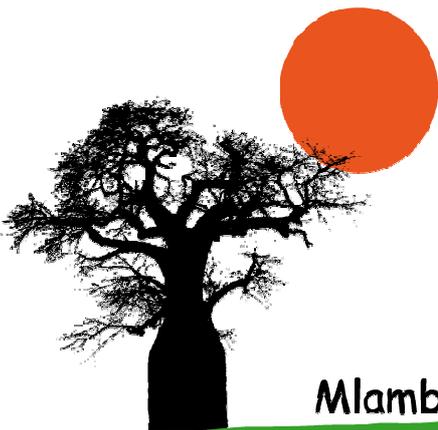


# **Mlambe Foundation Annual Accounts 2010**



**Mlambe Foundation**

Malawi Heritage Conservation through Education

# Content

	<b>Page</b>
<b>Report by the Board</b>	<b>1</b>
Introduction	1
Information about the reporting institution	1
Mission	1
Members of the Board and the Managing Director	1
Honorary Chairman	2
Advisory Committee	2
Committee of Recommendation	2
Appointment of (Legal) Advisor	2
Partners in Malawi	2
Policy	3
Acquisition of Funds	3
Publicity	4
Activities and Projects	4
Future Projects	8
Concluding Remarks	8
<b>Annual accounts</b>	<b>9</b>
Balance sheet	9
Profit and Loss account	11
Explanation of execution costs	13
<b>Explanatory notes</b>	<b>14</b>
Introduction	14
Explanatory notes to the balance sheet	14
Explanatory notes to the profit and loss account	16
<b>Annex</b>	
Budget 2011	17

# **Report by the Board of Mlambe Foundation**

*The fifth fiscal year running from 1 January 2010 through and including 31 December 2010*

ON EASTER SUNDAY 2011 THE SAD NEWS REACHED US THAT OUR HONORARY CHAIRMAN PROF. DR. J.M. SCHOFFELEERS S.M.M. PASSED AWAY. THE FOUNDATION OWES HIM A LOT AND WE WILL MISS HIM AND HIS INSPIRATION DEARLY. THIS FINANCIAL REPORT IS DEDICATED TO HIS MEMORY.

## ***Introduction***

This annual report, including the annual accounts and the budget, has been approved by the board of Mlambe Foundation on the 5<sup>th</sup> September 2011.

## ***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 this objective 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.

The projects set up or supported by the Foundation make use of the Malawian heritage in the structural fight against poverty (see Activities and Projects).

## ***Members of the Board and Managing Director***

In 2010 there has been a change in the board due to the resignation by Mr. Ben Bakker. This resignation was accepted by the board effective 29<sup>th</sup> June 2010. The Board furthermore appointed two new board members – Wouter de Ridder and Heather Kurzbauer - in its meeting held on the 29<sup>th</sup> June 2010. On the 25<sup>th</sup> of August 2010, the board (through a written resolution) appointed Bas Oldenburg as a member of the Board. The amendments have been registered with the Chamber of Commerce.

### *Board in 2010*

Drs. J.A. Welling (chairman)

Drs. H.W. Bakker (secretary)

Mrs. Dr. Y.M.J. Lammers-Keijsers (treasurer)

Mr. P.B. Bakker (member) (resigned effective 29<sup>th</sup> June 2010)

Drs. W. de Ridder (member) (as per the 25<sup>th</sup> June 2010)

Mrs. H. Kurzbauer (LLM) (member) (as per the 25<sup>th</sup> June 2010)

Drs. B. Oldenburg (member) (as per the 25<sup>th</sup> August 2010)

### *Managing Director*

Drs. M. Welling

### *Legal Advisor*

Mrs. Dr. L.F.A. Welling-Steffens

### ***Honorary Chairman***

In 2005 the Board 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 dissemination of knowledge concerning 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 the country. His many publications and his teaching as lecturer and, later as professor of Anthropology, in Malawi and subsequently in the Netherlands (at the Free University of Amsterdam and the University of Utrecht), have been essential for the national and international recognition of the value and diversity 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 4<sup>th</sup> 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, 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 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 4<sup>th</sup> September 2005 and has the following five members: Mrs. Dr. E. Gmani, Director for Culture, Malawi; Mrs. M. Sacranie, Dutch Consul in Malawi till November 2010, Prof. Dr. R.M.A. Bedaux, former Curator for Africa of the National Museum of Ethnology, Leiden, emeritus Professor of Archaeology/Anthropology, Faculties of Archaeology and Social Sciences of the Leiden University; Prof. Dr. R. van der Ploeg, former Dutch Secretary of State of Culture, former 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, writer, *graecus*.

### ***Partners in Malawi***

Mlambe Foundation collaborates with the Department of Culture of the Malawian Government, the Department of Anthropology of de Catholic University of Malawi, and the Lower Shire Heritage Trust.

### ***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 are 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: information and education in respect of the Foundation's mission and projects, both in the Netherlands and Malawi; acquisition of funds; supervision of the projects in Malawi; and execution costs for the sale of (used) goods;.

In 2010 no other board members or other officers of the Foundation received compensation.

### ***Acquisition of Funds***

#### *Donations in cash*

In 2010 the Foundation did not receive any grants, but did receive many spontaneous gifts. We continue to receive generous donations for the Study and Education Fund to specifically support Anthropology and History students in Malawi. The Foundation is further funded by several periodical donors. In addition, the Foundation is still participating in the so called *association programs* of Amazon.com, Amazon.co.uk, Amazon.fr, Amazon.de, Bol.com and Barnes&Noble.com. These programmers guarantee a 5% share of all sales generated through the Foundation's website.

#### *Donations in kind*

Effective per the 1<sup>st</sup> of January 2009 all donations in kind have been donated directly to the Lower Shire Heritage Trust (LSHT), a local Malawian trust that has, effective the same date, taken over the management of Tisunge!. The registration of LSHT became effective at the beginning of 2009 (see further below).

### ***Publicity***

In Malawi, Mlambe Foundation received a fair amount of publicity in the aftermath of the TVM award for cultural heritage preservation that was handed to the managing director in December 2009. Besides reruns of the ceremony on local television, it was also broadcast through satellite TV by African Magic. In the Netherlands publicity was raised through participation in the Africa Festival in Hertme. The website has further been professionalized and will be launched in 2011.

## ***Activities and Projects***

In 2010 the Foundation maintained and initiated the projects below. All projects were carried out in Malawi (except the fundraising activities that have mainly taken place in the Netherlands). The managing director of the Foundation supports and carries out the projects locally since 2006, in cooperation with the (former) treasurer and current Legal Advisor Lilian Welling-Steffens.

### *Lobby*

In 2010 the Foundation continued to lobby for the preservation of cultural heritage with several governmental and non-governmental authorities.

### *Publications*

The Foundation aims to broaden the knowledge of the cultural heritage of and within Malawi by the republishing of several older publications.

### *The progress of Tisunge! Lower Shire Heritage Centre.*

#### General information

'*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 southernmost 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.

With the aid of Department of National Parks & Wildlife, Royal Netherlands Embassy (Zambia), *Impulsis* (ICCO), WWF (Netherlands) and many private donors, by the end of 2010 the following buildings, other than the external decorations, have been completed: the exhibition building, the arts and craft shop, the ablution block, 2 offices, the library, the repository, the sheltered weaving area and the meeting room. A double staff house and a manager's house are nearly completed. Further funds are needed for the septic tanks and some painting and fittings. A maize mill building has been completed with funding from the Dutch embassy. The mill, which is hoped to bring a steady flow of revenue, still awaits electricity connection and is therefore not yet operational. The Foundation has therefore needed to increase its financial support to overcome this setback. The library and arts and craft shop are in operation. The arts and craft shop sells local products. In addition to the weaving products, these are different types of baskets, woodcraft and food items.

### The Lower Shire Heritage Trust

The Lower Shire Heritage Trust is a Malawian partnership between the Foundation, Jambo Africa Ltd., the Department of Culture and the Department of National Parks and Wildlife of the Ministry of Tourism, Wildlife and Culture, paramount chief Lundu, Traditional Authority Chief Chapananga and African Parks (Majete) Ltd. The Lower Shire Heritage Trust continues to manage Tisunge! Lower Shire Heritage Centre. The managing director of Mlambe Foundation continues to be chairman of the Board of Governors of the Trust. The Foundation continues to support Tisunge! through the Trust and in 2010 donated EUR 6,089.81 to the Trust for Tisunge! and provided an amount of EUR 3,270.87 as a loan. The Trust is to report to the Board on the spending of this money which was meant for tree projects, operational expenditure and small projects including the commemoration of the 40<sup>th</sup> anniversary of the Lundu paramountcy. A project manager has been placed at Tisunge! to oversee implementation and the day to day running of Tisunge! in order to reduce reliance on Mlambe volunteers. The Financial Report reflects the donations made by the Foundation to the Trust. The detailed annual accounts of the Trust can be distributed to those interested.

### Weaving and Spinning

The traditional weaving continues to be a success. The weaving and the spinning continue to be a very considerable source of income for those involved. The sale of the shop keeps improving and the shop is now sustaining itself. However in order to be make a bigger impact more attention needs to be paid to product development and marketing. A reliable market needs to be found overseas.

### Trees

The tree plantation at Singano Village is doing very well and the plantation currently comprises 18,000 trees. The CBO Chigoda is also continuing with the nursery and so we can expect the plantation to show a steady growth. In this financial year around several schools participated in re-forestation projects with indigenous trees.

### Exhibition

In 2010 a temporary exhibition has been set up in the museum building and tours of Tisunge! have been offered to visitors – both international and local. The actual exhibit shall be set up in 2011 with the assistance of two volunteers from the Reijwardt Academy in Amsterdam, who will join us at Tisunge! for their final year attachment.

### Volunteers

In 2010, through the Foundation, Tisunge! has welcomed many volunteers from the Netherlands and Malawi. All have worked very hard and the volunteers have been instrumental in the progress that Tisunge! has made in 2010.

### *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. This iron smelting furnace however suffers from erosion due to the weather conditions and needs to be protected with a shelter in order to maintain it. The Foundation has already found some funding to do so. A conservation plan has been drafted which awaits approval from the Department of Antiquities. We would further need volunteers to help construct the shelter or additional funds to employ a contractor.

### *Website Malawiheritage.info*

The Foundation has reserved this domain to establish an informative and educational website in the future. In the mean time the Tisunge! website was placed here. This website is to move to a separate domain in 2011. The annual costs of the domain (14.88 Euro) have been included in the balance sheet as fixed annual costs under the heading *working fund assets*.

### *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.

In 2010 the Foundation supported 7 students in paying their tuition fees for the Catholic University of Malawi, thanks to several ear-marked donations. One of the students graduated in September with excellent marks and has since been selected to be one of five African representatives in a high profile global event in Oslo. As these donations are guaranteed for the coming years, the Foundation is sure to continue this type of support in the future. In return the students do valuable work for Tisunge! in their spare time.

One CUNIMA History student received funds towards the costs of his Bachelor research project on gender and cotton production in the Chikhwawa while operating from Tisunge!

The Anthropology Club of the Catholic University of Malawi was assisted in organising the second Cultural Day at the university. The festival included a lively display of traditional dances, games and food. At its opening the university Vice-Chancellor pledged financial support for future editions.

On the 31<sup>st</sup> of December 2010 there is EUR 570.44 in the Study and Education Fund.

### *Books*

Many books donated by the Africa studies Centre, Leiden, and from the collection of the late Prof. Dr. G. Nurse have arrived in Malawi. Many have been distributed between Tisunge! and the Catholic University of Malawi. Many more await donation till the completion of the new Catholic University of Malawi library, given the lack of space at the current facility.

### *Zomba Colonial Heritage*

In 2009 the Foundation made a small first step towards a new project Zomba Colonial Heritage. Zomba was the capital of Nyasaland in colonial times. When Nyasaland/Malawi became independent the capital was moved to Lilongwe and Zomba has maintained the feel of the old colonial capital. Many of the beautiful old colonial buildings are however in a dire state and in desperate need of restoration and renovation. In 2009 the Foundation enlisted the help of the Anthropology department of the Catholic University of Malawi to start making an inventory of the colonial buildings in Zomba and their history. In the coming years the Foundation hopes to be able to solicit local support for the restoration of these buildings and the development of historical tours through Zomba. In 2010 there was no funding for this project so the Foundation has put it on hold to continue in 2011. However, for its awareness campaign, the Foundation purchased several copies of a KIT publication regarding a similar project in Elmina.

### ***Future Projects***

From 2011 onwards, the ongoing support and finalisation of the above-mentioned projects is the first and foremost goal 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). This project has been complicated by new constructions around it by the local parish.
- The publication of the Malawian edition of *Mang'anja Traditional Religion* and other re-prints of works by Prof. Schoffeleers.

For the required and existing budget the board refers to the attached Budget 2010.

### ***Concluding remarks***

In its fifth financial year the Foundation has continued its trend and has achieved a lot. Despite the abovementioned delays the projects are extremely successful. The Board is convinced that the self sustainability of the projects can be attained. This is mainly due to the large support the projects receive from communities in Malawi and the recognition by Malawi government. Culture is slowly obtaining a place in Malawi's development agenda. Mlambe Foundation as an international NGO has shown it has a part to play in this process. It manages to do so with the help of many local and international volunteers who bring their expertise and dedication to our projects. 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 – 5<sup>th</sup> fiscal year from 01-01-2010 to 31-12-2010

### Balance Sheet

	31 December 2010	31 December 2009
<b>Assets</b>		
<i>Intangible assets</i>	0.00	0.00
<i>Tangible assets</i>		
Assets	0.00	0.00
directly used for the projects	<u>839.23</u>	<u>839.23</u>
	839.23	839.23
<i>Financial assets</i>		
Loans and advances	0.00	0.00
Loans and advances in relation to the projects	<u>4,314.47</u>	<u>2,660.31</u>
	4,314.47	2,660.31
<i>Investments</i>	0.00	0.00
<i>Stock</i>		
Working stock	0.00	0.00
directly used for the projects	<u>1,000.00</u>	<u>1,000.00</u>
	1,000.00	1000.00
<i>Receivables</i>	0.00	0.00
<i>Cash</i>	2,991.12	13,228.60
<b>Total</b>	<u><u>9,144.82</u></u>	<u><u>17,728.14</u></u>

	31 December 2010	31 December 2009
<b>Liabilities</b>		
<i>Capital</i>		
Non-earmarked capital	3.66	2,919.63
Earmarked capital		
earmarked funds	4,008.12	9,773.65
project assets fund	4,863.04	4,854.11
company assets fund	<u>270.00</u>	<u>180.75</u>
	9,141.16	14,808.51
<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
<b>Total</b>	<u><u>9,144.82</u></u>	<u><u>17,728.14</u></u>

# Profit and Loss Account

## Acquisition of Funds

01-01-2010 t/m 31-12-2010

### *Proceeds arising out of acquisition of funds*

Collection 63.00  
Mailings 0.00

Contributions and donations 10,085.00  
Contributions and donations in kind 0.00  
Inheritances 0.00  
Lotteries 0.00  
Other 3.81

10,151.81

### *Costs of acquisition of funds*

(in)direct costs of acquisition 265.75  
execution costs 200.00

465.75

### *(in % of the proceeds of the acquisition of funds)*

4.59%

### **Net proceeds**

9,686.06

### *Proceeds sale of (used) goods*

net turnover 0.00  
Cost 0.00

gross profit 0.00  
execution costs 0.00

net profit

0.00

### **Total acquisition of funds**

*Stake in joint actions*

0.00

*Stake in third party actions*

0.00

### **Available from acquisition of funds**

**9,686.06**

*Subsidies governments and others*

0.00

*Proceeds investments*

0.00

*Other proceeds and liabilities*

18,859.29

### **Total available for projects**

**28,545.35**

---

**Expenditure**

---

01-01-2010 t/m 31-12-2010

---

**Spent on the projects***Information/Education*

Own activities	500.00
granted subsidies	0.00
execution costs	0.00
	<hr/>

500.00

*The Netherlands*

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

0.00

*Abroad*

projects managed by foundation	16,600.53
granted subsidies	0.00
execution costs	2,300.00
	<hr/>

18,900.53

**Total spent on projects**19,400.53

---

---

*Surplus/deficit has been added  
to/subtracted from*

Earmarked funds	9,141.16
Non-earmarked capital	3.66
	<hr/>

9,144.82

---

---

## Explanation of execution costs

### Division of costs over projects

	Project Tisunge!	Information	Acquisition of Funds	Total fiscal year 2010
Travel/accommodation expenses	0.00	0.00	0.00	0.00
Managing costs	0.00	0.00	0.00	0.00
Cost compensation	2,300.00	500.00	200.00	3,000.00
Printing costs	0.00	0.00	0.00	0.00
<b>Total execution costs</b>	<b>2,300.00</b>	<b>500.00</b>	<b>200.00</b>	<b>3,000.00</b>

# **Explanatory Notes to the Annual Accounts of Mlambe Foundation**

*The third fiscal year running from the 1<sup>st</sup> of January to the 31<sup>st</sup> of December 2010*

## ***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 31<sup>st</sup> of December 2009 the *assets/liabilities* stood at EUR 17,728.14.

On the 31<sup>st</sup> of December 2010: EUR 9,144.82

## **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 by the Foundation, with a value of EUR 839.23, have in 2009 been given on loan to the Lower Shire Heritage Trust for the exhibit at Tisunge! Lower Shire Heritage Centre.

The *financial assets* consist of *two loans in relation to our projects* granted to the Lower Shire Heritage Trust for Tisunge! Lower Shire Heritage Centre with a value of EUR 4,314.47.

The first loan was granted in the course of 2008 to buy stock for the arts and craft shop in the amount of EUR 2,043.60. In 2009 the Trust repaid part of this loan in kind (woven cloth see below *stock directly available for the projects*) with a value of EUR 1,000. On the 31<sup>st</sup> of December 2010 the outstanding amount of this loan is EUR 1,043.60.

The second loan, in the amount of EUR 3,270.87 was granted in the course of 2010 awaiting the second tranche of the donation from the Dutch Embassy in Lusaka, Zambia. This loan will be repaid by the LSHT.

The loan that was granted to the LSHT on the 6<sup>th</sup> of May 2008 was repaid in 2010. These funds were subsequently donated for other Tisunge! projects.

Mlambe Foundation does not have any *investments*.

The *stock directly available for the projects* of Mlambe Foundation consists of the arts and crafts received from the Lower Shire Heritage Trust in part repayment of the loan granted to the Trust for the purchase of stock for the Tisunge! shop. These consist of woven cloth (table runners, placemats, potholders, bags, bathmats, wall hangings and rugs). The stock is valued at EUR 1,000.00 at cost. The Foundation will sell this cloth in the Netherlands for fundraising purposes.

Mlambe Foundation has no *receivables* in 2010.

Mlambe Foundation has *cash* in the amount of EUR 2,991.12, divided as follows:

- EUR 1,571.32 on the Foundation's account with ABN AMRO Bank, Amsterdam;

- EUR 790.92 on the Foundation's accounts with ASN Bank. One of these accounts is designated for the Mlambe Foundation Study- and Education Fund (EUR 608.03 – the actual amount left over in the fund is EUR 609.74). The other account is a savings account (EUR 1,82.89); and
- EUR 628.88 the Foundation holds in petty cash in Malawi (MWK 152,715.00).

### **Liabilities**

The *total capital* of the Foundation on the 31<sup>st</sup> of December 2010 amounts to: EUR 9,144.82.

The *non-earmarked capital* on 31 December 2009 amounts to: EUR 3.66

The *earmarked capital* (EUR 9,141.16) is divided as follows:

- The amount under the heading *earmarked funds* of EUR 4,008.12 has been divided over the following projects:
  - EUR 1,398.38 for the tree plantation in Singano Village under Tisunge! Lower Shire Heritage Centre;
  - EUR 500.00 is earmarked for the iron smelting furnace in Kasungu National Park;
  - EUR 1,500.00 is earmarked for *Land of Fire*; and
  - EUR 609.74 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 2011 (3,000.00 Euro); the fixed costs for the website malawiheritage.info (EUR 23.81); the value of the fixed tangible assets (EUR 839.23); and the value (at cost) of the woven cloth received from the Lower Shire Heritage Trust in repayment of part of its loan (EUR 1,000.00). In total an amount of EUR 4,863.04.
- Under the heading *company assets fund* EUR 270.00 is reflected. These are the following fixed costs over 2011: 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***

De *Proceeds arising out of acquisition of funds* in the third fiscal year derive from four sources:

- *Collections* that have been held by the Foundation during several functions (EUR 63.00);
- *Contributions and donations* (EUR 10,085.00); and
- *Other proceeds* (EUR 3.81) from YOUBEDO.

The *costs of the acquisition of funds* are the following (EUR 465.75):

- *Indirect acquisition costs*: the costs of taking part in the Africa Festival, Hertme, in July 2010 (EUR 265.75).
- *Execution costs*: the director has spent time in Malawi and the Netherlands on the acquisition of funds. Part of his cost compensation (EUR 200.00) has hence been booked under this heading.

This fiscal year no goods have been sold as a fundraising tool, but would otherwise have been accounted for under that heading. The arts & craft shop of Tisunge! and all its stock has been donated to the Lower Shire Heritage Trust. Hence there have been no proceeds out of the *sale of (used) goods* in 2010.

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

The Foundation has not received any *subsidies* in 2010.

The Foundation did not have any *investments* in 2010.

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

- The management costs of the Foundation have been recorded as a *liability* (EUR 522.98), which includes the costs of printing the annual report 2009.
- The following items have been recorded as *other proceeds* (total of: EUR 19,382.27):
  - The value of the woven cloth for sale as a fundraising tool: EUR 1,000.00;
  - The value of the objects for the exhibition: EUR 839.23;
  - The monies credited to the bank account as per the 1<sup>st</sup> of January 2010: EUR 13,142.67;
  - The monies in petty cash as per the 1<sup>st</sup> of January 2010: EUR 85.90; and
  - The value of two loans granted by the Foundation to the Lower Shire Heritage Trust: EUR 4,314.47 (of which EUR 1,043.60 has been lent in 2009 to buy stock for the arts & craft shop and EUR 3,270.87 has been advanced in 2010 for Embassy projects and is to be repaid by the LSHT).

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

- Projects that the Foundation has financed out of the proceeds of the acquisition of funds and have hence been booked under the heading *projects managed by the Foundation* (EUR 16,600.53), are:
  - Tisunge! Lower Shire Heritage Centre: EUR 9,360.68 of which EUR 3,270.87 in the form of a loan for the Maize Mill and Manager's House. The donated funds were spent on: tree plantation at Singano; General operations of Tisunge!; Paramount Chief Lundu's 40 year Paramountcy Celebration; Tree planting by schools; Fruit Drying; and the Staff House.
  - Mlambe Foundation Study and Education Fund: EUR 7,061.54.
  - Zomba Heritage project: EUR 154.10.
  - Malawi Heritage Website: EUR 23.81
  - The following costs (see also Explanation of Execution Cost) have been booked under the heading *execution costs*: EUR 2,300.00 of the cost compensation paid to the director.

The surplus of EUR 9,144.82 has been added to:

- Under the heading *earmarked funds* an amount of EUR 9,141.16 has been booked, which is divided over the following projects:
  - **EUR 2,237.61** for Tisunge! Lower Shire Heritage Centre. Of that amount EUR 1,398.38 is for the tree project in Singano Village; and EUR 839.23 the value of the objects for the museum.
  - **EUR 500.00** has been earmarked for the roofing of the iron smelting furnace in Kasungu National Park;
  - **EUR 1,500.00** has been earmarked for the publication of *Land of Fire*;
  - **EUR 609.74** is for the Mlambe Foundation Study and Education Fund;
  - **EUR 3,270.00** has been earmarked for the costs of the Foundation (EUR 3,000.00 cost compensation director; and operational costs EUR 270.00);
  - **EUR 1,000.00** has been booked as the value of the woven cloth in part repayment of the outstanding loan to the Lower Shire Heritage Trust;
  - **EUR 23.81** is earmarked to cover the costs of the Malawian Heritage website
- Under the heading *non-earmarked capital* an amount of EUR 3.66 has been booked.

ANNEX: Budget 2011

Annex - Budget 2011 - page 1

Overview of present funds and Budget 2011

Surplus 2010	Operational Costs	Tisunge!	Furnace	Publications	Study Fund	Fathers House	Zomba	Music	Website	Non-earmarked
7,305.59	3,270.00	1,398.38	500.00	1,500.00	609.74	0.00	0.00	0.00	23.81	3.66

Required for 2011	Operational Costs	Tisunge!	Furnace	Publications	Study Fund	Fathers House	Zomba	Music	Website	Non-earmarked
56,423.81	3,270.00	29,400.00	1,500.00	6,000.00	13,000.00	5,000.00	500.00	1,000.00	23.81	0.00

Funds to be Acquired	Operational Costs	Tisunge!	Furnace	Publications	Study Fund	Fathers House	Zomba	Music	Website	Non-earmarked
52,388.22	0.00	28,001.62	1,000.00	4,500.00	12,390.26	5,000.00	500.00	1,000.00	0.00	-3.66

## Annex - Budget 2011 - page 2

<b>Operational Costs</b>	<b>Budgetted</b>	<b>Present Funds</b>	<b>Funds to be acquired</b>
	EURO	EURO	EURO
Costs Foundation websites chamber of commerce bank costs	270.00	270.00	0.00
Cost compensation	3,000.00	3,000.00	0.00
<b>Totaal</b>	<b>3,270.00</b>	<b>3,270.00</b>	<b>0.00</b>

## Annex - Budget 2011 page 3

<b>Project Tisunge!</b>	<b>Budgetted</b>	<b>Present Funds</b>	<b>Funds to be acquired</b>
	EURO	EURO	EURO
Operational costs	6,000.00	0.00	6,000.00
Vehicle	5,000.00	0.00	5,000.00
Tourism development	2,000.00	0.00	2,000.00
Product development	2,000.00	0.00	2,000.00
Exhibition development	10,000.00	0.00	10,000.00
Tree plantation Singano	1,400.00	1,398.38	1.62
Contingent	3,000.00	0.00	3,000.00
<b>Total</b>	<b>29,400.00</b>	<b>1,398.38</b>	<b>28,001.62</b>

## Annex - Budget 2011 page 4

<b>Project: Roofing Kasungu Furnace</b>	<b>Budgetted</b>	<b>Present Funds</b>	<b>Funds to be acquired</b>
	EURO	EURO	EURO
Material and transport costs	1,500.00	500.00	1,000.00

## Annex - Budget 2011 page 5

<b>Project: Publications</b>	<b>Budgetted</b>	<b>Present Budget</b>	<b>Funds to be acquired</b>
	EURO	EURO	EURO
Land of Fire	1,500.00	1,500.00	0.00
Mang'anja Traditional Religion	2,500.00	0.00	2,500.00
In Search of Truth & Justice	2,000.00	0.00	2,000.00
<b>Totaal</b>	<b>6,000.00</b>	<b>1,500.00</b>	<b>4,500.00</b>

## Annex - Budget 2011 page 6

<b>Project: Study Fund</b>	<b>Budgetted</b>	<b>Present Funds</b>	<b>Funds to be acquired</b>
	EURO	EURO	EURO
Sponsored Students	6,000.00	609.74	5,390.26
Upon request	3,000.00	0.00	3,000.00
Building up of fund	4,000.00	0.00	4,000.00
Totaal	13,000.00	609.74	12,390.26

## Annex - Budget 2011 page 7

<b>Project: Fathers House</b>	<b>Budgetted</b>	<b>Present Funds</b>	<b>Funds to be acquired</b>
	EURO	EURO	EURO
Restoration plan development	5,000.00	0.00	5,000.00

## Annex - Budget 2011 page 8

<b>Project: Inventory of colonial heritage of Zomba</b>	<b>Budgetted</b>	<b>Present Funds</b>	<b>Funds to be acquired</b>
	EURO	EURO	EURO
General costs	500.00	0.00	500.00

## Annex - Budget 2011 page 9

<b>Project: Music Van Zanten</b>	<b>Budgetted</b>	<b>Present Funds</b>	<b>Funds to be acquired</b>
	EURO	EURO	EURO
Publication	1,000.00	0.00	1,000.00