resources. We build the knowledge and skills of these committees, based on their needs, so that they can effectively support reforestation and forest-friendly livelihoods in their areas, including the protection of trees through local bylaws. We also ensure that our activities are aligned with their local development plans that we have supported them to develop. In 2020, local governance representatives and chiefs were engaged in all activities and have generously allocated land for some Farmer Associations for communal cultivation and learning.



# COMMUNITY STORIES

## THE STORY OF EDNA KAMANGA

**“Today I am proud to tell the world that I am an influential citizen of Malawi”**

Edna Kamanga is a farmer and mother of four, living in Njiri village. She is proud of herself “because I have contributed to the reduction of carbon in the atmosphere by planting over 1,500 trees”. Charcoal production used to be a common way to earn money in Edna’s village and trees were cut down on a daily basis. Learning about sustainable farming through Temwa, Edna began to understand that she does not have to cut down trees to earn an income. She learnt how to manage tree nurseries and woodlots, sharing her new skills with others too. Edna and her family now enjoy improved food security, thanks to sustainable farming, investment in tree planting and livestock production that also provides organic manure for their fields. Temwa Carbon Balance supports families like Edna’s to engage in sustainable livelihoods that bring them money and food as an alternative to cutting down trees.



## THE STORY OF ESTELLE PHIRI

**“I knew I would benefit a lot in terms of access to food, manure and also money”**

The Chakhola Rabbit Group in Bigha is one of the 10 livestock groups supported by Temwa through our livestock pass-on scheme. Set up in 2018, the group completed the pass-on cycle among its 12 members in 2020 and has also passed on rabbits to the members of the Chiunde Goat Group and Chanjati Pig Group in the same village. The rabbits reproduce frequently and they become a source of income. The money made from selling rabbits means people in the community are able to buy basic household necessities, like soap, maize flour or cooking oil, and to pay school fees and materials for their children. Families also consume rabbit meat, which improves nutrition, while using rabbit manure to fertilise their fields improves soil fertility and increases their crop yields.

One of the group members, Estelle Phiri, told Temwa that her oldest daughter had had to drop out of secondary school because the family could not afford the school fees. Estelle was overjoyed to join the livestock group, and her rabbits have already had 19 offspring. She says: “I knew this was a huge opportunity for my family and the village as a whole. Since I received these rabbits, I can tell you that my family doesn’t lack food. In December 2020, I sold four rabbits and was able to purchase school equipment for my children in preparation for school opening in January.” Estelle is also teaching friends and family how to rear rabbits.





# COMMUNITY HEALTH

One in every six adults in Nkhata Bay North is HIV-positive. The region also suffers from a high prevalence of sexually transmitted infections amongst young people. Waterborne diseases, including bilharzia, diarrhoea and cholera, are common due to the reliance on open water sources, poor sanitation infrastructure and poor hygiene practices. At the same time, healthcare services are inadequate and hard to access due to the area's topography and lack of reliable transport infrastructure. All too often, the community loses citizens to long-term illness and death as a result of poverty, poor levels of knowledge and lack of access to health services.

Temwa's goal is to increase community knowledge and support services around health – allowing community members to better understand and take control of their personal health. Our health programme responds to acute community health challenges in the region, including addressing the devastating impact of HIV and AIDS and improving water, sanitation and hygiene.

While our regular health work ran on a smaller scale and was put on hold for most of 2020, we were able to divert and raise funds for an urgent Covid-19 response. This proved vital since there was no governmental support for personal protective equipment (PPE) or community awareness in Nkhata Bay North to help prevent transmission or to tackle misinformation widely circulating in social media.

## Key Achievements

- Personal protective equipment and awareness campaigns have helped increase knowledge of Covid-19, prevent transmission and protect healthcare workers and community members, while also reducing the prevalence of waterborne diseases.
- Provider-initiated HIV testing and counselling was rolled out at two local health centres in Nkhata Bay North, improving community access to stigma-free HIV testing.
- Beneficiary contributions towards the cost of subsidised water filters were reinvested in improving community health infrastructure in their villages.





# COMMUNITY HEALTH

## **Increased community knowledge about health**

Improved understanding about health issues helps community members make informed decisions about their personal health. It also helps them assess the importance of risk reduction strategies, such as regular HIV testing or Covid-19 vaccines. To support this, Temwa runs awareness-raising activities tailored to each community's needs. When the Covid-19 pandemic first appeared in Malawi in 2020, Temwa launched an awareness campaign about the dangers of the disease and prevention measures. This included daily radio jingles, regular radio talk shows, distribution of 2,000 local-language leaflets, two murals and face-to-face events reaching 1,369 people (64% women) in hard-to-reach communities. Community members have thanked Temwa for helping to bust widely circulating myths and rumours due to the lack of access to trusted information sources.

In 2020, Temwa also strengthened provider-initiated HIV testing and counselling (PITC) approach, as recommended by the WHO, in two health centre areas in Nkhata Bay North. Our awareness events directly reached 1,838 people (including 59% women), increased people's knowledge about the availability of stigma-free HIV testing at the health centres. They also helped allay persistent concerns and made community members feel more comfortable about getting tested.

## **Improved community health services**

The five health centres in Nkhata Bay North are under-resourced and hard-to-access – with some community members living a nine-hour walk away from their nearest centre. Temwa's aim is to improve access to and quality of available health services within these communities. As part of our Covid-19 response in 2020, Temwa trained staff at these five local health centres and local governance on Covid-19. We distributed protective medical equipment, such as masks, gloves, sanitiser and thermometers, which none of the health centres had. Temwa's Malawi staff and volunteers also made and distributed 2,492 reusable masks, set up 38 hand-washing stations and supplied 1,600 bars of soap. Our vital and timely support has helped increase knowledge, prevent transmission and protect health-care workers and broader communities. Based on local clinic data, increased handwashing has reduced the prevalence of other diseases too.

While the Malawi Government has been recommending the use of the provider-initiated HIV testing and counselling approach for some time, many health centres have not adopted this due to lack of skills. Soon after Temwa trained 88 community healthcare officials (48% women) on the approach, we witnessed the number of people tested for HIV almost doubling from October 2019 to March 2020. However, Covid-19 has since temporarily disrupted this service provision. Temwa also supported outreach health clinics visited by 200 people in remote villages, including 120 people tested for HIV.

## **Access to safe and clean water, sanitation and hygiene education**

As many as 80% of households in Nkhata Bay North cannot access clean and safe water for drinking and washing. Combined with poor sanitation facilities, this results in high levels of preventable waterborne disease and occasional cholera outbreaks. Temwa's Water Filter Project now provides access to clean water to over 3,900 people in five villages, reducing waterborne diseases by over 80%. Beneficiaries pay a contribution towards the filters, which is then reinvested in other community health initiatives. In 2020, these funds were reinvested to build three pit latrines at a primary school, while two other villages constructed clinics for under-5-year-olds. These facilities will be able to host other outreach healthcare services too, including mobile HIV testing.



# COMMUNITY STORIES

## THE STORY OF THE CHIWISI VILLAGE

### **“The community can now concentrate on development activities since everyone is healthy”**

Until recently, Chiwisi, a remote community on the shores of Lake Malawi, was badly in need of safe drinking water. Many in the community frequently suffered from waterborne diseases which were often fatal for young children. There is no road and the closest hospital is a three-hour walk away, which meant that many could not access healthcare at all or had to spend a large portion of their income on boat transport to and from the health centre.

In 2018, the community requested to join the Water Filter Project that Temwa had piloted in a nearby village. The water filters were purchased by each household for a subsidised price of 5,000 Malawian Kwacha (about £5 GBP). This significantly reduced cases of waterborne diseases and saved money spent on transport.

The project's benefits, however, go beyond clean water. The beneficiary contributions towards the water filters are reinvested into other community health initiatives. Chiwisi village chose a project they knew would change lives: a health clinic of their own. “We have constructed an under-fives clinic which is currently serving not just our community but also the surrounding area. Our children can grow healthy.” It functions as an outreach clinic where healthcare workers from the main health centres come to provide regular services. Maybe one day they will have a healthcare worker of their own.





# COMMUNITY EDUCATION

In Malawi, significant under-investment in education and high poverty rates mean that one in three adults are illiterate. These challenges are exacerbated in Nkhata Bay North by geographical isolation, inadequate resourcing and extreme poverty. Schools are poorly resourced, teacher-student ratios are high, and pressure to engage in family livelihoods keeps many children out of school. Covid-19 has significantly worsened this situation: prolonged school closures in 2020 from March to October led to an alarming, six-fold increase in teenage pregnancies and child marriages as well as a three-fold increase in school dropout rates among children and youth, compared to the rates in 2019.

Temwa's education programme improves community literacy and reduces barriers to education, while promoting a culture that values education and an inclusive, equal access to it. This is particularly important now to help encourage children and youth from vulnerable backgrounds to continue with their education, despite the challenges they have faced during the pandemic.

## Key Achievements

- Usisya was recognised as one of the best performing education zones nationally, a testament to the effectiveness of Temwa's 24 extracurricular Reading Camps which were attended by 800 learners per week.
- The Usisya Community Library has established itself as a popular place of learning for schoolchildren, with monthly visitors increasing from 247 in 2019 to 350 in 2020.
- Secondary school bursaries enabled 25 vulnerable but gifted students (64% girls) to attend secondary school.
- Up to 25 girls have been staying at a new girls' hostel, constructed by Temwa in 2019, at a local secondary school.





# COMMUNITY EDUCATION

## **Improved community literacy**

Schools in Nkhata Bay North have large class sizes and the poorest children attend primary school only intermittently. Temwa's Community Literacy project focuses on effective, low-cost, extracurricular interventions to boost learners' ability to read and write. At the beginning of 2020, Temwa was supporting 14 after-school Reading Camps attended regularly by about 800 primary-aged learners (57% girls). As distances to the groups are far, the local communities – unexpectedly and independently – decided to establish another 10 groups to reduce distance, improve attendance and reduce group sizes for more effective learning. Although the groups had to close for the rest of 2020 due to Covid-19 restrictions, our approach is proving to work: a nationwide assessment on literacy skills recognised Usisya as one of the best performing education zones nationally and the top one in the district – a success that district officials largely attributed to Temwa's work.

The Usisya Community Library and school libraries established by Temwa also provide readily available educational resources that are helping to create a reading culture and motivating students to learn. Although the Usisya Library had to close for six months due to Covid-19, over 2,000 visitors were recorded in 2020 (including 26% women) – which equates to a higher monthly rate of visitors than in 2019. Over 90% of them were students who are attracted by available curriculum books and a good learning environment, as many of them do not have adequate facilities to study at home. We also provided major material support to refurbish 10 school libraries to improve storage and display of books. While schools were closed, Temwa launched a series of activities to improve parental support to their children's education, and to strengthen local governance ability to identify challenges and find local solutions relating to pupil attendance and performance.

## **Increased access to secondary education for disadvantaged youth**

Secondary school education in Malawi is not free, and the majority of children cannot access it. Temwa's Secondary School Bursary Scheme, launched in 2008, supports gifted but disadvantaged learners who cannot afford to pay for their education. In the 2019-2020 school year, we supported 25 students (64% girls) to attend government-run and private secondary schools. The scheme addresses the financial challenges and hidden costs of education by assisting learners with school and exam fees, stationery, uniforms and travel costs and complementary mentoring support. The Covid-19 pandemic has highlighted the positive impact of the scheme, as teenage pregnancies, child marriages and school dropouts were up to three times lower among bursary students compared to the general student population. The scheme is motivating students, increasing their appreciation of education and ultimately helping to keep them in school.

## **Improved education opportunities for girls and women**

Girls and boys start primary school in Nkhata Bay North in almost equal numbers, but long distances, lack of safe places to stay, poor sanitation facilities and menstruation lead to frequent absences and eventually dropouts among girls. Consequently, women in the region have lower levels of education and functional literacy than men. A girls' hostel, constructed by Temwa in Usisya in 2019, was hosting up to 25 girls, including some of our bursary students, during the periods when schools were open in 2020, easing access to school and providing a safe place to stay. Three Village Reading Groups were also improving literacy and confidence of 44 young women before their temporary closure due to Covid-19.

# COMMUNITY STORIES

## FRANK'S JOURNEY FROM POVERTY TO A MEDICAL SCIENTIST

Frank Nkhwazi is an orphan who lost both of his parents and used to live with his grandparents in Usisya. They were a poor family and, as a gifted student, Frank was selected on Temwa's bursary scheme. While he was still at school, our Managing Director, Jo Hook, once visited his home during a field visit in Malawi. His grandparents talked about how bright Frank was, how he studied all the time and wanted to become a doctor. Frank did very well in his exams, coming in the top 1% of students in the country. The Government of Malawi offered him a bursary place to train to become a doctor, but he needed £200 in order to travel and to set himself up to take up his medical training. Temwa arranged for a donor to pay the £200 needed.

In 2020, we reconnected with Frank when he reached out to thank us for Temwa's support:

**"I just want to take this opportunity to express my sincere gratitude for your support towards my education. I would also like to let you know that I graduated last year as a medical laboratory scientist, and I got my first job in February this year. I am working with Wezi Medical Center in Mzuzu. I am looking forward to working with Temwa in any way possible, especially the Temwa Bursary Scheme, so that we can help other students also achieve their dreams in education."**







**COMMUNITIES  
COMING TOGETHER**



# COMMUNITIES COMING TOGETHER

None of Temwa's work would be possible without our community of supporters in the UK who continue to exceed our expectations with their love, support and fundraising feats.

Despite the unprecedented year we all faced with the impacts of the Covid-19 pandemic, businesses, grant-makers and individuals continued to provide funding, in-kind donations and hours of voluntary effort that were needed to keep the vital work that Temwa does going – thank you!

Here are just a few of the highlights from 2020:

## **You helped us plant almost 20,000 trees...**

through our new Temwa Carbon Balance scheme that you signed up for to balance your travel and organisational carbon emissions.

## **You took on amazing feats...**

by trekking through the Brecon Beacons, taking on a challenge to climb Kilimanjaro (virtually) and by only drinking water for the month of March. You were all truly inspirational!

## **You responded when we asked for help...**

by supporting our 'We Can't Leave Campaign' as we struggled to survive as a charity and helped us continue our work in Malawi despite the loss of income as a result of the Covid-19 pandemic.

## **You showed your commitment...**

by signing up – or continuing to support us – as one of our monthly donors, which provides Temwa with a really important steady income stream that allows us to plan ahead.

## **You had double the impact...**

by donating to our Big Give Christmas Appeal in December, with matched funding from a generous private donor and the Reed Foundation, and raising over £30,000 to support our water, sanitation and hygiene work in two new communities in Malawi.

## **You volunteered...**

at home, in the office, at events, on our Board of Trustees or as one of our Temwa Ambassadors. By giving up your time and energy to Temwa, you really are making a difference and helping us reach even more people.

**So THANK YOU to you ALL from the Temwa team!**





# COMMUNITIES COMING TOGETHER

Finally, we would also like to say a special thanks to some of our key individual, corporate and trust and foundation funders and partners who provided us with support and donations during the year including:

**Tony Johnson**

**Jude Butt**

**Roger Manser**

**Thresholds**

**ArmcoDirect**

**White Label Resources**

**Taxi Studio Ltd**

**Ecolibrium**

**Wells Chiropractic and Osteopathy Centre**

**Charnwood Fencing**

**The Pat Newman Memorial Trust**

**The Big Give**

**British and Foreign School Society**

**Kestrelman Trust**

**Joy Welch Educational Trust**

**Austin Bailey Foundation**

**Joseph and Mary Hiley Trust**

**VC Gangani Welfare Fund**

**Ptarmigan Trust**

**Manglibai Haridas Khiara Trust**

**Maya**

**Safestore**

**The Coles-Medlock Foundation**



# LOOKING FORWARD TOGETHER

Moving into 2021, Temwa, like so many other charities, is still feeling the impact of the Covid-19 pandemic and must continue to adapt both here in the UK and overseas in Malawi in order to navigate through this difficult period.

Our aim will be to build upon the programme and fundraising successes of the past and bring communities in Malawi and the UK together to create positive change. We will continue to do everything we can to keep both our UK and Malawi staff and volunteer teams safe; this is likely to mean more remote working, changes in programme delivery and the provision of vital PPE equipment to our Malawi team and the communities we support.

In line with Temwa's community-driven approach, we will continue to work with local governance structures in Malawi to strengthen their autonomy and expertise in development, advocacy and accountability, so that they are able to deliver basic services and support to the people they represent. Our aim is for the structures we work with to be able to model good practice for neighbouring villages.

With the uncertainty of Covid-19 and increased climate and economic shocks, our programme focus will be on strengthening household and community resilience in Malawi through sustainable livelihoods, while continuing to give UK individuals and businesses the opportunity to balance their carbon emissions through our holistic reforestation scheme. We will also expand our work to improve community literacy, stigma-free HIV testing and counselling, and work with new communities on an expanded water, sanitation and hygiene project.

In both the UK and Malawi, we are working to build new partnerships with specialist NGOs and donors to help make this change happen.

We hope that you can continue to support us on this journey. Fundraise, Give, Volunteer, Partner, and Transform Lives with Temwa. Great things can happen when communities come together!



**When communities come together**

**Get in touch**

**@TemwaUK**

**info@temwa.org**

**Kambe House, 34 Portland Square, Bristol, BS2 8RG**

**+44 (0) 117 287 2892**





# TRUSTEES ANNUAL REPORT & ACCOUNTS

# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

## Objectives and activities

The charity's objectives are as follows:

Objects for communities, individuals and families in rural areas of Malawi:

- 1.** To develop the capacity and skills of members of disadvantaged communities in such a way that they are better able to identify and meet their own needs.
- 2.** To promote sustainable development for the benefit of the public by:
  - a.** the preservation, conservation and protection of the environment and the prudent use of natural resources;
  - b.** the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;
  - c.** the promotion of sustainable means of achieving economic growth and regeneration.
- 3.** To protect and preserve health and to relieve sickness in particular but not exclusively through the provision of free education, counselling, facilities and equipment.

Sustainable development is here defined as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs.”

In order to meet these objectives, the charity delivers activities in Malawi in partnership with Temwa Malawi (see ‘Structure, Management and Governance’ below). The charity's activities are led by our vision, which is of “thriving, inclusive and self-reliant communities throughout Northern Malawi, able to articulate and pursue their needs independently and effectively.”

The charity supports a programme of activities in Northern Malawi. All activities are community-led, based on long-term engagement and capacity-building in the rural communities we work with. The programme covers the following areas:

**Agriculture and forestry.** The charity supports sustainable rural livelihoods, improvement of nutrition and the sustainable use and management of local natural resources through tree planting and strengthened local governance. Although direct food distribution is not a regular part of our work, in situations of severe food shortage the charity has supported direct supply of staple foods.

**Health.** Our health work includes support for communities and individuals affected by HIV and AIDS; water and sanitation initiatives such as supply of water filters and hygiene education; support for communities around Covid-19; and other health awareness and education based on community needs.

**Education.** Our education work supports improvement of community literacy through reading groups and libraries; bursary support for children in secondary schools; and tailored support for girls' education, including community infrastructure such as school toilets and hostel accommodation.



# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

## **Fundraising approach.**

Temwa UK's fundraising is carried out in two ways. Firstly, Temwa's salaried staff carry out fundraising activities including applications to trusts and foundations; approaches to businesses; fundraising events; and appeals for individual donations using social media and conventional media. The charity does not directly solicit donations by cold-calling, door to door appeals or street approaches.

Secondly, volunteers carry out fundraising on Temwa UK's behalf by taking part in challenge events. These volunteers raise funds by informal appeals to friends, family and colleagues.

When volunteer participants in challenge events carry out fundraising on behalf of Temwa UK, the charity provides guidance and support for them to ensure that fundraising activities are appropriate and effective.

Temwa UK does not use professional fundraisers or external fundraising consultants or services.

Temwa UK did not receive any complaints about fundraising activities in 2020.

Temwa UK follows the Code of Fundraising Practice provided by the UK Fundraising Regulator.

To ensure that vulnerable people are protected from intrusive or persistent approaches and undue pressure, Temwa UK does not make direct, unsolicited approaches to members of the public, whether by email, phone, door to door or in public places. Temwa UK only contacts people directly if they have specifically requested to join the charity's mailing list, and they may unsubscribe from this list at any time. The charity manages personal data using a Data Protection Policy that is fully compliant with GDPR. The charity does not attempt to pressure people into making donations by using shocking or upsetting imagery in its appeals, seeking instead to inform and engage potential donors using positive stories that show the energy and potential of the communities that we work with.

## **Financial review**

Temwa UK began 2020 with a transition. Temwa had been operating as a charitable trust since 2003. However, in 2019 the Board of Trustees took the decision to become a Charitable Incorporated Organisation (CIO). A new CIO was therefore established under the name Temwa UK, as a successor charity to the original charitable trust, and on 31st December 2019 the assets, liabilities and contracts of the charitable trust were migrated to the new CIO. The comparative figures for 2019 given in this report are for the UK operations of the prior charitable trust. More details are given in 'Structure, Management and Governance' below.

However, 2020 then emerged as a uniquely challenging year for Temwa UK. The Covid-19 pandemic has had a significant impact across the charity sector, and Temwa UK saw total income fall from £368,618 in 2019 to £306,571 in 2020. The Covid-19 pandemic meant that many public fundraising events were cancelled, with a significant impact on event income. Alongside this, the impact of the pandemic on businesses and livelihoods reduced opportunities for both corporate and individual fundraising.

Temwa nevertheless navigated this challenging environment with some success. A new income stream was developed under the brand Temwa Carbon Balance, offering individuals and businesses the opportunity to balance their carbon emissions by supporting tree planting and associated work in Malawi. Alongside this, the charity was able to draw on considerable support from existing donors, whose generous contributions are very much appreciated.

- Temwa's Carbon Balance scheme performed well and was partly responsible for a rise in corporate income from £36,259 in 2019 to £60,794 in 2020. Much of this new income is likely to be retained as regular monthly or annual donations in 2021.

# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

- Individual donation income held up well as Temwa's existing supporters rallied around and a successful campaign brought in some new individual donors. Individual donations (not including income from fundraising events and before Gift Aid) rose from £107,492 in 2019 to £117,711 in 2020, and within this total there was a significant rise in smaller individual unrestricted donations.
- The cancellation of many fundraising events saw Temwa UK's fundraising event income (before Gift Aid) fall from £74,512 in 2019 to £30,802 in 2020.
- The cancellation of fundraising events significantly reduced staff workload and Temwa was able to take advantage of the UK government's furlough scheme. A total of £31,625 in furlough income was received in 2020 as Temwa placed the majority of staff on furlough through the initial lockdown period from March to June.
- In 2019 Temwa UK made a major bid to FCDO for funding for agriculture and forestry work. This bid was successful and in 2020 work began on pre-project preparations. Unfortunately FCDO froze all grant funding in late 2020 pending a major spending review, following cuts to overseas aid announced by the government.
- Unrestricted reserves rose from £33,719 at the end of 2019 to £57,670 at the end of 2020. This was achieved despite the fall in income, through reductions in staff costs and the removal of event costs.

## **Prior year comparisons**

Temwa UK is a CIO, incorporated as the successor charity to Temwa, a charitable trust, to enable a move from charitable trust to CIO status. Because of this, the financial statements and notes for 2020 do not include prior year comparisons, as this is the first year of operation for Temwa UK.

Prior year comparisons for the Statement of Financial Activities and other key comparisons between Temwa UK and Temwa, the previous charitable trust, are therefore given here.

Please note that the figures given for 2019 do not match those in the 2019 published accounts for Temwa in its previous form as a charitable trust. This is because for the years up to and including 2019, annual accounts were produced showing consolidated figures for Temwa in the UK and Temwa Malawi. The figures given in these accounts all relate to Temwa's UK operations only, to provide a like-for-like basis for comparison.



# STATEMENT OF FINANCIAL ACTIVITIES

## – PRIOR YEAR COMPARISONS

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2020	2020	2020	2019
	£	£	£	£
Income from:				
Donations and legacies	201,418	73,528	274,946	343,047
Other income	31,625	-	31,625	25,571
<b>Total income</b>	<b>233,043</b>	<b>73,528</b>	<b>306,571</b>	<b>368,618</b>
Expenditure on:				
Raising funds	69,843	-	69,843	110,806
Charitable activities	139,249	57,241	196,490	243,368
<b>Total expenditure</b>	<b>209,092</b>	<b>57,241</b>	<b>266,333</b>	<b>354,174</b>
<b>Net income / expenditure</b>	<b>23,951</b>	<b>16,287</b>	<b>40,238</b>	<b>14,444</b>
Net movement in funds	23,951	16,287	40,238	14,444
<b>Total funds carried forward</b>	<b>57,670</b>	<b>22,362</b>	<b>80,032</b>	<b>39,794</b>

• Total income fell by £62,047, as a result of the impact of the Covid-19 pandemic on event, corporate and other income streams.

• Spending on charitable activities only fell by £46,878. Expenditure on charitable activities therefore increased as a percentage of total expenditure. This was a result of the shift away from fundraising events, which require more expenditure on costs than some other forms of fundraising. The charity intends to continue with a fundraising model with less reliance on event income.

• The total funds carried forward increased significantly, providing a considerable gain in financial stability and security for the charity.

# INCOME ANALYSIS

## - PRIOR YEAR COMPARISON

	Unrestricted Funds	Restricted Funds	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Donations and legacies				
Corporate donations	28,100	32,694	60,794	36,259
Individual donations	172,367	1,663	174,030	238,509
Grants	951	39,171	40,122	68,279
Total donations and legacies	<u>201,418</u>	<u>73,528</u>	<u>274,946</u>	<u>343,047</u>
Other income				
HMRC furlough support	31,625	-	31,625	-
Other income	-	-	-	25,571
Total other income	<u>31,625</u>	<u>-</u>	<u>31,625</u>	<u>25,571</u>
Total income	<u><u>233,043</u></u>	<u><u>73,528</u></u>	<u><u>306,571</u></u>	<u><u>368,618</u></u>

- Temwa's Carbon Balance scheme enabled a significant rise in income from corporate donors.
- Although individual donations fell overall, with fundraising events largely impossible because of the Covid-19 pandemic, this was somewhat mitigated by the furlough support that the charity was able to access.
- Grant funding fell as a result of three factors. Firstly, a significant amount of Temwa UK's bid-writing capacity had been tied up in work towards a major FCDO funding bid; this was successful but the grant offer was withdrawn following cuts to FCDO funding. This resulted in a fall in the output of other applications. Secondly, the Covid-19 pandemic forced many grant funders to reassess their funding priorities, giving priority support to existing grantees and reducing funds available for new projects. Finally, staff capacity for grant fundraising was reduced by the absence of some staff on furlough, and a reduction in hours for others as part of the charity's cost management through the pandemic.



# COST OF RAISING FUNDS

## - PRIOR YEAR COMPARISONS

	Unrestricted Funds	Restricted Funds	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Fundraising events	5,390	-	5,390	49,226
Office costs	5,975	-	5,975	4,711
Staff costs	56,005	-	56,005	56,042
Overheads	2,473	-	2,473	827
(office and premises, professional fees)				
Total expenditure	<u>69,843</u>	<u>73,528</u>	<u>69,843</u>	<u>110,806</u>

- Expenditure on raising funds fell significantly. The cancellation of most fundraising events, which generally carry relatively high third party costs, resulted in reduced overall income but generated a slight increase in the return on Temwa's fundraising investment.

- Other fundraising costs were broadly stable.

# CHARITABLE ACTIVITIES

## - PRIOR YEAR COMPARISONS

	Unrestricted Funds	Restricted Funds	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Funding provided for Temwa Malawi	57,227	54,017	111,244	131,628
Charitable activities in the UK:				
Management & Admin	55,854	222	56,076	82,668
Technical support	26,168	3,002	29,170	29,072
Total expenditure	<u>139,249</u>	<u>57,241</u>	<u>196,490</u>	<u>243,368</u>

- Total income fell by £62,047. However, funds transferred to Malawi only fell by £20,384. This was possible thanks to the shift in income streams away from fundraising events with their associated costs.

- The cost of the programme management and technical support provided by Temwa UK for the delivery of charitable activities in Malawi remains relatively high, as Temwa UK is committed to high standards of monitoring, evaluation, reporting, quality control and programme management.

- Some project funding is paid directly to Temwa Malawi and is therefore not included in these accounts. In 2020, the Nick Webber Trust funded education project activities in this way, with total funding of MWK 4,558,223 in 2020 (approx. £4,340). Temwa UK provides management and technical support for all projects funded in this way.



# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

## **Going concern**

Despite the challenges of 2020, Temwa ended the year in a relatively secure position, with unrestricted reserves forecast to remain within the limit set by the Board's Reserves Policy throughout 2021. Having adapted to the restrictions on fundraising imposed by the Covid-19 pandemic, the charity's income streams are forecast to remain secure through 2021.

The trustees therefore feel confident in the charity as a going concern and this report is presented on that basis.

## **Reserves Policy**

In 2020 Temwa operated under a reserves policy set by the Trustees. The policy relates only to unrestricted funds. Restricted funds are held according to the individual funding agreement under which they were provided.

Under this policy, Temwa UK aims to hold funds in reserve for two specific purposes:

1. As a long term contingency fund, to provide a financial buffer in the event of unforeseen circumstances.
2. As designated funds where a project is planned for a specific point in the future, so as to reduce financial uncertainty and spread the cost of larger projects.

No designated funds were held in 2020. Temwa UK maintained a long-term contingency fund, defined in the Reserves Policy as follows:

## **Long-term contingency fund**

The long-term contingency fund is intended for use in situations where an unexpected event or series of events leaves the charity temporarily unable to meet its financial commitments.

If there is a realistic expectation that the situation will be temporary, with sufficient income expected to continue operations and replenish reserves, the trustees may authorise use of the reserves to cover ongoing operating costs.

If the situation is sufficiently severe that the trustees judge that the charity will not realistically be able to continue operating, the reserves should be used to manage the closure of the charity in a way that is compliant with the charity's own constitution and with the framework of charity and employment law.

The charity will aim to hold a long-term contingency fund equal to two months' core UK operating costs.

## **Reserves held**

On 31st December 2020 Temwa held unrestricted reserves of £57,670. Using the definition set out in the Reserves Policy, this sum constitutes five months of core operating costs for the charity, and exceeds the requirements of the policy. However, the charity's income is not evenly distributed across the year and significant income was received in December 2020, pushing up the closing unrestricted reserves; this income was spent on charitable activities within the first quarter of 2021. The Trustees therefore feel that the higher figure held at the close of 2020 is justified under the terms of the Reserves Policy.

# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

## Structure, governance and management

### Move to CIO status

In 2019 the Trustees took the decision to change Temwa's legal status from charitable trust to Charitable Incorporated Organisation (CIO). Under UK law this change must be carried out by creating a successor charity with CIO status; passing all of the existing UK charity's assets, liabilities and contracts to the new CIO; then in due course closing the original charitable trust.

A new CIO was accordingly registered with the Charity Commission under the name 'Temwa UK', and the assets, liabilities and contracts of the pre-existing charity were passed to Temwa UK via a Deed of Transfer and TUPE arrangements for staff. All contracts and commitments were retained unchanged, and the day to day functions of the charity continued without interruption.

The pre-existing charitable trust remained registered with the Charity Commission as a dormant shell entity to ensure that any residual obligations could be met, and will be de-registered in 2021.

Because Temwa UK was newly formed as a legal entity at the start of 2020, the financial statements contained in these accounts do not show prior year comparisons. Key prior year comparisons are instead shown in this report.

### Public Benefit

The Charity has complied with the public benefit requirement in accordance with Section 17 of the Charities Act 2011. The Charity Commission in its Public Benefit Guidance requires that key principles be met in order to show that an organisation's aims are for the public benefit. Firstly, there must be an identifiable benefit, and secondly, the benefit must be to the public or a section of the public.

Temwa UK promotes the development of communities in the area of Nkhata Bay North, in Northern Malawi. To provide public benefit to these communities, Temwa UK works to protect and preserve health, relieve hardship, and advance public education through delivery of community-led training and education programmes.

While Temwa UK works to benefit every member of the communities, projects are specifically aimed at reaching vulnerable families, such as those affected by HIV and AIDS, female- and child-headed households and families hosting orphans.

### Governance and Management

Temwa UK is administered by a Board of Trustees which meets quarterly, or more frequently when circumstances demand. The Trustees have final responsibility and oversight for the charity's operations. All new trustees go through a recruitment process and are selected with a view to ensuring that the Board has an appropriate balance of experience relevant to Temwa's operational requirements. All trustees give their time voluntarily and receive no benefits from the charity.

Temwa UK works in partnership with an independent Malawi-based charity, also called Temwa and referred to hereafter as Temwa Malawi. Temwa Malawi is registered with CONGOMA and the Malawi NGO board as an independent NGO, administered by a Board of Trustees, chaired by Dr CAPS Msukwa. The Malawi board is made up entirely of Malawi nationals. The UK and Malawi boards work in close partnership, with regular contact between board chairs and other board members to ensure strategic and operational alignment between the two organisations.

Temwa UK's day to day management is carried out by a staff team led by Jo Hook, the Managing Director. Key operational roles are carried out by a senior management team. Within the Temwa partnership, Temwa UK focusses on fundraising and providing technical support.



# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

The salaries and benefits for key management personnel are approved by the Board of Trustees, using comparative figures from the UK charity and international development sectors to ensure that the charity balances value for money against the need to recruit and retain an experienced staff team.

Temwa Malawi's day to day management is led by the Programme Director, Kondwani Botha, who leads a team of Malawi nationals, many with strong connections to the rural communities of Northern Malawi in which Temwa operates. Within the Temwa partnership, Temwa Malawi focusses on project development, delivery and reporting, including monitoring and evaluation.

## **Equality and Diversity Policy**

Temwa believes that by accessing, recruiting and developing talented staff from the widest possible pool, we can gain insight and understanding as an organisation. It is important therefore for Temwa within Malawi that it provides employment opportunities for capable individuals within the communities we work in. This provides the organisation with a unique cultural and material understanding of the region where we work.

## **Risk Management**

The trustees have a duty to identify and review the strategic, business and operational risks that the charity is exposed to, and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. In order to achieve this, trustees and the senior management team undertake an annual assessment of the risks that the organisation is exposed to.

The trustees have identified the following as the risks that the charity faces that present the most severe residual threats despite mitigating measures having been taken. Key mitigating measures are described for each risk.

- The risk that actual income does not meet forecasts, forcing a reduction in staffing and / or charitable activities. The finance and fundraising team carry out regular reforecasting, fundraising pipeline analysis and fundraising strategy reviews.
- The risk of cash flow issues arising from irregularity of income caused by the Covid-19 pandemic. The Reserves Policy is being carefully adhered to, and cash flow is subject to close monitoring and forecasting.
- The reduced opportunities for fundraising as a result of the Covid-19 pandemic. The UK staff team and fundraising strategy have been restructured to mitigate this risk and new approaches to event fundraising are in development.
- The risk that the context in which the charity operates has been sufficiently changed by the Covid-19 pandemic as to render current strategic planning obsolete. A Business Plan for 2021 was developed to provide short-term strategic plans, and a new long-term Strategic Plan is due to be finalised in June 2021.
- The risk of loss of key staff in the Temwa Malawi team. Work is being carried out to support retention including salary reviews and funding for staff training and development.
- The risk that uneven and unpredictable income disrupts long-term projects in Malawi. Where necessary, unrestricted funds or short term restricted funds are being used to provide bridge funding, enabling long term projects to continue despite gaps in specific funding.
- The risk that a member of staff, volunteer, trustee, contractor or partner organisation employee commits a safeguarding offence while working with beneficiaries in Malawi. A Safeguarding, Child Protection and Sexual Exploitation Policy is in place and training is given for all UK and Malawi staff, trustees and volunteers. Reporting systems are subject to regular review and a due diligence process for potential partner organisations is in use.

# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

## Financial management

The trustees aim to secure strong financial management of its finances in the following ways:

1. Quarterly reports are provided to the Board on the overall financial position of Temwa and its financial prospects for the following 12 months.
2. More regular reports are provided to the Board where required – for example, in response to the challenges caused by Covid-19.
3. A Finance and Systems Manager manages Temwa UK's finances on a day to day basis. The post is currently held by Joe Evans, an experienced finance manager with a track record in finance and business management in the private, public and charity sectors.
4. Regular reviews and updates are carried out on systems, policies and procedures to ensure they are fit for purpose.
5. Direct financial oversight of Malawi finances by the Temwa Malawi Board is supplemented by regular review by the Temwa UK office.
6. An individual trustee with strong finance experience is assigned the role of Finance Lead on the Board. This post is currently held by Rob Booth, a qualified chartered accountant with senior financial management experience in the charity sector.

## Reference and administrative details

Temwa UK is registered as a Charitable Incorporated Organisation with the Charity Commission for England and Wales and with Companies House.

Charity registration number 118 5889

Company registration number CE019247

The charity's principal office and registered address is:

Temwa  
Kambe House  
34 Portland Square  
Bristol  
BS2 8RG

[www.temwa.org](http://www.temwa.org) / [info@temwa.org](mailto:info@temwa.org) / 0117 287 2892

Trustees during the year and since the year end

Richard Potter (Chair)  
Clare Bishop  
Anne Evans  
Robert Booth  
Rachel Haynes  
Sheena Wynne  
Sophie Elson  
Mary Maybin



# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

## **Bankers**

HSBC  
27 Gloucester Road North  
Filton  
Bristol  
BS7 0SQ

## **Independent examiner**

Michael Strong FCA CTA  
Saffery Champness  
St Catherine's Court  
Berkeley Place  
Clifton  
Bristol  
BS8 1BQ

## **Exemptions from disclosure**

The charity has not withheld any information from this report under the exemptions from disclosure permitted by the Charity Commission and Charity SORP.

## **Funds held as custodian trustee on behalf of others**

The charity does not act as a custodian trustee on behalf of any other entity.

## **Trustees' Responsibilities Statement**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales/Northern Ireland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:


- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

Approved by the Trustees on .....22/05/2021.....

and signed on their behalf by

Signed..........

Signed.....

Date.....20/08/2021.....

Date.....20/08/2021.....

Rob Booth, Treasurer

Rich Potter, Chair

## **Independent examiner's report to the trustees of Temwa UK ('the Charity')**

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2020.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 ("the 2011 Act") and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts (under Section 145 of the 2011 Act);
- Follow the procedures laid down in the General Directions given by the Charity Commissioners under Section 145(5)(b) of the 2011 Act; and
- State whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:



# TRUSTEES' ANNUAL REPORT AND ACCOUNTS

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- 1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
- 2. the accounts do not accord with those records as required by the 2011 Act; or
- 3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Name: Michael Strong FCA CTA

Address: Saffery Champness, St Catherines Court, Berkeley Place, Bristol, BS8 1BQ.

Date.....

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31ST DECEMBER 2020

		Unrestricted Funds	Restricted Funds	Total
		2020	2020	2020
	Notes	£	£	£
Income from:				
Donations and legacies		201,418	73,528	274,946
Other income		31,625	-	31,625
Total income	1	<u>233,043</u>	<u>73,528</u>	<u>306,571</u>
Expenditure on:				
Raising funds	2	69,843	-	69,843
Charitable activities	3	139,249	57,241	196,490
Total expenditure		<u>209,092</u>	<u>16,287</u>	<u>266,333</u>
Net income / expenditure		<u>23,951</u>	<u>16,287</u>	<u>40,238</u>
Net movement in funds	4	23,951	16,287	40,238
Total funds transferred on incorporation		<u>33,719</u>	<u>6,075</u>	<u>39,794</u>
<b>Total funds carried forwards</b>		<b><u>57,670</u></b>	<b><u>22,362</u></b>	<b><u>80,032</u></b>



# BALANCE SHEET AS AT 31ST DECEMBER 2020

		Unrestricted Funds	Restricted Funds	Total
		2020	2020	2020
	Notes	£	£	£
Current Assets				
Debtors	6	23,376	7,348	30,724
Cash at bank and in hand		38,914	15,014	53,928
Current Liabilities				
Creditors: amounts falling due within 12 months	6	4,620	-	4,620
Net Current Assets		57,670	22,362	80,032
Total Assets		57,670	22,362	80,032
less current liabilities				
Net Assets		57,670	22,362	80,032
Funds				
<b>Unrestricted funds</b>				<b>57,670</b>
<b>Restricted funds</b>				<b>22,362</b>
<b>Total funds</b>				<b>80,032</b>

The financial statements were approved by the Board of Trustees on 22/05/2021  
and were signed on its behalf by:

..... R Booth

..... R Potter

# NOTES TO THE FINANCIAL STATEMENTS

**For the year ending 31st December 2020**

## **1. Accounting policies**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, the Charities Act 2011, FRS 102 and the Charities Statement of Recommended Practice (FRS 102, 2019).

The charity is a public benefit entity as defined under FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

## **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

## **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

## **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles and equipment	25% straight line
------------------------------	-------------------

## **Taxation**

The charity is exempt from tax on its charitable activities.

## **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.



# NOTE 1: INCOME ANALYSIS

	Unrestricted Funds	Restricted Funds	Total
	2020	2020	2020
	£	£	£
Donations and legacies			
Corporate donations	28,100	32,694	60,794
Individual donations	172,367	1,663	174,030
Grants	951	39,171	40,122
	<hr/>	<hr/>	<hr/>
Total donations and legacies	201,418	73,528	274,946
Other income			
HMRC furlough support	31,625	-	31,625
	<hr/>	<hr/>	<hr/>
Total other income	31,625	-	31,625
	<hr/>	<hr/>	<hr/>
<b>Total income</b>	<b>233,043</b>	<b>73,528</b>	<b>306,571</b>

# NOTE 2: COST OF RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Total
	2020	2020	2020
	£	£	£
Fundraising events	5,390	-	5,390
Office costs	5,975	-	5,975
Staff costs	56,005	-	56,005
Overheads (office and premises, professional fees)	2,473	-	2,473
<b>Total expenditure</b>	<b>69,843</b>	<b>-</b>	<b>69,843</b>



# NOTE 3: CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total
	2020	2020	2020
	£	£	£
Funding provided for Temwa Malawi	57,227	54,017	111,244
Charitable activities in the UK:			
Management & Admin	55,854	222	56,076
Technical support	26,168	3,002	29,170
<b>Total expenditure</b>	<b><u>139,249</u></b>	<b><u>57,241</u></b>	<b><u>196,490</u></b>

# NOTE 4: MOVEMENT IN FUNDS

Fund	Source of funds	Balance transferred on incorporation	Income	Expenditure	Closing balance
		£	£	£	£
<b>Funds supporting agriculture, forestry and food projects</b>					
Agriculture 2020	Individual donors	-	7,500	4,905	2,594
Kestrelman Trust		-	20,000	16,826	3,174
Temwa Carbon Balance	Individual and corporate donors	1,039	23,195	14,572	9,662
<b>Funds supporting education projects</b>					
British Foreign Schools Society		-	8,170	4,358	3,812
Joy Welch Trust		-	1,000	1,000	-
Ptarmigan Trust		-	1,000	1,000	-
Souter Charitable Trust		-	3,000	3,000	-
Pat Newman Trust		3,000	-	3,000	-
School Bursary Scheme	Individual donors	16	198	-	214
<b>Funds supporting health projects</b>					
Austin Bailey Trust		-	1,000	1,000	-
Covid-19 support	Individual donors	-	5,000	2,846	2,154
Mercury Phoenix		2,000	-	2,000	-
<b>Funds supporting other projects</b>					
Total other funds	Various donors	20	3,465	2,731	753
Unrestricted funds	Various donors	33,719	233,043	209,095	57,667
<b>Totals</b>		<b>39,794</b>	<b>306,571</b>	<b>266,333</b>	<b>80,032</b>

# DETAILS OF FUNDS

## Details of funds

The **Agriculture 2020** fund is a restricted fund, funded by individual and corporate donors who wish to support projects and activities relating to sustainable agriculture and livelihoods.

The **Kestrelman Trust** has provided grant funding to support projects in agriculture, forestry and sustainable livelihoods.

**Temwa Carbon Balance** is a restricted fund, funded by individual and corporate donors who wish to balance their UK carbon emissions by supporting tree planting and other activities in Malawi.

**The British and Foreign Schools Society, the Joy Welch Educational Charitable Trust, the Ptarmigan Trust, Souter Charitable Trust** and **Pat Newman Memorial Fund** have provided grant funding for community literacy projects in rural villages.

The **Secondary School Bursary Scheme** allows individual UK donors to contribute towards the school fees and other educational costs for individual children in Malawi.

The **Austin Bailey Foundation** provided grant funding to support water, sanitation and health work in rural communities.

The **Mercury Phoenix Trust** has provided grant funding to support education and public health activities relating to HIV/AIDS.

The **Covid-19 Support fund** is a restricted fund, funded by individual donors who wish to support projects, resources and activities aimed at reducing the spread of Covid-19 in rural communities, and at supporting those who have been affected by the disease.

The **other funds** referenced in the table above are a number of smaller donations made by individual donors that are restricted to specific projects or activities.



# NOTE 5: STAFF REMUNERATION

Staff costs	£
Salaries	117,246
Social security costs	4,381
Pension contributions	3,510
Total staff costs	<u>125,137</u>
Number of full time staff employed in 2020	1
Number of part time staff employed in 2020	5

## **Remuneration and benefits received by key management personnel**

The Trustees delegate day to day management of charity operations to the Managing Director.

The Managing Director was paid a total salary of £20,522 in 2020.

No Trustee's remuneration or other benefits were paid, and no expenses were reimbursed to Trustees, in the year ended 31 December 2020.

## NOTE 6: ANALYSIS OF DEBTORS AND CREDITORS

<b>Debtors</b>	31st Dec 2020
	£
<b>Debtors: amounts falling due within one year</b>	
Trade debtors	4,640
Other debtors	17,996
Prepaid expenses	11,347
Total	<u>30,724</u>
<b>Creditors</b>	31st Dec 2020
<b>Creditors: amounts falling due within one year</b>	£
Taxation and social security	3,842
Other creditors	778
Total	<u>4,620</u>

## NOTE 7: RELATED PARTY TRANSACTIONS

There were no related party transactions in the year ended 31 December 2020.