



# Microcredit for Mothers

## ANNUAL REPORT 2018

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Please meet Ms Kout from Laos

Ms. Kout received a loan of EUR 102. With it she bought bamboo to weave baskets that can be sold to tourists on local markets. Just like the other women in this project, she normally works in the rice fields. The bamboo work enables her to also generate an income during the rainy season.

# 1. Our approach and activities

Our journey began with a simple idea: if women could be included in the economy, with the opportunity to build a small business, earn a living wage and have direct access to affordable loans, lives of their children would improve and communities would become more resilient.

This premise has guided us since our inception in 2005. It is our mission to empower poor women in Asia to manifest their strength and potential. Microfinance is not about money alone. In close collaboration with our local Asian partners we aim to support the women to feel like they count, that they are capable and valued, and can take control of their future. It is not always an easy road, but the empowerment of women to decide how to allocate their own income among priorities such as food, education, or healthcare are important to raise the living standards of their families.

Since 2005, we have supported over 25,000 women through our local partners who know about their needs. We experience that microfinance is still needed by hard-working women who struggle to fully participate in their economies. But access to affordable loans is not always the only solution: studies have shown that the impact of microfinance increases if the loans are combined with appropriate trainings, coaching programs or any other capacity building initiatives.

What does that mean for us? Our impact is not just the small loan. The loan is just the beginning of an economic participation. Our partners currently train, monitor, and assist the women in achieving their goals with very limited resources. We therefore decided to provide training grants to our partners. The first training project is expected to commence in 2019. We are also committed to reinforce our impact strategy and measurement.

In 2018 the 9<sup>th</sup> edition of our Female Leadership Journey (FLJ) with our partner 'LAB voor Leiders' took place. The FLJ is a 10-day leadership program and unique opportunity to meet our Asian women in person. 2018 marked this major milestone with a FLJ to Sri Lanka. Shocked and saddened by the breadth of the attacks in April 2019, we were relieved to learn it did not affect our partners and the women.

The core of our journey remains to empower Asian women. They keep on inspiring us to continue our voluntary work together. With this in mind, we are very grateful and proud of our donors, partners, our women, our 35 volunteers, and thank you for supporting us on this journey.

Annemieke Hoogenboom, Marietje de Savornin Lohman, Sonja Timmer, Tienieke Zunnabeld

Management Board Microcredit for Mothers | June 2019

## Letter of the Supervisory Board

The Supervisory Board of Microcredit for Mothers is satisfied with the 2018 results, due to the hard work of the Management Board and our volunteers. Supporting so many women in their own and their families development is something to be proud of!

As the foundation has grown over the last years, we have also professionalized the role of the Supervisory Board. The Supervisory Board now consist of 2 members with in dept Microcredit for Mothers- experience and 2 external members. We focus on our role as employer of the Management Board, as well as on our supervising role and our role as coach and soundboard for the management board.

During 2018 we have met with the Management Board 4 times, discussing -amongst others- strategy, (financial) results, risk management, human resources and project development.

We have a lot of respect for all the great work which is done by the Management Board as volunteers, in addition to their regular job and their family life. We took a role to support them in acting according to articles of association, and limiting operational and financial risk. We also discussed together several dilemma's in order to enable the Management Board to take the best decisions moving forward.

We would like to thank the Management Board and the other volunteers for their effort in 2018.

Supervisory Board Microcredit for Mothers  
Marijke Brunklaus, Alexa Dutilh, Thirza Schaap, Lidwien Suur

## Impact

In the year 2018, Microcredit for Mothers supported more than 800 new Asian women with new loans of in total EUR 81,722 which were released to our existing partners and new partners.

## Our mission

*“We empower poor women in Asia to manifest their strength and potential. This reinforces their self-esteem and independence. Achieving this together inspires us to do this for as many women as possible.”*

An income empowers women. We believe our microcredit loans have a positive impact on their well-being. As a small foundation, we do currently mainly rely on poverty and impact assessment tools used by our local partners, and random interviews with the women during our visits. New volunteers have joined our team to identify, define, and implement our 'impact strategy and measurement tool' in the coming year.

Through our work, Microcredit for Mothers aims to contribute to the United Nations' Sustainable Development Goals 5 and 8:



#### Development Goal 8

Promote sustainable economic growth, employment and decent work for all



#### Development Goal 5

Achieve gender equality and empower all women and girls

### How we work and what's so special about us

Within Microcredit for Mothers, we feel a combination of seven clear characteristics sets us apart from other organizations focusing on the empowerment of poor women.

#### 1. Local partners

Our most important asset is our local (microcredit) partner network, through which we locate and reach the women in our target group. These are either smaller local NGO's (Non-Governmental Organizations) with educational-, health- and/or human rights activities or local MFI's (Micro Finance Institutions) in Asia. Our partners have developed a longstanding relationship with their local communities built on trust.

#### 2. Our 100% volunteers

Microcredit for Mothers exists due to the time and dedication of our 35 volunteers, none of them are paid for their work. These volunteers have different backgrounds and paid jobs at different employers but are all united in their passion in achieving Microcredit for Mothers's mission.

#### 3. Own fundraising

We have a separate Fundraising Team within Microcredit for Mothers who ensures we raise enough funds to fulfil our mission. They are not focused on state subsidies or proceeds from lotteries; they organize a variety of creative events to raise private and corporate funds, ranging from our Female Leadership Journey to our "Cooking Month".

#### 4. Professional Organization

Although Microcredit for Mothers is a volunteer organization, it is run with a business spirit. Most of the volunteers have a paid job within a business environment and bring that mentality into their work for Microcredit for Mothers. Not being dependent on single individuals anymore, Microcredit for Mothers has become a solid and sustainable foundation.

#### 5. We provide the fishing rod instead of the fish

We believe our small loans can be a catalyst for our women to start their own business and develop themselves and their families further, in a

sustainable manner. Our partners combine the microcredits with basic financial, entrepreneurial and female leadership training.

## 6. Asia

We have chosen to focus on providing microcredits to the poor women in Asia that do not have access to local financial service providers. We have established local partnerships in India, Nepal, Bangladesh, Sri Lanka, Indonesia, Laos and Vietnam.

## 7. Connection

We believe in the power of connecting people. Within Microcredit for Mothers we connect our 35 volunteers with each other to raise funds and start new microcredit projects in Asia; we connect with our donors, who provide us not only with the financial and physical means to do our work; our strong connection with our local partners ensures we find the right target group. And we connect Dutch female leaders with Asian female leaders in our Female Leadership Journey.

## Regulatory facts

Since 2008, Microcredit for Mothers has been classified as an Algemeen Nut Beogende Instelling (ANBI) by the Dutch tax authorities and it continues to be so. ANBI status may provide donors with a tax advantage (a deduction of the income tax return of the donation can be made). This, however, depends on the specific facts and circumstance of each case.

Microcredit for Mothers does not hold the certification mark of the Central Bureau of Fundraising (CBF), mainly for cost reasons. In order to be completely transparent, all information regarding our activities, revenues and expenses can be found online and is accessible to anybody. In addition, we publish our annual results on the website and submit our annual report to CBF. In view of the expected growth of our foundation, we are currently considering applying for the CBF brand.

The Microcredit for Mothers Foundation has its residence in Nigtevegt and is registered at the Chamber of Commerce under number 30204889.

## The way forward in 2019

On basis of the successes achieved and challenges faced in 2018, we have defined a strategy for 2019 which consists of a few specific goals.

### Organization

The Management board has recently been expanded to 4 board members. In addition, new members joined our Supervisory Board in the past year. Our objective is to further professionalize the organization.

The current strategy plan runs until mid 2020. Three strategic projects have been started to prepare for the new plan:

1. Positioning (brand) of the Microcredit for Mothers Foundation

2. Strengthening our 'impact strategy and measurement'. Two new volunteers joined our team to coordinate and implement this important project.
3. Risk assessment of our organization, main activities and processes.

In addition, we want to continue the strong connection between each individual volunteer and Microcredit for Mothers to safeguard a sustainable organization. We will organize ongoing activities to build the connection. There will also be evaluations of the various activities and our workways.

### Projects

It is our goal to annually fund at least the donated amount on projects with our local partners. Finding the right partners and projects is crucial. Important pillars for 2019 are i) to focus our activities on the existing 7 countries (excluding Cambodia), ii) to deepen and expand our relationships with existing partners and iii) selectively establish new partnerships in regions where we are not yet well represented.

We aim to provide training grants to our partners capped at 10% of the funds available for our microfinance projects. Simultaneously, we keep building on our 'Microcredit for Mothers Academy' to raise funds especially for training purposes. This gives our program managers the opportunity to discuss the local needs of the women and offer specific training programs.

We want to exploit our knowledge and network around microcredits and become a well-known institution when it comes to financial inclusion.

## 2. Projects

### Introduction

We believe in female entrepreneurs and support poor Asian women who have limited, or no access to credit to start a business. Careful partner selection, monitoring and building successful long-term partnerships is at the heart of our work. We select our partners based on their mission and values, track record, and development program providing women the chance to develop or grow their own business.

Our two regional program management teams are maintaining the relationship with our 32 local partners in 7 countries, divided into regions:

- **South East Asia:** Indonesia, Vietnam, and Laos
- **South Asia:** India, Nepal, Bangladesh, and Sri Lanka.

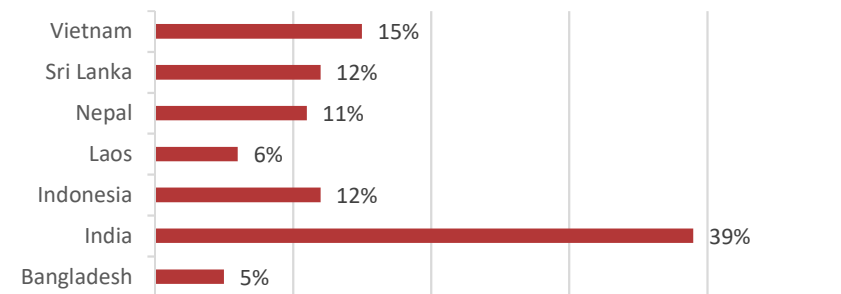
### Number of partners by country



### Main highlights

- 2018 marked a major milestone by growing the current revolving fund to beyond EUR 500,000
- New funds of EUR 81,722 were released to existing and new partners
- 8 microfinance projects were launched reaching 806 'new' women receiving our low-interest loans to start income-generating activities
- New partnerships established with 4 partners in Laos, India, Indonesia, and Vietnam.
- Existing partnerships in Cambodia have been ended. Given the mature microfinance market, characterized by high over-indebtedness among female borrowers, we decided to fully cease our activities in the country.

### Outstanding value of loan portfolio





## New projects

Country	Partner	Background of female beneficiaries	Number of women	Disbursed in 2018 (in EUR)
Nepal	Dhulikhel Hospital	Tribal communities connected to health centres in Kavre	125	10.000
Nepal	CSRC	Women of small agricultural cooperatives	74	10.000
Sri Lanka	NESED	Farming and fishing community in post conflict area	176	15.000
India	Nature	Tribal communities in Bagmaravalasa	317	20.000
India	Suchi	Female leaders in Chittoor	50	6.246
Indonesia	Wanita Abadi	Tribal women in Jakarta Barat	20	4.476
Laos	MHP	Ethnic women in remote areas in Bokeo province	35	6.000
Vietnam	VietED	Female farmers in Ba Vi district	45	10.000

## New partners

In 2018, we welcomed four new partners in the following 4 countries.

### Laos

Founded in 2010, **Maeying Huamjai Phattana** (MHP) is a female-led NGO based in Bokeo province, Northern Laos. MHP aims to improve the quality of life from ethnic minorities and poor women in remote, rural areas. We

started a project with 35 women to help them to become rural entrepreneurs, by assisting them with revolving credit, and proper training & development to start income-generating activities. MHP also supports the women on proper management of non-timber forest products, used to improve income and ensure food security, and nutrition for mothers and children. Creating awareness of gender issues, children's and women's rights and protection of the local environment is also part of MHP's program.

### Vietnam

**VietED Foundation** (VietED) is a not-for-profit organization aiming to improve the business skills and livelihood of low-income households living in rural, mountainous or other difficult accessible areas in Vietnam. VietED was established in 2011 by a team of microfinance and community development experts with extensive experience in designing and implementing microfinance and community development projects with funding from the Vietnamese Ministry of Agriculture, international NGO's, and Viet Nam microfinance network.

About 45 women living in Ba Vi district received a loan up to VND 8 million to support their small farming business. With this loan, women try to further diversify their products, increase their capacity and learn about farming and running a profitable and sustainable business.

## India

**Social Unit for Community Health and Improvement** (Suchi) is a field based NGO in the rural villages of Chittoor District in the Southern part of India. The main occupation of poor people in this area is agricultural labour, and they mostly depend on the landowners for their livelihood. Chittoor District is drought prone area, and agriculture and farming have come down badly. Suchi promotes credit facilities for microenterprises for 100 rural, tribal and marginalised women. The women mainly focus on petty shops, tea & snack stalls, bamboo basket making, cow and goat rearing. Next to the loan fund, the initiative will offer a wide range of training to the women and promote saving practise.

## Indonesia

**Koperasi Tunas Wanita Abadi** (Wanita Abadi) is our new partner in Jakarta Barat (West-Jakarta), an Islamic female cooperative selected by the Indonesian government as the only microcredit organization in the Cengkareng region.



Please meet Samma from India

Samma (42) lives with her husband and 2 children in a slum in Tollykhola. She had a tough existence until 2017. When she received a loan of EUR 195, she started a tailor company. This is going well, she now contributes EUR 38 per month to the family income. According to the agreement, she repays the loan. She wants to open a clothing store with a new loan.



### Please meet NESED in Sri Lanka

North East Socio Economic Developers (NESED) key objective is to get marginal communities, especially women, into the mainstream of development.



NESED works with a panel of experts in the field of social mobilization, organizational development, livelihood development, and trainings based on a proven 4-step development approach.

1. Social mobilization and rural institutional development
2. Creating saving and credit access for livelihood and micro enterprise development
3. Skills development of individuals and groups by training, counselling and mentoring
4. Creating access to financial, technological, marketing and other extension services in the mainstream



## 3. Organisation

### Introduction

Microcredit for Mothers consists of a team of approximately 35 volunteers. The Board of 4 works with a Management Team consisting of Marketing, Communications & Fundraising, a Program managers team for the South Asia region, a Programme managers team for the South East Asia region and HR & Connection.

### Board

Marietje de Savornin Lohman was the Managing Director in 2018, responsible for Marketing, Communications & Fundraising and for HR & Connection. Marietje moved to the Supervisory Board early 2019. Marietje is commercial Director for skincare brand Drs Leenarts. She has been active for Microcredit for Mothers since 2014. **Anick de Ronde will succeed Marietje mid 2019.**

Since the move of Marietje, the Board has become a Collegiate Board without a Managing Director, but with rotating chairpersons.

Annemieke Bos is Finance Director and Chair of the Management Board. Annemieke is investment specialist at OnePlanetCrowd and has been active for Microcredit for Mothers since 2013.

Sonja Timmer was appointed in the position of Operational Director, responsible for the Program Management and Impact teams. Sonja joined Microcredit for Mothers as Program Manager India in 2014. She has a background in investment banking at BNP Paribas and is currently active in the impact finance sector at the Common Fund for Commodities.

We added a fourth Board position in 2018, namely the position of General Secretary & Risk so that we can improve our operational efficiency and effectiveness and become more in control, as well as to be able to spread out the responsibilities. This position was filled by Tienieke Zunneveld. Tienieke had a long career with ABN AMRO Bank, in her last position she was responsible for the Risk management of Commercial Clients. Now, she is entrepreneur and she helps companies to grow to the next level.

All Board members are engaged with Microcredit for Mothers on a voluntary basis. The board meets once a month.

## Supervisory Board

In 2018, the Supervisory Board of Microcredit for Mothers consisted of:

Marijke Brunklaus. Marijke joined the board in 2018, succeeding Ryanne van der Eijk. Marijke had long career with ING, in general management roles and in her last position she was responsible for the HR organisation of ING Bank in the Netherlands. Marijke was also a Board member of Oikocredit. She is now working as an independent consultant.

Thirza Schaap. Thirza moved from the board to the Supervisory board. She has been active for Microcredit for Mothers since 2012. Thirza is Director Customer Experience at KLM.

Alexa Dutilh. Also Alexa moved from board to Supervisory board. She has been active for Microcredit for Mothers since 2006. Both Thirza and Alexa bring a huge knowledge of the internal Microcredit for Mothers organization which is very helpful for the board. Alexa left Microcredit for Mothers in 2019 and has been succeeded with Marietje de Savornin Lohman.

Lidwien Suur. Lidwien joined the board in 2018. She has a focus in her supervisory board role on finance and risk. Lidwien is CFO at ANWB. None of the board members receive any compensation for their efforts and none of the board members have additional positions with conflicting interest. The responsibilities of the board are stated in the articles of

association of Microcredit for Mothers; these articles of association were renewed in 2013.

The Supervisory Board of Microcredit for Mothers supervises if the vision is lived up to and if the goals are achieved. The annual plan is made by management in close cooperation with the volunteers, and execution is followed by means of regular team meetings. The Supervisory Board advises, assists and supervises the execution of the annual plans through bi-monthly consultation. Next to this the Supervisory Board also has the task of approving the budget, annual report and the long term strategic plan. Therefore, the Supervisory Board is accountable for the end results of the foundation, including the functioning of the Management Board.

## Organisational policies

All volunteers work on a fully voluntary basis, with an agreed requirement to spend approximately half a day a week on Microcredit for Mothers. Most volunteers are professionals and have a nearly full-time job besides their work for Microcredit for Mothers. Everyone works virtually and we do not have an office.

We meet at locations at no cost, with the exception of the 3 annual Microcredit for Mothers meetings, for which volunteers pay a small contribution. It is a joint agreement that all volunteers join the 3 annual meetings, because the personal connection during these meetings is essential for the effectiveness of how we work together.

The average volunteer spends 3 years with Microcredit for Mothers. We have a continuous flow of new volunteer hires. In 2017 we therefore created a specific recruiter position in the Microcredit for Mothers team. We have agreed set positions and generally only take on new volunteers when there is a position available, to keep it manageable. However, we always keep an eye on talent and drive and do our best to connect someone with Microcredit for Mothers if they are interested to contribute their time. The recruiter in the HR team speaks with everyone who approaches Microcredit for Mothers with interest to work as a volunteer for Microcredit for Mothers. We hire most volunteers through the network of our own volunteers, e.g. through LinkedIn. We have onboarding sessions for new volunteers and we hold exit interviews with volunteers that leave to learn from their experience.

In 2018, we started with annual check-up meetings with all volunteers to have a dialogue about how each volunteer feels about their work for Microcredit for Mothers and how they see their future with Microcredit for Mothers. In this way, we are more prepared for people who are thinking about leaving, and we can help volunteers into new positions within Microcredit for Mothers if that is where their interest lies.

For active volunteers, we want to be an appealing team to work with and we make an effort to keep our virtual volunteers connected with their roles, their teams and the overall Microcredit for Mothers team.



Please meet Sukira from Indonesia

Mrs. Sukira (50 years old) has 3 children. She has a loan of EUR 50. She makes emping melinjo, Indonesian crackers made from nuts. The nuts are roasted, mashed and dried. From four kilos of nuts she can make one kilo of emping. She earns EUR 4 per day and can save a little. She hopes that she can expand her business in the future and that she will get more customers.

## 4. Financial Report

### Financial policy

The Financial Report is a fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 “Fund-raising institutions” of the Dutch Accounting Standards Board. This annual report is based on a reporting period of one year. The financial year coincides with the calendar year. All amounts are in euros.

The assets and liabilities are carried at the nominal value. Revenue and expenditure are allocated to the period to which they relate. Transactions in foreign currency are converted with the exchange rate of the transaction date. In foreign currency denominated assets and liabilities are converted per balance sheet date in the functional currency with the exchange rate of that date. The exchange differences are accounted as expenditure in the statement of income and expenditure.

### Main financial highlights

- 2018 marked a major milestone by growing the current revolving fund to beyond EUR 500,000
- Total fundraising in 2018 amounts to EUR 77,376
- New funds of EUR 81,722 were released to our existing partners and new partners. This means we were able to grow our revolving fund faster than this year’s fundraising
- Because of relatively large mutations in accounts payable and deferred income (see below explanation) the foundation closes the year 2018 with a larger cash position than the year before.
- 8 microfinance projects were launched and new partnerships were established with 4 partners in Laos, India, Indonesia, and Vietnam.
- Existing partnerships in Cambodia have been ended. Given the mature microfinance market, characterized by high over-indebtedness among female borrowers, we decided to fully cease our activities in the country.

	Wiro					Total Disbursement	Outstanding loan	Total Saving	P:R	
1.	Wiro A	237	257	55	23	Rp 12.747.900	Rp 10.800.000	Rp 434.354.000	Rp 192.223.861	2.93
2.	Febri W	221	241	56	28	Rp. -	Rp. 8.000.000	Rp 284.397.600	Rp 228.948.860	0.2
3.	Bagu. K	212	225	50	23	Rp. 1.294.600	Rp. 31.000.000	Rp 313.354.000	Rp 220.522.581	0.41
4.	Silfi S	177	193	51	24	Rp. -	Rp 15.000.000			
5.	Surga E P	225	247	53	25	Rp. 1.151.200	Rp 31.200.000	Rp 242.532.2000	Rp 84.286.386	0.47
6.	Elyna R D	239	249	55	24	Rp -	Rp. 27.700.000	Rp 366.294.000	Rp 203.773.877	-
7.	Totok D D	100								

## Balance sheet

Balance sheet	2017	2018
Total funds	460.213	501.523
Accounts receivable	4.993	4.622
Prepaid amounts	0	28.998
Total cash	142.076	164.270
<b>Total assets</b>	<b>607.282</b>	<b>699.413</b>
Continuity reserve	12.500	12.500
Revolving funds reserve	460.213	501.523
Future projects reserve	110.559	114.990
Long term liabilities	0	0
Accounts payable	40	22.305
Deferred income	23.970	48.095
<b>Total equity &amp; liabilities</b>	<b>607.282</b>	<b>699.412</b>

## Statement of Income and Expenditures

Profit and loss statement	2017	2018
Fundraising	95.913	77.376
Interest income	11	0
<b>Total income</b>	<b>95.924</b>	<b>77.376</b>
Spent on behalf of the objective	82.098	31.362
Acquisition costs	-	0
Administrative costs	139	274
<b>Total expenditures</b>	<b>82.237</b>	<b>31.636</b>
<b>Net result</b>	<b>13.687</b>	<b>45.741</b>

## Notes to the Balance Sheet

### Financial Assets (1)

The Financial Assets consist of the Revolving Funds. These are the loans distributed to our partners, which they use to provide microcredits to the women in the countries in which we are active. In that way, they represent the microcredits that are provided to the various projects. When providing the loan to our partner organizations in the various countries, we make sure the microcredit loans to the women in the projects can only be granted under the terms and condition as set by our foundation.



The tenor of a microcredit is, generally speaking, 1 year. Of course our goal is to have every woman repay her loan within this year but because the loans are provided to (very) poor women the risk profile of these loans is also very high. In the last few years our partners have however reported very high pay back percentages of the loans by these poor women. We decided that in the year 2017 Microcredit for Mothers, in some cases, needed to explore these high numbers more accurately. Notably, this effort has resulted in the decision to write off more funds than previous years. We consider these write offs a logical result of working with this vulnerably target group.

In the year 2018 we continued to more critically evaluate a number of projects where we think our funds are at higher risk than average. This resulted in one project that had to be written of completely.

On the next pages, a detailed overview of the Financial Assets per country and the number of local partners per country can be found.



Please meet Thoa from Vietnam

Thoa (34 years old) has received several loans. She investigated what her village needed. That turned out to be a rice machine, which removes the skins from the rice. She rented it out to her villagers. With the following loans, she has bought chickens, pigs and fish. She also bought a piece of land, the fish pond is now one hectare.

Country	Partners	2017	2018
<b>Bangladesh</b>	Two existing partners	26.514	26.514
	<b>Total</b>	<b>26.514</b>	<b>26.514</b>
<b>Cambodia</b>	Two existing partners	14.234	14.234
	Depreciation		-14.234
	<b>Total</b>	<b>14.234</b>	<b>0</b>
<b>India</b>	Ten existing partners	174.168	174.168
	Funds provided to an existing partner		20.000
	Funds provided to a new partner		6.246
	<b>Total</b>	<b>174.168</b>	<b>200.414</b>
<b>Indonesia</b>	Five existing partners	56.427	56.427
	Funds provided to a new partner		-615
	Depreciation		4.476
	<b>Total</b>	<b>56.427</b>	<b>60.288</b>
<b>Laos</b>	One existing partner	23.580	23.580
	Funds provided to a new partner		6.000
	<b>Total</b>	<b>23.580</b>	<b>29.580</b>
<b>Nepal</b>	Three existing partners	38.310	38.310
	Funds provided to an existing partner	-	20.000
	<b>Total</b>	<b>38.310</b>	<b>58.310</b>

Country	Partners	2017	2018
<b>Sri Lanka</b>	Four existing partners	45.993	45.993
	Funds provided to an existing partner		15.000
	<b>Total</b>	<b>45.993</b>	<b>60.993</b>
<b>Vietnam</b>	Two existing partners	80.988	80.988
	Funds provided to new partners		10.000
	Depreciation		-1.973
	One partner repaid		-15.000
	<b>Total</b>	<b>80.988</b>	<b>74.015</b>
<b>Total</b>		<b>460.213</b>	<b>501.523</b>

The increase in financial assets is the result of new loans (EUR 81.722), write off of projects mainly in Cambodia (EUR 17.436), repayment of loans by our partners (EUR 15.000 by our Vietnam partner because the project ended) and a slight depreciation of all foreign currencies versus the euro (EUR 8.591). The latter is non-cash, due to the fact that the provided loans are local currency loans, reported in euro.

### Cash & Cash equivalents (2)

Cash and Cash equivalents	2017	2018
Triodos	135.734	147.917
ING	-192	9.808
ASN	6.534	6.545
<b>Total</b>	<b>142.076</b>	<b>164.270</b>

### Accounts Receivable (3)

This concerns amounts receivable of EUR 4.622 which relate to the year 2017 but which are received in 2018. This amount consists of private donations that related to 2017 but were transferred in the beginning of 2018.

### Prepaid amounts (4)

This concerns the travel agency invoice of our female leadership journey in 2019 which was already paid in December 2018.

### Equity (5)

Appropriation of result	Continuity Reserve	Revolving Funds Reserve	Future Projects Reserve
Equity 2017	12.500	460.213	110.559
Appropriation of 2018 result	0	41.310	4.431
<b>Equity 2018</b>	<b>12.500</b>	<b>501.523</b>	<b>114.990</b>

### Continuity Reserve

The Board of the Foundation has decided that at all times a reserve of EUR 12.500 must be present to make sure the foundation is able to fulfil all short-term obligations as well as cover any future unexpected expenses.

### Revolving Funds Reserve

The Revolving Fund Reserve consists of the equity that is used to fund or provide loans to the different local projects in accordance with the purpose of the foundation.

### Future Projects Reserve

The Future Projects Reserve consists of part of the equity and net result which is still available for (future) funding of the projects in accordance with the purpose of the foundation.

### Long term liabilities (6)

As of 2017 the foundation has no long-term liabilities.

### Accounts Payable (7)

This concerns amounts still payable of EUR 22.304 which relate to the year 2018 but which become payable in 2019. These obligations largely consist of two new projects (Laos, India and Nepal) which were approved and contract signed in 2018 but the loans were transferred to our partners beginning of 2019. The remaining part of accounts payable

consist of banking costs and invoices that related to 2018 but were transferred in the beginning of 2019.

### Deferred Income (8)

This concerns amounts received of EUR 48.095 that relate to the year 2019 but have been received in 2018. These obligations largely consist of the prepaid amounts by participants of the Female Leadership Journey which is to take part in January 2019.

## Notes to the statement of Income and Expenditures

### Income (9)

Income	2017	2018
Donations individuals	30.691	47.123
Donations foundations and associations	49.060	20.291
Donations corporations	16.305	9,962
<b>Income from fundraising</b>	<b>95.913</b>	<b>77.376</b>
Interest income	11	0
<b>Total</b>	<b>95.924</b>	<b>77.376</b>

In 2018 the overall income from fundraising amounted to EUR 77.376. In comparison with 2017, only donations of individuals increased significantly. Income from events consists of amongst others

contributions from participants of the Female Leadership Journey organized by Microcredit for Mothers and our Cooking Month event.

### Expenditures on behalf of the objective / Funds to projects (10)

Total expenditures on behalf of the objective/funds to projects amounted to EUR 31.493 in 2018. Excluding the currency gain and write offs, they amounted to EUR 6.081. In accordance with the mission of Microcredit for Mothers, these expenditures were used to support all projects. A detailed overview of these costs can be found below.

Spent on behalf of the objective	2017	2018
Capacity building	0	1.536
Currency result	-10.987	8.591
Depreciation of bad funds	23.310	16.821
Representation costs	392	0
Travel expenses	3.908	4.190
Bank costs variable	150	223
Interest expenses related to DM funds	3.375	0
<b>Total</b>	<b>20.148</b>	<b>31.493</b>

### Capacity Building

In 2018 Microcredit for Mothers donated to a training program that is used by one of our microfinance partners in Nepal. Next to a microfinance loan, the women in this project receive additional support in the form of a grant.

We decided to do this donation as a pilot project to be able to learn more about what are successful training components in microfinance projects. Microcredit for Mothers aims to fund more training initiatives in the future.

#### **Currency Results & Depreciation of bad debt**

Country	2017	Additional funding	Depreciation bad debt	Currency result	2018
Bangladesh	26.514	0	0	991	27.505
Cambodia	14.234	0	-14.234	0	0
India	174.168	26.246	0	-6.438	193.976
Indonesia	56.427	4.476	-615	-699	59.590
Laos	23.580	6.000	0	374	29.954
Nepal	38.310	20.000	0	-1.567	56.743
Sri Lanka	45.993	15.000	0	-7.218	53.775
Vietnam	80.988	-5.000	-1.973	5.965	79.980
<b>Total</b>	<b>460.213</b>	<b>66.722</b>	<b>-16.821</b>	<b>-8.591</b>	<b>501.523</b>

All of our projects are funded in local currency. Therefore, Microcredit for Mothers incurs a currency risk. In 2018, this resulted in a currency loss of EUR 8.591. As mentioned before, all of our projects run a high risk for bad debt depreciation. In 2018 we decided to write off our project in Cambodia.

Smaller write-offs incurred in Vietnam, due to a number of reasons such as illness or death of the ultimate beneficiaries, crop diseases etc. We consider this amount within normal boundaries.

#### **Capacity Building, Representation costs & Travel Expenses**

Our volunteers regularly visit the local projects. Travel expenses are paid for by the volunteers with their own financial means and upon request Microcredit for Mothers contributes to their travel expenses with an amount of EUR 450 up to maximal EUR 1.000 for each volunteer visiting a project.

In 2018, 5 volunteers requested this compensation, resulting in travel expenses of EUR 4.190. These travels are also used to visit potential new partners. In 2018 no additional representation costs were made because of activities for the volunteers.

#### **Bank costs (variable)**

EUR 223 of bank costs incurred related to the transfers of funds to international bank accounts of Microcredit for Mothers's partners.

#### **Legal costs (10)**

The legal and administrative costs in 2018 of EUR 131 are related to fixed bank costs, for keeping an account and for relevant insurance policies.

## Cashflow

Cashflow	2017	2018
Net Result	13.687	45.741
-/- currency result	56.973	8.591
+ depreciation of bad debt	20.601	16.821
+ change in account receivables/payables	-75.244	17.763
<b>-65.917</b>	<b>16.018</b>	<b>88.915</b>
-/- new funds provided to partners	-61.376	-66.722
+ new funds received from DM	0	0
<b>Cashflow from financing</b>	<b>-61.376</b>	<b>-66.722</b>
<b>Total net cashflow</b>	<b>-45.358</b>	<b>22.193</b>
<i>Cash beginning of the year</i>	<i>187.435</i>	<i>142.076</i>
<i>Cash end of the year</i>	<i>142.076</i>	<i>164.270</i>

By the end of 2018, Microcredit for Mothers's cash position had increased with ca. EUR 22.193. This is however mostly explained by the increase of accounts payable and deferred income.



### Please meet Shefali from Bangladesh

Shefali used her micro credit to purchase materials to produce fishhooks. She makes them by hand and local designed tools. The women in this project make over 1,200 fishhooks per day. The fishhooks are first made by hand from a fragile material. Then they are heated, and finally cooked in coconut oil. This makes them sturdy and gets a nice glossy colour. The fishhooks are sold at a local market.



Please meet our volunteers