

ANNUAL REPORT

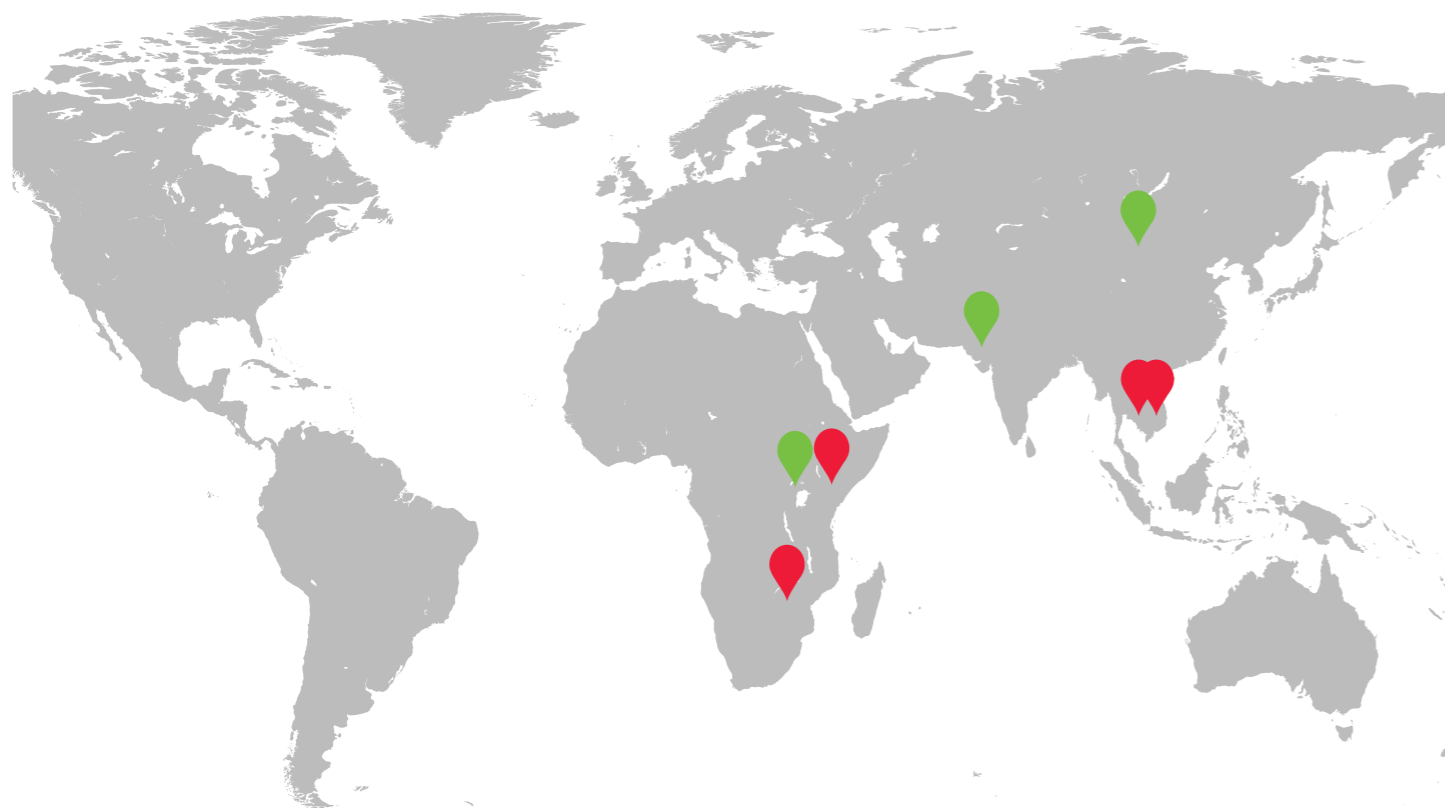
MICROLEND AUSTRALIA LTD

ABN 25 166 836 415

2015



Ending World Poverty



📍 Current Projects in Uganda, Mongolia and Pakistan

📍 2015-16 proposed projects in Kenya, Zimbabwe and Cambodia / Vietnam

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ABOUT MICROLEND AUSTRALIA LTD

OUR MISSION

ENDING WORLD POVERTY

Our mission is to glorify God, by assisting the poor and impoverished in setting up various business enterprises, so that they can enjoy basic human rights, a reasonable living standard and become self-sustaining.



Ending World Poverty

BACKGROUND

POVERTY - THE CURRENT SITUATION

| Number of People Involved | Living Conditions |
|--|--|
| 3 billion+ people (nearly ½ of world population) | Live on less than \$2.50 a day |
| 1.3 billion+ people | Live on less than \$1.25 a day (extreme poverty) |
| Children: 1 billion | Live in poverty |
| Children: 22,000 | Die each day due to poverty |
| 1 billion+ people including 400 million children | Lack adequate access to clean drinking water, 443 million school days p.a. missed due to unclean water yielded illness |
| 165 million children (2011) under age 5 | Stunted (reduced rate of growth and development) due to chronic malnutrition |
| 870 million people | Do not have enough food to eat |
| Children: 2 million per annum died of preventable diseases like diarrhea and pneumonia | Too poor to afford proper treatment |
| Children: 19 million (2011) | Remain unvaccinated |
| 1.6 billion people (about 1/4 of world population) | Live without electricity |
| 80% of world population | Lives on <\$10 a day |
| Amount of Funds Required | Purposes |
| \$40 Billion | Offer basic education, clean water and sanitation, reproductive health for women, and basic health and nutrition to every person in every developing country. |

NELSON MANDELA SAID, "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."

WHO ARE WE?

A NOT-FOR-PROFIT ORGANIZATION AND REGISTERED CHARITY

Microlend Australia Ltd ABN 25 166 836 415

ELIMINATING WORLD POVERTY THROUGH THE USE OF MICROFINANCE

Microlend Australia Ltd was formed on the 19th November 2013. Microlend Australia Limited 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 they are able to meet their 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

PRECEDING PARTNERSHIP

Microlend ABN 47 397 051 058

PROVIDING SERVICES IN CHARITY, BUSINESS MANAGEMENT & FINANCE

Before Microlend Australia Ltd was established, the principals Ralf and Anne Schroers established a partnership called Microlend in 2011. This Business still is in existence today and, apart from its Business management and finance activities, has established over 2000 microfinance businesses amongst the poor in its own right. Whilst most of the charitable activities are now focused on Microlend Australia Ltd, some of the existing older microfinance centres are still managed directly by Ralf & Anne.

MESSAGES FROM THE BOARD

PRESIDENT'S REPORT

Microlend Australia Ltd, a not for profit Public Company, started on 19th November 2013 and attained its registered charity status on the 17th June 2014.

"Massive poverty and obscene inequality are such terrible scourges of our times - times in which the world boasts breathtaking advances in science, technology, industry and wealth accumulation – which they have to rank alongside slavery and apartheid as social evils".

"Overcoming poverty is not a gesture of charity! It is an act of justice!

Reading speeches like these, by Nelson Mandela, and horrifying statistics such as:

- 1 billion of the 2.2 billion children in the world live in poverty.
- 22000 children die of poverty each day.

impel Microlend Australia Ltd to continue its fight to end world poverty.

There is however a glimmer of hope in that global poverty has decreased by more than half over the last 30 years.

The aim of Microlend Australia Ltd is to :

- Raise funds to provide finance to the poor.
- Empower these people to set up their own profitable businesses.
- Help establish the next business after the loan has been repaid.
- Create as many branches as possible throughout Australia that will assist in the fundraising efforts and the distribution of the loans.

The funds raised are recycled over and over again to help more people.

With regards to the fundraising efforts of Microlend Australia Ltd, the 2014-15 year was disappointing. Extensive work in the establishment and organisation of two branches, Microlend Narellan

and Microlend Futures, both of which are located in the greater Sydney Metropolitan area, occupied the greatest part of this year. This caused the main fundraising activities to be delayed.

As a consequence, the total funds raised for the year only amounted to \$33,605.00. So far \$17,000.00 has been used to establish three new businesses in Mongolia and \$3,287.31 to establish one business in Pakistan.

Apart from these two sites, Microlend Australia Ltd has also established a presence in Zimbabwe, Kenya and Uganda. We are hoping that these sites will be up and running with numerous projects within the 2015 -16 financial year. We are also investigating the possibility of establishing a site in Cambodia and / or Vietnam.

There is also interest in establishing another branch in Tamworth NSW Australia.

Main priorities:

1. Raise more funds.
2. Find more volunteers who are willing to assist in the growth of the organisation, especially in the areas of IT, accounting, marketing and fundraising.
3. Source companies and people who share our vision and as a result are willing to help fund our cause.

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 and Microlend Futures.



Ralf Schroers

CEO
Microlend Australia

NARELLAN BRANCH PRESIDENT'S REPORT

MEMBERS

We started with ten members but by November has stabilised at five. It seems fund raising scared some people away!! In November we had the chair and secretary resign and Roy Anderson took on the chair and secretary positions.

In May Lisa Jane resigned which meant we were then the four amigos.

NEW CENTRE

In August saw Ralf and Annie meet up with Roy in Mongolia with the intent to run a two day workshop and set up a new micro finance centre. It has been appropriately called Windows of Hope , Mongolia with the aim to approve three projects and through them prove this type of loan can work in this culture. In April three loans were approved for the monetary value of \$10,000.00., where Brad's contribution has been invaluable.

LOCAL MARKETS

We looked at exposure through a presence at local markets but the rental costs, etc. caused a change of direction.

MARCH Saw the bright green gazebo at the Camden Show two day event with exposing the slogan, Ending World Poverty to some 30,000 people

APRIL The planning for the Poverty Dinner looked at venues and Camden Civic Centre was chosen, and Rod proved his valued contribution in further planning of this event.

MAY Saw the Microfinance tent at the Combined Churches Picnic where Ralf was able to get six churches approval to visit.



OUR VISION FOR 2015/2016

- To recruit more members by the end of 2015
- To approve six more projects for Mongolia.
- Have a fund raiser in September called the Poverty Dinner.
- Have exposure on October 17th at the Men and Machines day at Macarthur Anglican School grounds, Cobbitty.

Regards,
Royston

OUR ORGANISATION

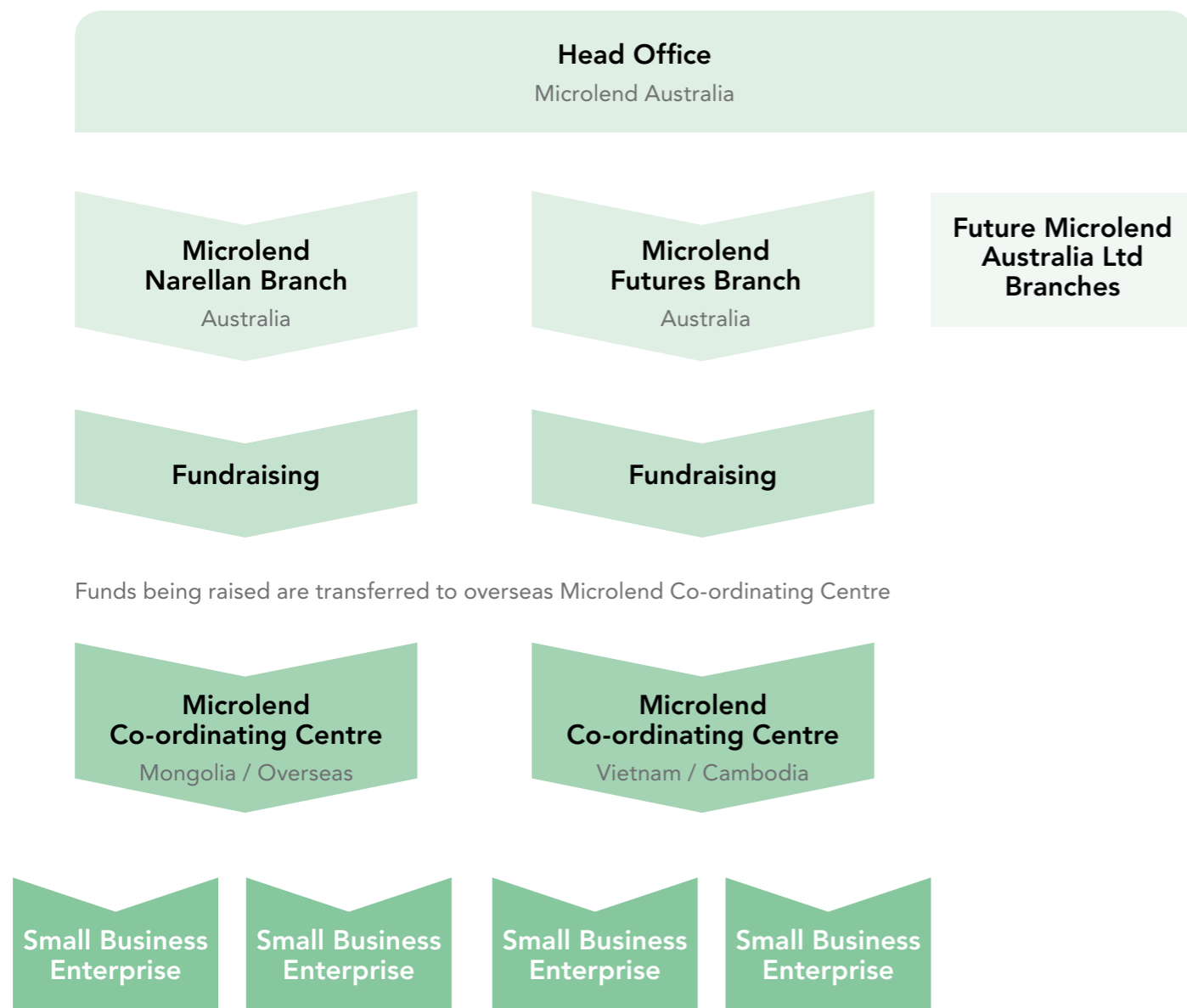
| | |
|--|--|
| Head office | Microlend Australia Ltd was set up in November 2013. It is currently run and funded by individual volunteers throughout Australia. |
| Branch 1 | The Microlend Narellan branch was set up on the 6th December 2013 and is organizing overseas co-ordinating centre in Mongolia. |
| Branch 2 | The Microlend Futures branch was set upon 5th April 2014 and is organizing overseas co-ordinating centre in Cambodia and / or Vietnam. |
| Current overseas co-ordinating centres | Microlend Australia Ltd has set up 3 overseas co-ordinating centres in Uganda, Pakistan and Mongolia. |
| 2015-16 proposed overseas co-ordinating centres | We are planning to set up 5 more overseas co-ordinating centres in Kenya, Zimbabwe and Cambodia / Vietnam. |
| Existing Microlend business enterprises | <ul style="list-style-type: none"> • Nil in Uganda – the overseas microfinance centre has been established and we hope to commence funding for small businesses there soon • 4 businesses in Mongolia, • 1 business in Pakistan |
| People we serve | Under developed countries with people living below the poverty line. <ul style="list-style-type: none"> • To assist the poor and impoverished in setting up various business enterprises, |
| Why do we do what we do | <ul style="list-style-type: none"> • Stop people including children from dying due to poverty. • Maintain basic human rights, living and education standard, • Break poverty cycles. |
| Volunteers | All our people with Microlend Australia are volunteers. As it is still in its infancy stage, we desperately need more volunteers to help assisting people out of poverty and provide a better environment for our children and future generations to come. |

PROJECT STRUCTURE

We aim to end world poverty over a 30 to 40 year time frame. The work required needs to be multiplied by various branches.

HOW DOES IT WORK?

BRANCH STRUCTURE



Monies are lent out to the new business venture. Upon repayment of the loan, funds are lent out again to the next venture.

SUCCESS STORIES

AFRICA

LEONA AND HER EGG PRODUCING BUSINESS

Leona is married to Tsvakai and has three school going children. One is in High School and the other two are in Primary School. Her husband is a Reformed Church (Dutch) pastor.

Generally pastors are among the poorest of the poor because they are paid a small stipend. More so for rural pastors like Tsvakai. The family struggled to send their children to school and put food on the table as well.

Leona heard about micro-loans at a microfinance meeting and she applied. When she received her loan money, Leona embarked on an egg production project. The project started in November 2014 with 150 layer chicks. She was expecting 5 crates of eggs each day and selling them at \$5 per crate (30 eggs in a crate).

She keeps her layer chickens in cages because the denomination that employs her husband can move her anytime, so they cannot build permanent structures. They will move with their cages and continue the project.

With the help from her husband, her children, the veterinary department, and some church members, she is managing to run the project smoothly in spite of her disability. Leona's leg was affected by an accident that happened when she was four years old and she supports it with a walking stick. She uses a taxi to deliver her eggs. She pays three dollars a day to do the rounds and then walks back home. Currently she is supplying a nearby local hospital with 12 crates of eggs per week, local tuck shops and neighbouring families.

Leona says that the project has helped improve the health of her family, solve monetary issues without borrowing from neighbours as before, and provides her own employment. "My husband's dignity as a pastor has been restore greatly, he doesn't have to borrow from church members any more" says Leona with a broad smile. Her husband, has managed to embark on a Bachelor Degree studies to further up his education because of the Layers project which is becoming their best trusted source of income. The husband beams "I used to wait anxiously for months, at one time a full year, for my stipend from the church".

With the demand there is for eggs, Leona plans to expand the venture. She opened a savings account and is saving US\$20 a week for future expansion. She is so happy with the knowledge which she acquired from keeping chickens and the unity of the family brought about by the project as they do teamwork in keeping the chicks clean and healthy.



ASIA

PRATAP AND HIS AGRIBUSINESS

Pratap was a stone artesian earning a decent income earlier.

Unfortunately in 2005, his wife fell sick because of which he had to leave his job and stay back at home to care for her ailing wife.

Meanwhile he became jobless for over two years.

The family had to sell off most of their livestock to manage livelihood.

In 2008 he got a job which was fetching him about 14AUD a month. He continued doing this job till he found our partnering organisation in Asia.

He joined them as their field coordinator which gave him an immediate leap in income up to 4 times the previous earnings.

He availed a small personal loan to set up a small business for his wife, Bhavri Bai. Their small business earns them about 2 AUD a day on profit. They had taken a second loan to start up a honey business as well.

Our third loan enabled them to dig a bore well and purchase a motor pump to create a history so dearly awaited for over generations.

For the first time ever, Pratap was able to cultivate summer crops. But that was not the end of the story....

For the first time ever, Pratap's field appeared lush green in February. We saw him growing wheat, peas and onion. It was his first winter crop.

The family is way above poverty now and he has already helped 250+ families move out of poverty in due course of time.

And, the story hasn't ended yet - Pratap has recently ventured into a poultry business as well. In a quick span of time his income will touch five digit figures, a far-off dream for anyone like him who started off all afresh.



EXPENSES

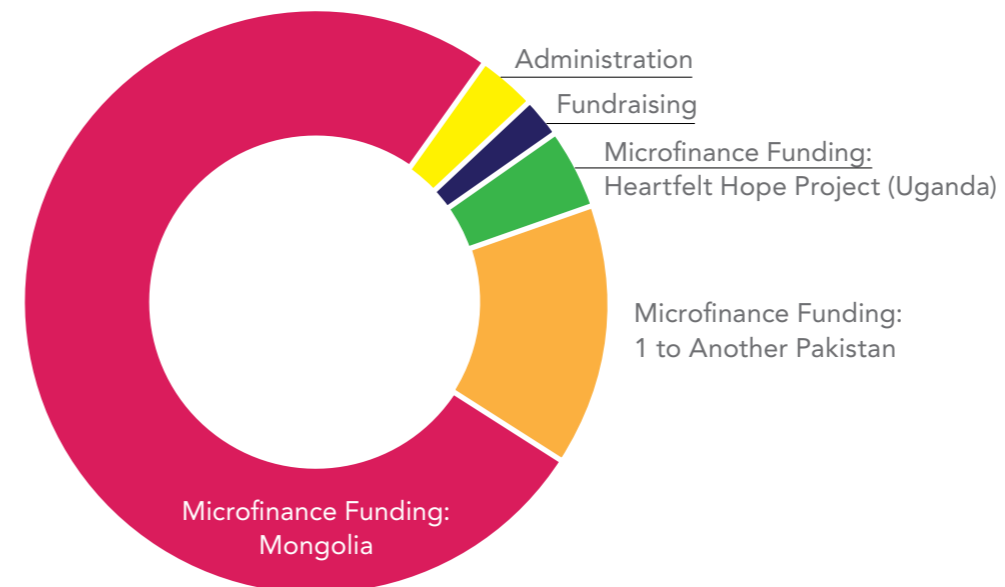
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| EXPENDITURE BREAK UP 1 July 2014 to 30 June 2015 | | |
|---|--------------------|--------|
| Administration expenses | \$710.96 | 3.16% |
| Fundraising expenses | \$500.00 | 2.22% |
| Microfinance Funding | | |
| Heartfelt Hope Project - Uganda | \$1,000.00 | 4.44% |
| 1 to Another Pakistan | \$3,287.31 | 14.61% |
| Mongolia | \$17,000.00 | 75.56% |
| Total operating expenses | \$22,498.27 | |

It is pleasing to see that less than 6% of funds are needed for Administration and Expenses which means almost all of the funding is directed to poverty-relieving projects on the ground.

This is primarily achievable through:

- Pro-bono support of partners and volunteers in office related duties
- Donation of time and resources related to fundraising activities – venues, food, prizes etc
- Commitment and passion of Microlend Teams



INCOME

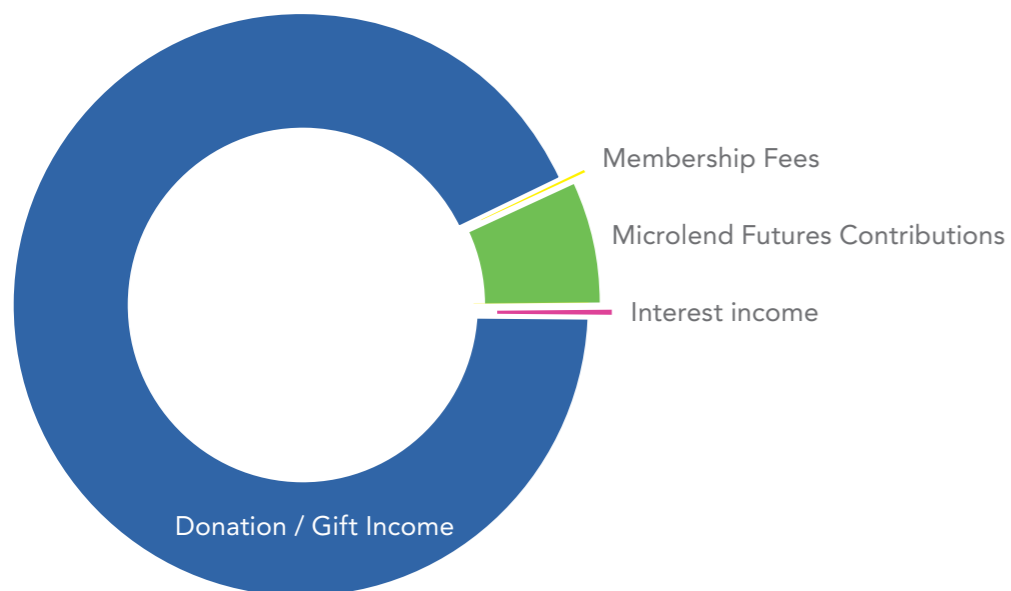
MICROLEND AUSTRALIA LTD

INCOME BREAK UP

1 July 2014 to 30 June 2015

| Income | \$ | % |
|---------------------------------|--------------------|---------|
| Donation / Gift Income | \$31,350.00 | 93.05% |
| Membership fees | \$5.00 | 0.01% |
| Microlend Futures Contributions | \$2,250.00 | 6.68% |
| Interest Income | \$85.91 | 0.25% |
| Gross Revenue | \$33,690.91 | 100.00% |
| Less operating expenses | \$22,495.27 | |
| Retained earnings | \$11,192.64 | |

Fundraising was minimal in the period with most coming from one significant personal donation. It is in the area of Donation/ Gift Income that significant growth and maturity will need to be developed during the upcoming year.



CHALLENGES AHEAD

While the work of Microlend is satisfying and rewarding, the scope of the problem of poverty world-wide can be daunting.

Our focus though, is to tackle the enormous problem of poverty – one project at a time. Each project that is funded and launched, begins the cycle of breaking down the past, and bringing new hope, new skills and new possibilities to individuals and communities. Every successful project that is implemented, means the funds are repaid, and recycled into new projects.

In order to continue to enhance Microlend's capacity to fund projects it will need to face the following challenges:

FUNDING /INCOME STREAMS

Currently our capacity to develop contacts and assess viable projects on the ground is far outstripping our capacity to generate funds for distribution: We need to create a regular income stream by:

- Developing our relationship with regular supporters and sponsors
- Developing a relationship with corporate sponsors
- Building of more branches (there is a possibility of a new one commencing in Tamworth

BUSINESS AND OPERATING SYSTEMS

As the organisation expands and grows, so the need for more sophisticated and structured support systems in order to sustain the capacity to deliver quality outcomes. Needs in the next period will include:

- Development of good marketing systems
- Development of I.T. – better website and interface with social media (Facebook and Twitter)
- Introduction of Bank Card facilities
- Obtaining tax deductible status for donations

PEOPLE

As the organisation expands and grows, so also is the need for increased capacity in our human resources. Important issues to address will be:

- Succession planning for key personnel
- Ongoing development and support of volunteers – both locally and internationally
- Support and development of on the ground Project Managers in order to manage and sustain quality of the projects engaged.

HOW CAN YOU HELP?

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, fund raising 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' contribution of \$5.00 or \$10.00 is greatly appreciated.

Please contact us if you would like to do any of the above.

DONATIONS CAN BE MADE BY:

- **Cash** at an actual fundraising event.
- **By cheque**
Please make the cheque payable to "Microlend Australia Ltd and mail to:
Shop 16, 185 Airds Rd
Leumeah NSW 2560
- **Direct deposit**
Name of Bank Bendigo Bank
Name of Account Microlend Australia Ltd
BSB 633 000
Account Number 153 208 970
- **Credit card facilities** will also soon be available.

Note: Donations are currently not tax deductible (but we are working on it!). We will notify you as soon as they are.

HOW TO BECOME A VOLUNTEER

To become a volunteer of Microlend Australia Ltd or one of its branches you simply contact Microlend Australia Ltd and ask for an interview. Please note that whilst Microlend Australia Ltd is primarily a Christian based organisation, you do not have to be a Christian to become a member of it. We do however ask you to adhere to basic human principles as are outlined in the bible. To give you a clearer outline you may want to read our branch mission as outlined below:

OUR BRANCH 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 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 the 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

GOVERNING RULES

The Narellan and Pymble Branches (also known as chapters) of Microlend Australia have the following rules of operation:

The functions:

- To achieve the specific outcomes of Microlend Australia which includes:
 - i. Establishing amongst the poor as many profitable small businesses as possible.
 - ii. Increasing the income of the poor so they can enjoy a reasonable standard of living
 - iii. Providing aid for enterprise development that will lead toward the overall betterment and improved living standards of the poor.
 - iv. Establishing as many self-sustaining finance centres in poor communities as possible.
 - v. Recruiting volunteers to assist the overall aim of Microlend Australia.
- Through our activities, to present a practical picture of the love of Christ (Matthew 25:35-40)

Membership and meetings

- Members of the Chapter/Branch will be approved members of Microlend Australia.
- The Chapter will elect a Chairman, Secretary, Treasurer, Overseas representative and Fundraising Coordinators.
- A quorum for meetings is at least 2 of the office bearers (Chairman, Secretary and Treasurer).
- All members of Microlend Australia Limited and its Chapters will comply with the Constitution of Microlend Australia.

Guidelines for the use and distributions of funds

- The region and country in which an enterprise is proposed to be established should be stable enough so that individuals and members are not placed in jeopardy (i.e. no war zones, no extreme graft & corruption, no extreme political instability).
- The region and country considered need to allow private enterprise & private ownership.

Projects and enterprises to be considered need to:

- Agree to operate on Biblical principles of honesty, fairness and respect for others and the environment.
- Have a reasonable prospect of being self-sustaining within a reasonable time period.
- Produce a worthwhile product or worthwhile service.
- Provide an improved living standard to those involved.
- Allow for ownership or a transition of ownership to the impoverished people or the registered Microfinance Co-ordinating Centre.

In assessing projects consideration will be given to the following factors:

- Microlend Australia capabilities.
- Confidence that funds provided will reach legitimate beneficiaries
- Funds provided will be used for legitimate purposes.
- Whether there is any risk that any resources or activities of Microlend Australia, its Chapters, or the Registered Finance Co-ordinator Centres or its members could contribute towards terrorist or other criminal activities.
- Confidence that regular reports will be provided and systems maintained that will monitor and check the progress of the aims of Microlend Australia.

Fundraising

Individuals, Churches, Community Service Clubs and Businesses can be sponsors of Microlend Australia Limited or any of its chapters provided their purpose and goods and /or services compliment the tenet and rules of Microlend Australia Limited.

All funds raised through fundraising activities have to be paid to the bank accounts of Microlend Australia Limited (**not** its branches' bank accounts). Microlend Australia limited then allocates funds to its branches for the purposes of providing loan funds to the various registered entities.

FINANCIAL REPORT

BALANCE SHEET

MICROLEND AUSTRALIA LIMITED

BALANCE SHEET

As at 30 June 2015

| Assets | 30 June 2015 | 30 June 2014 |
|----------------------------------|--------------------|-------------------|
| Bank | | |
| Commonwealth Account (closed) | \$0.00 | \$1,394.21 |
| Microlend Australia Bendigo Bank | \$3,543.86 | \$0.00 |
| Microlend Narellan Macquarie | \$46.64 | \$5,000.00 |
| Microlend Pymble Bendigo Bank | \$3,679.58 | \$0.00 |
| Total Bank | \$7,270.08 | \$6,394.21 |
| Fixed assets | | |
| Office equipment at cost | \$316.77 | \$0.00 |
| Total fixed assets | \$316.77 | \$0.00 |
| Non-current Assets | | |
| Community 21 Limited | \$10,000.00 | \$0.00 |
| Total non-current assets | \$10,000.00 | \$0.00 |
| Total Assets | \$17,586.85 | \$6,394.21 |
| Net Assets | \$17,586.85 | \$6,394.21 |
| Equity | | |
| Current year earnings | \$11,192.64 | \$6,389.21 |
| Member contribution | \$5.00 | \$5.00 |
| Retained earnings | \$6,389.21 | \$0.00 |
| Total equity | \$17,586.85 | \$6,394.21 |

PROFIT AND LOSS

MICROLEND AUSTRALIA LIMITED

PROFIT AND LOSS

1 July 2014 to 30 June 2015

| | 30 June 2015 |
|---|--------------------|
| Income | |
| Donation / Gift income | \$31,350.00 |
| Membership fees | \$5.00 |
| Microlend Pymble Contributions | \$2,250.00 |
| Total income | \$33,605.00 |
| Gross Profit | \$33,605.00 |
| Plus other income | |
| Interest income | \$85.91 |
| Total other income | \$85.91 |
| Less operating expenses | |
| Accounting / Bookkeeping fees | \$285.00 |
| Bank fees | \$28.46 |
| Computer expenses | \$37.50 |
| Fundraising expenses | \$500.00 |
| Heartfelt Hope Project - Uganda | \$1,000.00 |
| Internet | \$360.00 |
| Microfinance Funding 1 to Another Pakistan | \$3,287.31 |
| Microfinance Funding Mongolia | \$17,000.00 |
| Total operating expenses | \$22,498.27 |
| Net profit | \$11,192.64 |