

# Microlend Australia

## 2017 ANNUAL REPORT



*Ending World Poverty.*

ABN:25 166 836 415

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*"Overcoming poverty is not a task of charity; it is an act of justice. Like slavery and apartheid, poverty is not natural. It is manmade and it can be overcome and eradicated by the actions of human beings." -Nelson Mandela*



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### 2017 Highlights

#### FINANCIALS

Revenue  
\$300,417

↑ 2.18%

Operating  
Expenses

\$307,821

Net loss

\$7,404



#### OTHER STATS

New  
businesses  
191

Volunteers

Circa 50

Overseas  
sites

11

## 2.1 Our mission

Microlend Australia Limited has an aim to eradicate world poverty. Microlend Australia Limited aims to do this by assisting the poor to set up sustainable business enterprises so they can enjoy basic human rights and a reasonable living standard. The Narellan, Tamworth and Futures Chapters of Microlend Australia Limited have the same aim as its Head Office and would carry out work to achieve this mission in delegated regions and countries. We are motivated by the opportunity to seize every opportunity to be an instrument of God's love and his son Jesus Christ our saviour. Whilst there is no direct evangelism (we are not a church), Microlend Australia Ltd's activities may from time to time involve a component of direct and indirect pastoral support for all members and its beneficiaries. By helping each other with your troubles, you truly obey the law of Christ. (Galatians 6:2)

## 2.2 Background/ who are we?

Microlend Australia Ltd was formed on the 19th November 2013. Microlend Australia Limited's vision is to eliminate world poverty by providing microfinance to the impoverished for any proposed project that meets the above-mentioned aim. To improve the likelihood of success, Microlend has sought existing support groups in those developing countries that may be able to assist in the establishment and structure of these new ventures. Ideally each of these new ventures become profitable to the point where it is able to meet business expenses, provide a better living standard to its owners, as well as be able to repay its finance/debt obligations. Upon return of the finance provided, and any profits that may be applicable, it is then the intention to reuse these funds for the next venture. It also plans to expand these charitable activities both Nationally and Internationally by forming Microfinance Branches throughout Australia and the rest of the Western World. The idea is to seek like-minded individuals that would like to form a group, and then conduct similar microfinance activities in developing nations. Microlend Australia Ltd and its branches activities will include: the gathering of donations from the public, the micro financing of these funds to the poor and the monitoring of the loan and business activities

## 2.3 Contact us

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Phone: + 61 2 4627 5191  
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## 3.1 President's Report

### Ralf Schroers : CEO - Microlend Australia

It is with pleasure that I am able to provide this annual report of Microlend Australia Ltd. This financial year represented a year of growth and development of our existing sites as well as the establishment of two more sites in Papua New Guinea and Cambodia.

### Our Organisation

Microlend Australia Ltd wants to become a driving force throughout the world towards the cause of eliminating world poverty. The world's inability to share our good fortunes, the existence of obscene inequality between the wealthy and the poor, extremes between luxury and abject living conditions, differences in gluttony and starvation, are difficult to comprehend. Worse still, the simple indifference of most people towards addressing this problem, is probably one of humanity's worst indictments. To the sponsors, volunteers and supporters of Microlend Australia, the misery and horror that poverty causes are clearly not acceptable. Hence the creation and growth of this organisation. My thanks goes out to you for having joined us in our cause

We hope that all the new people who read this Report will feel similarly compelled to take action in some shape or form. (See our "how can you help" chapter if you would like to participate).

### Travel

This year I had the privilege of travelling to Papua New Guinea (October 2016), Cambodia (February 2017), Kenya, Uganda and Zimbabwe (May 2107). The Papua New Guinea and Cambodia sites are still in their infancy stages so a lot of development still has to occur at these sites. Particularly the PNG site has been slow to develop due to election turmoil and technical problems. Internet and computer systems in this country are problematic. Additionally PNG's tribal systems make it difficult to administer business systems and accountability thereof. For more details on the PNG site please refer to the Microlend Tamworth President's comments further on in this annual report. The Cambodian site however has proved to be very well organised and had a fabulous start. Our problem actually with this site has been our inability to provide adequate funding in time to keep up with demand. The report from the Microlend Futures branch president will give you more insight into this.

The trip to Africa was mainly for the purpose of meeting old and new friends, providing further on site training in business management, reviewing of administrative procedures and addressing loan default problems and strategies on how to mitigate these. I also had the opportunity to meet the leader of the Hapnet organisation who are very keen to adopt some of our business development and microfinance strategies. Indeed they alone have some 40 more potential sites that we could help develop if only we had the funding to do so. The amazing thing is that all the sites are already developed with staff and volunteers who are simply praying and waiting there for someone to give them a start. I heard and saw many moving stories and my heart went out to them, despite my inability to provide any financial help. We were however able to provide them with all our training modules which hopefully will enable to start their venture on a microscopic level.

### 3.1 President's Report (continued)

#### So what has been achieved this financial year?

**The creation of additional overseas Microfinance offices in Harare - Zimbabwe, Cambodia and Papua New Guinea.**

The Microlend Tamworth team who have taken on this project are an absolute delight to have as an addition to Microlend Australia. In just a very short time they managed to get 19 active members/volunteers who are all helping towards the cause of eliminating world poverty. Their initial foray is in assisting people in Papua New Guinea and several field trips have already been made.

**Similarly The Microlend Futures team located in Five Dock have achieved a tremendous start with the Cambodian site.**

This effort has been truly amazing if you take account that there are only 5 active members running that particular branch. This branch is in dire need of more volunteers and especially a person who is willing to take on the branch presidency/leadership. Please refer to the financial pages further on in the report for details of what has been achieved so far.

#### LEATHER MAKING Project – goods, bags, boots & belts



Altansuh and Pastor Ideree will also use the production side to employ men drying out at the Alcoholics' Home.

**The Microlend Narellan team has grown from strength to strength this year**

Indeed they are now at the stage of not requiring any assistance from head office. This branch supports the activities in Mongolia and they should by next year have been able to fully fund the loan portfolio on that site. It would be remiss of me not to mention their president Kym Steele who has been the major driver to having developed this branch. Please see his separate report.



**Increased staffing / volunteers at Head Office.**

The Microlend Australia Ltd head office now boasts another 3 part time volunteers who are mainly dedicated in auditing of the overseas accounts plus establishing a presence on facebook and webpages. There is still a need for further manpower, especially volunteers who are willing to commit to a regular time in attending the Microlend Australia Head office premises

## 3.1 President's Report (continued)

### Revenue

Revenue increased to \$300,417.29 for the financial year (up \$33,072.31 from last financial year). This has enabled us to expand funding to our sites throughout the world. We have also managed to provide our first business loan to our new site in Harare, Zimbabwe. Our existing 'Microfinance sites' are in Zimbabwe, Uganda, Kenya, Pakistan, Mongolia, Cambodia and Papua New Guinea. Note that the PNG site has not yet received any microfinance funding, however the establishment of the site and all the training has been completed.

For more details on the PNG site please refer to the Microlend Tamworth branch presidents comments further in in this report. In total we have been able to create **191 new businesses in 2016/17 bringing the total number to 764**. This of course is the true test as to whether our charity is working and you will see that this represents an increase of 33% in the number of new business enterprises created among the poor compared to last year.



### What are the challenges ahead?

#### Securing Corporate Sponsorship

Probably the largest challenge ahead for the 2017/18 year will be the issue of securing some corporate sponsorship. Sadly this was our aim also for last year and it is with disappointment that I have to report that we weren't able to secure a single corporate sponsor. Ventures into this area have continued to be difficult and all our grant applications were rejected. The main reasons given were that our area of charity was 'outside their guidelines' or that they only funded national or local community projects. We are however not disheartened by this and will continue our efforts in this area.

#### Shortage of volunteers

Whilst we have had an increase in volunteers during 2016/17 we are still experiences a shortage of volunteers within our Head Office that are willing to work on a permanent part time basis. Our weakest areas continue to be in the areas of marketing and IT technology. Hence our capacity to communicate with the public is still somewhat restricted which is unfortunate as there is a great need for us to communicate our message to as many people as possible. We are also planning on developing a new webpage that will be more secure and also will provide a direct donation platform using your credit card. Further on in this report we are also going to provide you with an evaluation of what impact our wonderful volunteers have in the running and growth of Microlend Australia.

### 3.1 President's Report (continued)

#### What are the challenges ahead? (continued)

#### Socio-economic problems and shortage of skills in overseas centres

Another challenge is maintaining of integrity of the overseas funding centres especially in the areas of cronyism, education, and loan repayments. The provision of continued education with these various centres is essential, and funding and resources in these areas is still lacking. Additionally, these types of problems are exacerbated by economic downturns and civil unrest. For example Zimbabwe is currently experiencing a drought and hence is experiencing famine, as well as some political and social unrest.

We are also still seeking to increase the number of Branches throughout Australia. It was extremely pleasing to see the growth of our existing branches. We are still seeking to establish representation outside of New South Wales.



#### Word of thanks

Finally, my wife and I would like to thank the members, volunteers and generous donors of Microlend Australia Ltd, and in particular the Branch executives of Microlend Narellan, Microlend Futures and Microlend Tamworth.



Ralf Schroers, CEO- Microlend Australia



## 3.2 Tamworth branch President's report

### Achievements

To 30 June 2017 we raised \$55,903. We have not lent any money for businesses yet due to manager's illness, communications problems, computer failure and volatile PNG elections. We have 14 applications pending and hope to have many of these businesses approved and operating before the end of 2017.

In July 2016 a shipping container was sent to PNG filled with medical items (hospital beds, mattresses, linen, baby scales, crutches, wheelchairs etc), educational items (desks, chairs, blackboards, library books for 4 schools) and Christian items (bibles, Theological books for 3 colleges). Three members travelled to PNG and distributed these items to their intended recipients. The report for these activities was delivered to Microlend members at a meeting on 26 July 2016.

Progress was made on Microlend PNG, with two trustees recommended for appointment and a deadline of 31<sup>st</sup> October given for selection of the Microlend Financial Manager and third trustee. Training of PNG members was proposed for December 2016 and the first PNG businesses were to begin during training.

Tamworth Microlend members presented their plans and achievements to Calala Rotary Club, 20 July 2016.

A "Garden Wander" fundraiser was conducted at Pearce's paddock on 5 November. This all day event included Devonshire tea, light lunch, sales of antiques, plants and cakes. Sales and donations totalled \$4500. A post event committee meeting was held on 10 November and topics such as better publicity and ideas for future fundraising activities were discussed.

On 29<sup>th</sup> November 3 members together with Ralf, Annie and Alice Schroers visited PNG. Three potential candidates were interviewed for the position of Microlend Manager and James Epi was appointed and trained. Three trustees Raphael Tonpi, Bishop Rev Hun Morris and Kolen Waspen were all appointed and trained. The United Church South Lai Circuit Development Fund was officially set up as partner of the Tamworth Chapter of Microlend Australia and two operating bank accounts were opened. Potential business proposals were presented by local villagers and some of these business proposals were approved to proceed and receive loans. This PNG group then attended the Emmaus Christian retreat at Banz.

An annual Microlend meeting was held at P & L Hood's residence on 13 January to elect committee members. All positions were filled.

A film (zoo keeper's wife) night fundraiser was held on 1 June raising \$1200.

An upmarket downsizing garage sale was held at Pearce's paddock on 17 June raising \$5200.



## 3.2 Tamworth branch President's report (continued)

### Challenges

Working in a very remote location like Kip, Southern Highlands, PNG has many challenges including:

#### Poor Transport:

2 hour drive to the closest store, 5 hour drive to buy many necessary items, a long walk to reach poor public transport, only a few poorly maintained private vehicles, hazardous and often impassable roads and bridges, expensive and irregular flights to the regional centre Mendi.

#### Poor Communications:

Mobile reception and internet are very slow (when working), PNG has many languages (>800). In Kip there is no radio, no TV, no utilities such as electricity or water, no social welfare.

#### Poorly Resourced Schools.

#### Poor Medical Facilities:

Poorly resourced local medical centre, regional hospital is inaccessible to the very sick, diagnostics and medicine are expensive,

#### Personal poverty:

Poor hygiene, high levels of disease, less than 5% employment, few opportunities, high domestic violence; women are bought with a bride price, do most of the work and are subservient to men.



Colin & Helen Pearce, PNG locals and Paul Sullivan



## 3.2 Narellan branch President's report

### Committee Members

Robyn Collins – Secretary  
 Brad – Treasurer  
 Rod McLeod  
 Rod Arnold  
 Kristin Maloney  
 Kym Steele - Chairman

### Activities during the year

From our first meeting after I took over from Roy Anderson, the committee were unanimous that having stands at places like Camden Show didn't provide any measurable benefit either financially or from a community awareness point of view. It was decided that the only event we would attend would be Wedderburn Christian Campsite for their annual fair which we did. Robyn Collins, Kristin Maloney and myself attended for the full day. A total of \$120 in donations was received for the day. A small number of people stopped to ask questions, however no-one was interested in leaving any contact details except one lady from a school. Rod Arnold arrived as we were packing up.

### Focus

My focus for the year has been to raise awareness of Microlend with businesses throughout the Macarthur region. This has been done through membership of Narellan Chamber of Commerce and email invites to the annual Poverty Dinner to my customer list and also the Chamber members. The response has been poor however it is a first attempt. Kristin Maloney was also keen to do so amongst her contacts in Camden with nothing tangible resulting at this point.

This will continue to be the focus for the coming year as we capitalise on our contacts.

### Projects

As at June 30, Microlend Narellan have over 25 projects under way in Mongolia, with one of the borrowers having completed their loan on time. A number of other prospective applicants have been identified and hopefully we will have 2 or 3 more for sponsorship on the night of the dinner. We have a small number of loans behind in repayments however the combination of seasonality and lack of commitment have been the main reason for the shortfall – we are watching the progress of these.

It has been good to have Rod McLeod active again after his illness last year as well as Kristin who completed her Masters last year and has been able to devote more time to Microlend.

### DAIRY Project



Kym Steele - Chairman, Narellan branch

## 3.2 Futures branch President's report

### Current

The Microlend Futures branch has now increased its membership from 4 to 5 members. We currently focus on families earning less than US\$2.50/day in Cambodia.

### Achievements

We organised an afternoon High Tea on the 5<sup>th</sup> November 2016 with guests over 50. Sales proceeds of bottles and raffle tickets were all contributed to our pool of funds raised from last Charity Dinner in April 2016.

In early 2017, we set up a presence of Microlend Cambodia partnered with a local NGO Pioneering Partner in Cambodia (PPC). They constitute 3 voluntary trustees overseeing Microlend management including lending funds. We have also recruited a local Co-ordinator.

In February 2017, a team of 4 landed Phnom Penh for a week. We held meetings and hosted 3 days training to PPC members, Co-ordinator and some potential local people in needs. Ralf and Annie from the head office also visited some potential business sites after the training.

We have so far approved 19 business proposals and loan amounts totalling US\$25,400. These proposals include rice mills, cow raising, food shop etc. Some of these projects are already up running. We are expecting more projects to come in the next financial year.

### Next Mission

We have scheduled our next charity dinner on the 5<sup>th</sup> August 2017 and are planning to organize more fund-raising events to support more business proposals and loans required.

### Challenges

We haven't yet quite met our fund-raising target in the first year but are looking to recruit some more new members to meet the enormous demand out there.

### Ambition

We dream that in the next couple of years our Cambodia projects are self-sufficient, when funds are repaid and re-utilised for other families in need and we see the light to expand our work to other developing countries.



Elsa Hwang, Futures branch President



## 4.1 Geographical Presence



*Countries represented*



## 4.2 Volunteering

Microlend Australia is currently run by volunteers only. Not only are they not paid, but typically the volunteers pay their own expenses for travel, fund raising activities, food and accommodation. It is awesome to see such dedication and generosity from these volunteers and Microlend Australia Ltd wants to send a great big thank you to all of you.

Like all charities we have many requirements in order to function and grow. The most keenly sought after areas where we need help are:

### Become a volunteer at our head office.

Specifically we need people or businesses to help in areas such as marketing, events management, fundraising activities, corporate governance and compliance, accounting, IT and webpage development. Please peruse the ensuing pages to see what is expected of a volunteer.

### Become a volunteer at one of our branches.

Better still create your own branch. Your main activities within a branch are fund raising activities, business modelling, overseas travel to the microfinance sites.

### Corporate sponsorship.

This is the most important aspect of our fund raising activities. It is expected that this will form the mainstay of our capacity to help end world poverty.

### Become a regular sponsor.

Becoming a regular sponsor gives us certainty of revenue. Hence we are able to budget more accurately for our future projects.

### Donate any amounts of funds you wish.

One off contributions form a major part of our fund raising strategy. Even a small 'one off' contributions such as \$5.00 or \$10.00 are greatly appreciated. Please contact us if you would like to do any of the above.

### Donations can be made by:

- Cash at an actual fund raising event By cheque – Please make the cheque payable to “Microlend Australia Ltd” and mail to Shop 16, 185 Airds Rd Leumeah NSW 2560
- EFT to Name of Bank: Bendigo Bank Name of Account: Microlend Australia Ltd BSB: 633 000 Account No: 153 208 970
- Credit card. Please ring 02 46275191 during business hours or visit our website [www.microlendaustralia.com.au](http://www.microlendaustralia.com.au).

Notes: If paying by eft please ensure you enter your name in the reference section Donations are now tax deductible for fund donated for \$2.00 or more. Please ensure you send us your address or email to receive your tax deductible receipt Eftpos payment facilities are also being developed and should soon be available on our webpage.

## 4.2 Volunteering (continued)

Microlend Australia Ltd is currently run by volunteers only. Not only are they not paid, but typically the volunteers who pay their own expenses for travel, fund raising activities, food and accommodation.

Microlend Tamworth – **19** members : 4 people travelled to PNG for 1 week, regular monthly meeting, fund raising activities

Microlend Narellan – **6** members: regular monthly meeting, fund raising activities - charity dinner

Microlend Futures – **5** members: regular monthly meeting, fund raising activities - charity dinner plus 2 members travelled to Cambodia

Head office – **6** members : CEO full time, head of fundraising , 2IC, admin & compliance, corporate sponsorship applications, newsletters & brand awareness, accounts audits and annual report, web page design and media

Overseas – **11** sites – all the trustees and directors (typically 3 or more) of the overseas organisations are unpaid volunteers, only the microfinance coordinator is paid.



## Appendix A: Income Statement for the year ended 30 June 2017

Income	30 June 2017	30 June 2016
Donation/Gift Income	270,384.18	211,856.48
Grant Income	500	-
Membership fees	6	23
Microlend Futures Contrbns	4,566.74	23,890.00
Microlend Narellan Contribns	14,376.01	22,375.00
Microlend Tamworth Contrbns	9,643.00	9,200.10
<b>Total Income/Gross Profit</b>	<b>299,475.93</b>	<b>267,344.58</b>
Interest Income	941.36	447.93
<b>Total Income</b>	<b>300,417.29</b>	<b>267,792.51</b>
<b>Less Operating Expenses</b>	<b>-307,820.86</b>	<b>-201,569.27</b>
Accounting/Bookeeping Fees	1,950.00	802.5
Advertising & Marketing	414	-
Bank Fees	507.09	386.8
Fund Raising expenses - Futures Branch	2,460.00	7,686.65
Fund raising expenses - Narellan Branch	5,923.65	-
Internet	230	-
Business Insurance	-	900.81
Directors Liability Insurance	-	764.5
Microfinance Donations - other	1,488.38	-
Microfinance Funding - Cambodia - PPC	35,871.00	-
Microfinance Funding - Kenya - Commutrem	20,874.15	49,927.39
Microfinance Funding - Mongolia - Windows of Hope	22,000.00	47,500.00
Microfinance Funding - Pakistan - 1 to Another	20,844.96	-
Microfinance Funding - Uganda - Heart Felt Hope	9,892.15	24,370.45
Microfinance Funding - Zimbabwe - Bulawayo - Mind the Gap	30,640.17	56,270.90
Microfinance Funding - Zimbabwe - Harare - Living Word Ministries	12,155.59	-
Microfinance Funding - Zimbabwe - Mutare - Windows of Hope	140,343.88	12,959.27
Overseas set up and training costs	2,225.84	-
<b>Net Profit for the year</b>	<b>-7,403.57</b>	<b>66,223.24</b>

## Appendix B: Balance Sheet as 30 June 2017

	30 Jun 2017	30 Jun 2016
<b>Assets</b>		
<b>Non-current Assets</b>		
Community 21 Limited	10,000.00	10,000.00
Office Equipment At Cost	1,213.50	1,213.50
<b>Total Non Current Assets</b>	<b>11,213.50</b>	<b>1,213.50</b>
<b>Current Assets</b>		
Microlend Aust Bendigo Bank	5,230.51	7,614.07
Microlend Narellan Macquarie	1,234.79	380.73
Microlend Pymble Bendigo Bank	1,228.18	30,981.19
Microlend Tamworth	57,594.68	33,718.66
<b>Total Current Assets</b>	<b>65,288.16</b>	<b>72,694.65</b>
<b>Total Assets</b>	<b>76,501.66</b>	<b>73,908.15</b>
<b>Equity</b>		
Current Year Earnings	(7,403.56)	66,223.24
Member Contribution	5.00	5
Retained Earnings	83,900.22	17,679.91
<b>Total Equity</b>	<b>76,501.66</b>	<b>83,908.15</b>

## Appendix C: Total businesses

## Total number of businesses 2017

Microfinance centre	No of previously established Businesses	No of new businesses	Total to date
Kenya - Commutrem	41	35	76
Cambodia - PPC	0	19	19
Mongolia - Windows of Hope	10	18	28
Pakistan - 1 to another	4	3	7
Uganda - Faith Harvest	36	24	60
Zimbabwe - Harare	0	1	1
Zimbabwe - Bulawayo	32	15	47
Zimbabwe - Mutare - Windows of hope	450	76	526
			<i>Note 1</i>
<b>Total</b>	<b>573</b>	<b>191</b>	<b>764</b>

*Note 1:*

Windows of Hope in Mutare is an existing Microfinance centre that was established by Ralf & Anne Schroers on a personal basis in 2012. Since then 446 new businesses were created prior to Microlend Australia Ltd partnering with Windows of Hope in May 2016.

## Appendix C: Total businesses chart

Total number of businesses 2017

