

THE NENO MACADAMIA TRUST

**REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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THE NENO MACADAMIA TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2020

The Trustees present their annual report for the period ended 31 December 2020.

OBJECTS

The objects of the Trust are the alleviation of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities, in particular Neno and the adjacent districts in Malawi, Africa, as the trustees may from time to time direct.

PRINCIPAL ACTIVITIES

The principal activities continued to be:

Supporting cooperatives, smallholder nurseries, infrastructure and training facilities, including:

- establishing nurseries, tree planting and tree surveys
- the NESMACSL warehouse and nursery
- the Neno Vocational Training Centre
- cooperative warehouse and individual smallholder drying racks

Facilitating access to resources for the smallholder macadamia industry in Malawi through HIMACUL, including:

- fairtrade certification and securing trade finance
- buying macadamia from farmers (nut in shell)
- sorting, grading and transport to macadamia factory
- fairtrade sales in Europe through Liberation Foods

Developing economic, social and environmental activities delivered by HIMACUL for smallholder macadamia farmers, including:

- agroforestry systems
- environment protection, soil and water conservation
- business planning for rural enterprises
- cooperative training, employment and community development

Focused on the services provided by HIMACUL to smallholders, including:

- elderly farmers growing macadamia as a retirement and inheritance crop
- training and nutrition for children and young people
- rural energy and waste management
- environmental service payment systems

ORGANISATION

The principal office is 42 Harpur Street, Bedford, MK40 2QT.

OFFICERS & COUNCIL MEMBERS

The officers and council members who served during the year were:

Chairman Mr Andrew Emmott

Secretary Dr William Rawes (Appointed 31 July 2019)
Timothy Emmott (Resigned 31 July 2019)

Treasurer Mr John Ascott (Appointed 31 December 2020)
Mr Geoff Taylor (Resigned 31 December 2020)

Trustees Timothy Emmott (Appointed 31 July 2019)
Mr David Ascott
Mr John Ascott (Appointed 7 January 2020, Resigned 31 December 2020)

THE NENO MACADAMIA TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2020

CHAIRMAN'S ANNUAL REPORT FOR 2020

The purpose of our charity is: **The alleviation of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities, in particular Neno and the adjacent districts in Malawi as the trustees may from time to time direct.**

Conditions and needs in Malawi

Famine Early Warning System report for Malawi – November 2020 to May 2021 report is:

<https://fews.net/southern-africa/malawi>

Although crop production was above-average for the country as a whole the southern region produced less than average and there are some districts that will be needing assistance during the hunger period ie: the months up to April. Neno is one of the districts that the Malawi Department for Disaster identified as requiring assistance.

The El Nina rainfall is expected to lead to above average rainfall for the current growing season so there is some hope that the maize crop will be good this year. However, heavier than usual rainfall can lead to flooding and crop damage.

Reliance on rainfed maize production illustrates the vulnerability of smallholder farmers to climate shocks with extreme weather events including drought, floods and increasing diurnal temperature ranges.

During 2020 Malawi has faced a number of significant additional challenges including the COVID-19 pandemic and the rerun of the 2019 election. Malawi's approach to dealing with both of these crises is a testament to the resilience and bodes well for the future.

NMT Activities 2020

In 2020 NMT made its third set of Climate Damage Mitigation Certificate payments to HIMACUL farmers and cooperatives from its 2019 macadamia tree survey, and carried out its fourth (2020) farmer survey. Purchases of CDMCs were from individuals, businesses, the Themba Trust and Profs Who Fly (www.profswhofly.org) who are using NMT's carbon calculator to estimate the voluntary carbon offsets for air travel: <http://nenomacadamiastrust.co.uk/NMTCarbonCalculator.html>

NMT's mobile phone based data collection method continued to be refined by NMT trustee Dr Will Rawes. The fact that the community based survey has been able to continue during this pandemic year when NMT trustees had to provide support remotely due to travel restrictions is further confirmation of the approach

Having completed 4 pilot years of surveys and 3 years of CDMC payments we are now exploring ways of scaling up so that more farmers benefit and an increasing number of macadamia trees are planted in the next few years. We aim to build on the invaluable support from Profs Who Fly, Imperial College, the OU, Clinton Development Initiative, and the individuals who have bought CDMCs as we seek new partners in the year ahead.

During the last year NMT trustees continued to support and engage with Emmanuel Zuza, an Open University GDRF PhD student who is working with HIMACUL and NMT to study the impact of different agro-ecological zones on 5 macadamia cultivars grown by smallholder farmers.

Will Rawes continued his work in support of the Malawi Opanda Utsi (Flame Without Smoke) (<https://www.google.co.uk/search?q=malawi+opanda+utsi>) initiative to further develop the use of gasifier cookstoves and solar trough kettles both of which are appropriate technologies to reduce wood burning for cooking, in order to reduce deforestation and pollution from burning trees.

THE NENO MACADAMIA TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2020

CHAIRMAN'S ANNUAL REPORT FOR 2020 continued

NMT's partnership continued with the Open University course SDT306 Environment: Responding to change <http://www.open.ac.uk/courses/modules/sdt306>. During the year the OU post graduate office started a new project with NMT and Marston Vale Community Forest to plant trees in the UK and Malawi in recognition of PhD students who successfully complete their degrees.

During the year NMT and HIMACUL continued to focus on the rehabilitation and restoration of macadamia tree nurseries with support from the Walbrooke Foundation. Together we have significantly improved and expanded three geographically spread nurseries, and have increased tree production by a factor of 10.

We are grateful for the ongoing support from individuals and for the grants small and large that we receive each year. The increased contribution to NMT's finances from CDMC payments bodes well for the future as NMT, along with HIMACUL, continue to focus on building the resilience of farmers in Malawi to climate shocks. In particular we would like to thank the Souter Charitable Trust for their timely grant in September 2020 which enabled NMT to continue its support of the cooperatives in Malawi in spite of the pandemic and travel restrictions.

As we look forward to 2021 we are regularly reminded that the climate crisis is upon us and there is limited time to act. Our aim is to provide a bridge between the carbon damage mitigation that is needed to reduce the increase in global average temperatures and the need for farming communities to have help adapting to changing weather patterns, as is happening with HIMACUL's farmers in Malawi.

GOVERNANCE

During the year 2020, NMT has converted its charity status from the old "Registered Charity" to the new "Charitable Incorporated Organisation" as advised by the Charity Commission. This means our charity number has changed to 1184696 but all the other details, objectives, and trustees remain as before. Both our previous and current accounts can be found on our web site: www.nenomacadamiastrust.co.uk

TRANSACTIONS AND FINANCIAL POSITION

The Income and Expenditure Account shows a net deficit for the year of £6,800. The Balance Sheet shows total funds of £3,409. The cash at bank shows a balance of £3,409.

RESERVES AND RISK MANAGEMENT

The present level of funding is considered adequate to support the continuing operations, and the Trustees consider the financial position to be satisfactory with £1,160 of unrestricted reserves.

The Trustees actively review as part of their regular board meetings all potential areas of risk faced. Procedures are in place to identify and mitigate risks arising from adverse conditions.

Independent examiner's report to the Trustees of The Macadamia Trust

I report on the accounts of the Trust for the period ended 31 December 2020, which are set out on pages 7 to 10.

Respective responsibilities of the Trustees and the examiner

The Trustees are responsible for the preparation of the accounts. The Trustees consider that an independent examination is needed.

It is my responsibility to:

- examine the accounts;
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

An examination includes a review of the accounting records kept by the association 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 committee members 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

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting record; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Colin Rawling
65 Water Lane, Wootton, Northampton, NN4 6HH
Date:

THE NENO MACADAMIA TRUST

INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2020

	NOTES	1 Jan 2020 to 31 Dec 2020			2 Jan 2019 to 31 Dec 2019		
		Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
INCOME							
Donations including Gift Aid	1	-	27,524	27,524	-	21,632	21,632
Carbon Damage Mitigation Certificates		2,551	-	2,551	7,238	-	7,238
Nurseries Project		-	-	-	10,000	-	10,000
Drying Racks		-	-	-	430	-	430
Postage		3	-	3	-	12	12
Other Income		-	-	-	-	-	-
Interest Received		-	-	-	-	-	-
TOTAL		2,554	27,524	30,078	17,668	21,644	39,312
EXPENDITURE							
Donation to HIMACUL		-	25,753	25,753	-	22,327	22,327
Carbon Damage Mitigation Certificates disbursement		4,318	-	4,318	3,533	-	3,533
Nurseries Project		5,205	-	5,205	2,342	-	2,342
Drying Racks		-	-	-	430	-	430
Development and Fundraising		-	89	89	-	1,450	1,450
Surveys		-	850	850	-	-	-
Printing and Stationery		-	3	3	-	-	-
Bank Charges and Fees		-	200	200	-	412	412
Just Giving Fees		-	144	144	-	216	216
Paypal Fees		-	70	70	-	-	-
Mapping		-	136	136	-	130	130
Software		-	110	110	-	-	-
Interest		-	-	-	-	-	-
TOTAL		9,523	27,355	36,878	6,305	24,535	30,840
(Deficit)/Surplus for year		(6,968)	168	(6,800)	11,363	(2,891)	8,472

THE NENO MACADAMIA TRUST

BALANCE SHEET AS AT 31 DECEMBER 2019

	NOTES	As at 31 Dec 2020 £	As at 31 Dec 2019 £
CURRENT ASSETS			
Bank balance		3,409	11,209
CAF Balance		-	-
		<hr/>	<hr/>
		3,409	11,209
		<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	-	(1,000)
		<hr/>	<hr/>
NET CURRENT ASSETS/(LIABILITIES)		3,409	10,209
		<hr/>	<hr/>
NET ASSETS/(LIABILITIES)		3,409	10,209
		<hr/> <hr/>	<hr/> <hr/>
Financed by:			
RESERVES			
General reserve	5	1,160	180
Restricted reserve - CDMC	5	96	2,371
Restricted reserve - CDMC Administrative	5	-	-
Restricted reserve - Nurseries Projects		2,153	7,658
Restricted reserve - Drying Racks		-	-
		<hr/>	<hr/>
Balance at end of year		3,409	10,209
		<hr/> <hr/>	<hr/> <hr/>

Chairman

Treasurer

THE NENO MACADAMIA TRUST

NOTES TO ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2020

1. Accounting Policies

Accounting Convention

The accounts have been prepared under the historical cost convention.

Income

Donations are accounted for on a receipts basis. In respect of other income account is taken of known amounts due but unpaid.

Expenditure

Expenditure is accounted for on an accrual 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.

Taxation

The charity is exempt from tax on its charitable activities

Fund accounting

The charity only has unrestricted funds, that funds can be used in accordance with the charitable objectives at the discretion of the trustees.

2. Trustees' Remuneration and Benefits

There were no trustees' remuneration or other benefits for the period ended 31 December 2020.

	1 Jan 2020 to 31 Dec 2020 £	2 Jan 2019 to 31 Dec 2019 £
Software development	-	1,000
	<hr/>	<hr/>
	-	1,000
	<hr/> <hr/>	<hr/> <hr/>

The trustee's did not receive any remuneration or benefits for their role as trustee during the period ended 31 December 2020 nor for the year ended 31 December 2019.

3. Debtors

The only assets of the trust are bank accounts.

4. Creditors

	As at 31 Dec 2020 £	As at 31 Dec 2020 £
Loan	-	1,000
	<hr/>	<hr/>
	-	1,000
	<hr/> <hr/>	<hr/> <hr/>

The loan is repayable on demand, and was repaid in full during the year to 31 December 2020.

THE NENO MACADAMIA TRUST

**NOTES TO ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

5. Movement of funds

	As at 31 Dec 2019	Movement in funds	As at 31 Dec 2020
	£		£
Reserves			
General reserve	180	980	1,160
Restricted reserve - CDMC	2,371	(2,275)	96
Restricted reserve - CDMC Administrative	-	-	-
Restricted reserve - Nurseries Projects	7,658	(5,505)	2,153
Restricted reserve - Drying Racks	-	-	-
	<hr/>		
Total funds	10,209	(6,800)	3,409
	<hr/> <hr/>		

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Transfer between reserves	Movement in funds
	£		£	£
Reserves				
General reserve	27,524	(27,355)	811	980
Restricted reserve - CDMC	2,554	(4,318)	(511)	(2,275)
Restricted reserve - CDMC Administration	-	-	-	-
Restricted reserve - Nurseries Projects	-	(5,205)	(300)	(5,505)
Restricted reserve - Drying Racks	-	-	-	-
	<hr/>			
Total funds	30,078	(36,878)	-	(6,800)
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The Restricted reserve - CDMC relates to the sale of Carbon Damage Mitigation Certificates to the general public, for the subsequent payment to HIMACUL for onward payment to farmers and associations in Malawi. 20% of the gross sale proceeds are retained by NMT for administration of the scheme and relevant expenses. This retained 20% is transferred to NMT as expended with any surplus shown in reserves.

	As at 31 Dec 2020	As at 31 Dec 2019
	£	£
6. Cashflow Statement		
Cash at bank at beginning of year	11,209	1,737
(Deficit)/Surplus from Income & Expenditure Account	(6,800)	8,472
	<hr/>	
	4,409	10,209
Working Capital Movement:		
Debtors (Increase)/Decrease	-	-
Creditors (Decrease)/Increase	(1,000)	1,000.00
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Cash at bank at end of year	3,409	11,209
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