



microkrediet
voor moeders



Microcredit for Mothers Annual report 2013

Introduction



Meet Shanti, a 36-year old mother who lives in Sri Lanka somewhere between Anuradhapura and Vavuniya. After her daughter got handicapped due to a wrong vaccination, her husband left the family. As a result, she was on her own and incapable of providing for the basic needs of her and her children let alone medicine for her daughter.

With some aid of our local partner KIRDO (Kebithigollawa Integrated Rural Development Organization), Shanti decided to relocate to a place close to a natural water spring. With a first loan from KIRDO of EUR 50, she started a small retail shop. Due to the proximity of the well, her client base grew quickly and her shop performed very well. Within 12 months, she repaid the loan and discussed a second loan with the field

officers of KIRDO. This second loan of EUR 100 was granted and Shanti expanded her bedroom/shop with one extra room. This way, she was able to serve her customers while still providing her handicapped daughter with assistance when needed and some privacy. Furthermore, she used the loan to increase the items available for sale such as lunch packages. Her shop has grown into a small meeting place for people visiting the well or just passing by.

With the income of her shop, Shanti firstly pays the interest on the microcredit, and, additionally, buys food to cook her son two meals a day. For her daughter, she is able to buy special nutrition most of the time. Furthermore, Shanti makes sure that her son attends school to receive education. The microcredit loans of KIRDO have enabled her to take much better care of her family in such a difficult situation.



Table of Contents

Microcredit for Mothers Annual Report 2013	2	2. Financial Report 2013	13
Introduction	3	General information	13
0. Executive Summary	5	2.1 Balance Sheet	13
1. Annual Report	6	2.2 Overview Income and Expenses	14
1.1 General information	6	2.3 Notes to the Balance Sheet	14
Our methodology and way of working	7	2.4 Notes to the statement of income and expenditures	16
CBF-mark	8	2.5 Ratio expenditure	18
ANBI status	9	3. Microcredit for Mothers in practice	19
1.2 Activities and financial position	9	3.1 Project visit Cambodia by Linde Zwart	19
South Asia	9	3.2 September 2013, marked by cooking for Microcredit for Mothers	20
South East Asia	10	3.3 Female leadership Journey 'Kracht van de Ontmoeting' (the power of engagement) in Sri Lanka	21
Financial update Revolving Funds	10		
Fundraising	10		
Expenses used for Microfinance activities	11		
1.3 Organization	11		
Managing Director and Board	11		
Organization	11		
Volunteer policy	11		
Report by the Supervisory Board	12		

0. Executive Summary

Nine years ago, in 2005, Microcredit for Mothers (MfM) was founded by Samantha Rolefes and Erlijn Sie, who were committed to improve the living condition of impoverished children in developing countries. To achieve this mission, they decided not to work with the impoverished children directly, but rather their mothers. Their reasoning was: by providing the mothers of impoverished children with a microcredit, the women would be able to ensure a sustainable improvement of living conditions for both themselves as well as their children.

Since 2005, MfM has evolved from an organization consisting of 2 people to an organization of approximately 35 volunteers, working in roles varying from Country Program Manager to Fundraising Officer. Moreover, MfM started with one revolving fund of EUR 1.500 in Sri Lanka: our local Sri Lankan partner BBSWI provided this money to 21 women through a microcredit loan. We now cooperate with 24 local microcredit partners in 8 Asian countries (Bangladesh, Cambodia, India, Indonesia, Laos, Nepal, Sri Lanka and Vietnam) and manage revolving microcredit programs of EUR 335.558. This is the total value in euro's of the loans we have distributed through our partners to women in the various countries where we work and which will be distributed over and over to (new) women as soon as the loans have been repaid. In 2013, our main focus was to expand our running microcredit programs, to strengthen the relationship with our local partners in Asia, to acquire new funds in The Netherlands and further professionalize our 100% voluntary organization. With regards to the latter, we introduced Country Strategy Plans and KPI Dashboards

within our Program Management Teams, and changed the governance of the organization. Furthermore, we set a goal to enrich our microcredit loans with sustainable product loans (i.e. providing women with sustainable products such as solar lamps and clean cooking stoves).

In India, we strengthened our relationship with Rural Action in Development Society (RAIDS) and in Sri Lanka, we started a new partnership for a small first time fund with the Dayasarana Development Foundation (DDF). In Cambodia and Vietnam, we strengthened our partnerships with Cambodia-Dutch Organization and An Chi Em.

Over the past year, we managed to raise a total of EUR 76.870 of (non-profit) funding. This was a great achievement of our Fundraising Team, which developed numerous new initiatives both in the private as well as the corporate segment, amongst others a fundraising event that was sponsored by Rabo Private Equity, a Dutch bank, as well as the Female Leadership Journey.

Additionally, this was the year in which we for the first time engaged in a pro-profit partnership. Dutch Microfinance, a private investment initiative, provided MfM with funding of EUR 57,500. With this money, we provided two of our partners in South East Asia (An Chi Em in Vietnam and Komida in Indonesia) with a loan at an interest rate of 2% – 6%.

With the support of all our donors and volunteers we were able to reach approximately 6.5000 women and 13.000 children in 2013.



1. Annual Report

In this chapter we will firstly provide general information, including the mission and goals of Microcredit for Mothers, our methodology and way of working and the goals and achievements of 2013 (1.1). Following, the operational activities and financial position will be illustrated (1.2). Lastly, we will explicate the way our organization is set-up and the Supervisory Board will introduce itself (1.3).

1.1 General Information

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

Our mission is to improve the living condition of impoverished children in developing countries, thereby empowering them to grow up as independent adults with human worthy living conditions. We hope that once grown up, these children will play a significant role in the development of their own community and country further. We strive to improve the living condition of impoverished children by giving their mothers access to a microcredit, with which they can start a small business. This subsequently allows them to generate their own income, thus increasing the chance that they will be able to save money to invest in healthcare and education of their children, and become more independent themselves. We believe that a microcredit can be the accelerator to improve the lives of these women and their families.

Why did MfM choose to focus on mothers, instead of targeting children directly? Research shows that women generally contribute most to their families' living conditions and that they fulfill a key role in the initiation of a multiplier effect in community development. Furthermore, 70% of the world's poorest constitute women, who have historically been disadvantaged in getting access to credit and other

financial services. Lastly, it has been shown that women have higher repayment rates on microcredit loans and contribute larger portions of their income to household consumption than their male counterparts. We believe that providing microcredits contributes to the empowerment of these women living in mainly male dominated countries and hence enables them to improve the living condition of their children at the same time.

We reach out to women (and their families) who are (1) absolutely and relatively the poorest of the poor in their communities and/or (2) excluded from other microfinance institutions or other financial service organizations. Examples of the second target group are ethnic minorities that are not recognized by the financial & social systems of the countries they live in and hence cannot access financial services. For the moment, we provide microcredits in Asia only.



MfM's most important asset is our local microcredit partner network through which we reach the women in our target group. The partners are either local Micro Finance Institutions (MFIs) or smaller local non-governmental organizations (NGOs) in South Asia and South East Asia. These organizations have already established a relationship of trust with the local communities we intend to provide a microcredit to. Via our partners we offer the women in the local communities a microcredit loan, accompanied with basic financial-, entrepreneurial-, or female leadership training. As such, women learn to save part of their income; they become familiar with the basics of financial accounting; they are trained in several professions (examples are small farm animal rearing, rice cultivation, dressmaking, incense stick making); and, finally, they are engaged in sessions on leadership. Additionally, the women who receive a microcredit loan expand their own personal network and thus create an extra sense of solidarity in their local community.

Our methodology and way of working

Microcredit for Mothers raises funds in The Netherlands, both from the private and corporate segments. We distribute this funding as an interest- and installment-free loan to our local partners in South and South East Asia. Prerequisites for receiving one of our loans are a detailed MfM approved project proposal (including name, age, type of business, loan usage per woman) as well as confirmation of the ability of the partner to provide quarterly key performance indicators to MfM. To ensure the latter, a visit by one of our Program Managers to the local partner is also a necessity before the start of a partnership. After all of the above mentioned elements are in place, our local

partner receives the fund and disburses this as microcredit loans with interest to the women that were specified in the project proposal. The interest of the microcredit loan is determined together with MfM and is always in line with the market (microfinance-) interest rate of the country in question. The interest-income is used by our local partner organizations to finance labor and travel costs and any other costs associated with the specific project.

No collateral is involved in the microcredit loans distributed with our funds. The target group we want to reach, the poorest of the poor, is often not able to provide any. Instead, our partners may ask a group of women in a community to vouch for each other in order to get the loan, in accordance with the Grameen methodology. In some countries we work with so-called Self-Help Groups, who take on the loan as a group, thereby having the group members jointly share the responsibility for the entire group's liability.

Our local partners meet with the women on weekly/monthly basis and collect loan- and interest payments. Loans which have been returned are redistributed to a (new) group of women according to the concept of a revolving fund. Our goal is to have every woman repay her loan within a year and to provide a woman with a maximum of three loans. At the moment, women usually repay their loans between ten and twelve months. We aim to have empowered the women to enter the national credit system by the end of these 3 loan cycle. At that time, barring specific exceptions, they will have built up enough collateral and/or credit history to qualify for the national system.



MfM's key operating pillars are sincerity, transparency and a win-win for all parties involved. We strive to provide families in Asia with as close to 100% of the funds that were raised in The Netherlands. Therefore we always attempt to keep operating costs at a minimum. The Foundation pursues full disclosure and transparency.

Microcredit for Mothers distinguishes herself from other microcredit parties for several reasons:

1. We hardly make any costs in The Netherlands. Almost every donated euro is fully provided as a loan to mothers in South and South East Asia. We are able to achieve this result by working closely with Dutch organizations who demonstrate their commitment by providing us either with donations in kind, in euro's, or by generating new business. Furthermore, all MfM's employees are volunteers and receive no compensation for their work.
2. In Asia we work together with over 20 local microcredit partners. We have developed a distinct microcredit program with each partner, which is fully focused on the needs of the specific group of women with which they work. Together with the partner we determine an acceptable interest rate that is paid by the women. The income generated from interest payments is used by the partners to finance the operational costs arising from their projects.
3. We select our local microcredit partners carefully on the basis of demonstrated previous experience as well as their mission and values. Achieving social impact by providing the poorest of the poor women with an opportunity to become an entrepreneur, is the most important value for us.

Goals and achievements in 2013

In 2013, Microcredit for Mothers aimed to reach more of the poorest and excluded women by expanding running microcredit programs, strengthening the relationship with local partners in Asia, acquiring new funds in The Netherlands and further professionalizing the 100% voluntary organization.

Our goals for 2013 were:

- Give 7000 mothers access to a microcredit by making use of our own growing revolving fund, through the disbursement of non-profit loans to our local microcredit partners

- Start 2 sustainable product pilots
- Provide 5 local microcredit partners with a pro-profit loan
- Expand our local partner network to 25 partners, with a minimum of 2 partners per country
- Raise EUR 175.000 in the Dutch market in collaboration with our donors
- Professionalize our voluntary organization, with a focus on quality
- Improve our brand value

In the reporting year, we were able to accomplish most of these goals. We reached almost 1.300 new women. Together with a sustainable product partner we investigated the introduction of a sustainable product loan (solar lamps) in Nepal, but regrettably national rules and regulations have not yet made it possible for us to realize this sustainable product pilot. We provided 2 local microcredit partners with a pro-profit loan. Together with 3 new local partners we have expanded our local partner network in Asia. We raised ca EUR 135,000 in the Dutch market. This was partly realized for our first time ever pro-profit partnership. Furthermore, we increased the sustainability of our organization/governance (see chapter 1.3) and introduced Country Program Plans as well as KPI Dashboards. Lastly, our brand value has increased substantially with regards to our website visits, fund raising requests at info@mvm.nl and a number of new donors.

CBF-mark

Microcredit for Mothers consciously did not obtain the CBF-mark. The reason is simple; this mark costs money, which amounts to several hundred euros a year. We have decided not to pay for the mark but instead save costs, i.e. donated money, so it can be distributed to the women in Asia. Nevertheless, in order to be completely transparent, all information regarding our activities, revenues and expenses can be found online and are accessible to anybody. Moreover, the foundation publishes her results and annual accounts on the website. Furthermore, our annual report is provided to CBF and also accessible via their website.

ANBI status

Since 2008, Microcredit for Mothers has been classified as an Algemeen Nut Beogende Instelling (ANBI) by the Dutch tax authorities. 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.

1.2 Activities and financial position

In 2013 we continued to be active in eight countries divided into two major regions:

1. South Asia: Bangladesh, Nepal, India and Sri Lanka
2. South East Asia: Laos, Vietnam, Cambodia and Indonesia

We have focused on deepening our relationships in each country by strengthening our cooperation with existing partners. Furthermore, our program managers have invested their time and effort in meeting potential new partners in the region. This did not necessarily lead to new partners immediately, but has partly enabled us to welcome new partnerships in 2014. In Sri Lanka and Cambodia, we have started programs with new partners. With regards to our existing partners, we have expanded our portfolio in India, Nepal, Cambodia and Vietnam. In total, we were able to reach approximately 6.500 women with over 13.000 children in 2013.

Next to our regular donations by individuals, foundations and cooperations, Microcredit for Mothers has started a cooperation with Dutch Microfinance (DM). With DM, MfM has had in depth discussions on how to reach more women in our regions than the current MfM donations enable us to do. This has resulted in a EUR 100,000 risk free contribution (of which EUR 57,500 was drawn in 2013) received by MfM from Dutch Microfinance, with which we will expand some programs with our existing partners. The loans in this program will be provided at small interest rate percentages over the local currency amounts (MfM will forward the received interest payments to Dutch Microfinance). With the received interest, Dutch Microfinance intends to sponsor other philanthropic activities like schooling projects etc. We expect to provide these specific loans to partners that are looking for additional funding, which MfM would not be able provide under normal circumstances. Given our limited

income (donations) and wish to spread this amongst new and existing partners and countries, funds can sometimes be restricted. In 2013, the first two partners in Indonesia and Vietnam received a DM loan and preparations for a third project with a partner in Cambodia were ongoing.

South Asia

In India we have strengthened our relationship with Rural Action in Development Society (RAIDS). We expanded our revolving fund with another EUR 10.000 following the first Female Leadership Journey in 2012, which connected Dutch female leaders with Indian female leaders in the programs of RAIDS-MfM. Each Dutch woman that participates in our Female Leadership Journeys donates 10 microcredits to the women in the project who live in the villages they visited during this trip. In this instance, microcredit loans were provided to the Yanadi women, originally a nomadic tribe, who settled in the village Othulapalli. The women use their microcredit loans to produce



charcoal and to buy milk-producing animals (like sheep). Following this first Female Leadership Journey, a well-project was also initiated by the Dutch women who joined the Journey, in which MfM played a facilitating role.

In Sri Lanka, a new collaboration came into being. We have started a partnership with the Dayasarana Development Foundation (DDF) for a small first time fund of EUR 5.000. The foundation, with members in the Eastern part of the country, supports people in this war affected area with a broad range of activities, such as the cultivation of rice and vegetables, raising chickens, selling small snacks in street stalls and producing batik clothing. Together with MfM, DDF combined some of its training activities with a long wished for microcredit program. In October 2013, the third Female Leadership Journey visited DDF and witnessed the good performance of this first time fund and the support and monitoring by DDF of the women in the program. Following this visit, a second fund of EUR 10.000 was successfully initiated by the end of the year.

In Nepal, MfM started a new project with our partner Dhulikhel Hospital. Through the outreach posts of Dhulikhel Hospital, EUR 12.000 was distributed in microcredit loans, benefiting 105 rural women by helping them initiating small farming activities, like goat rearing. It is a unique combination of healthcare assistance and microcredit support.

South East Asia

In South East Asia, another new partnership was founded in Cambodia with Jan Camp. His Cambodian foundation received a loan of EUR 13.133 for the acquisition of 3,5 hectares of land to cultivate rice and all other input necessities like seeds. This way, Jan Camp enables the Khnar Po community to start and improve rice farming activities. In Vietnam, we have started two new programs with our existing partner An Chi Em. A EUR 20.000 loan was provided as part of the Dutch Microfinance portfolio against an annual interest rate of 4%. A EUR 10.000 loan was transferred on regular MfM (no interest) terms. The loans were disbursed in several communes in the Dien Bien Phu Province. Members of the Black Thai ethnic minority group used the loans for agricultural investments such as pigs, chickens and cages, but also for rice and food for their breeding stock. Furthermore, we have also started a new program

with Komida, our largest partner in Indonesia. This program consists of a EUR 37.500 loan benefiting approximately 2000 women in the area of Karawang, West-Java, and was also funded with the Dutch Microfinance funds, which receives an annual interest rate of 6%.

Financial update Revolving Funds

In 2012, the overall revolving fund has increased from EUR 255.389 per ultimo 2012 to EUR 335.558 per ultimo 2013. This number reflects the combination of the strong increase in provided funds to our partners on the one hand, and a large currency depreciation loss of EUR 35.220 on the other. As the revolving funds in the various countries are set in local currency, MfM incurs a currency risk. In 2013, the euro gained significant value against the Indian Rupee and the Indonesian Rupiah. Details of the amount per country can be found in the financial report in chapter 2. The total amount of bad debt depreciation for 2013 amounts to EUR 2.245. Given the fact that the purpose of MfM is to serve the poorest of the poor, this amount is relatively low in 2013.

Due to excellent fundraising activities (see below) and our cooperation with the before mentioned Dutch Microfinance, we were again able to grow the Future Fund Reserve with an amount of EUR 13.719, resulting in a total value of the Future Fund Reserve per ultimo 2013 of EUR 58.680. This amount is reserved for new microfinancing projects. The aim of MfM is to make sure that this reserve is fully utilized in the upcoming years. Details about the Equity and Balance Sheet can be found in the financial report in chapter 2.

Fundraising

2013 was a good year for fundraising, in which a total of EUR 76.870 in donations was received. We are very proud of our fundraising team, as they did a wonderful job in realizing this. Our total income consists of donations from individuals, foundations and corporations, and donations as a result from organized events. In the year 2013, one of our biggest donations came from the two Female Leadership Journeys, resulting in high contributions to the MfM partners that were visited during these journeys. Furthermore, donations from Dutch corporates and Dutch foundations increased significantly in comparison with 2012.

Expenses used for Microfinance activities

To fund, maintain and start new projects, the foundation incurs certain costs.

These costs consist mainly of the depreciation costs as explained above, bank costs, fundraising costs (i.e. costs for marketing and communication), administration costs and costs incurred by and for our volunteers (travel expenses and representation costs).

Costs in relation to the administration as well as fundraising costs are extremely low (<1% of received donations). We are very proud to achieve these results with the help of our volunteers, who do not receive any remuneration and, except for some (limited) travel compensation to visit the projects in Asia, are happy to contribute on a voluntary basis. Also, we maintain close relationships with our Dutch partners, some of who enable us to keep costs on printing, communication and other marketing tools low.

Further details of our expenses and expense ratios can be found in paragraph 2.4 and 2.5 below.

1.3 Organization

Managing Director and Board

As of September 2011, Mrs Angelique Timmer has been appointed as managing director of Microcredit for Mothers. Angelique had the position of Associate Partner with the consulting firm BoerCroon during the whole of 2013. She has been active for Microcredit for Mothers since 2008, starting as program manager. Furthermore, the Board consists of a Finance Director, Mrs Nicolien Luijsterburg, and an Operational Director, Mrs Thirza Schaap. All Board members are engaged with MfM on a voluntary basis. The responsibilities of the board are stated in the articles of association of Microcredit for Mothers, which were renewed in 2013.

Organization

Microcredit for Mothers is run entirely by volunteers, who are willing to dedicate their time next to their jobs and lives to the foundation. In September 2011 a new organization structure with four coordinators each managing a team of volunteers was implemented. In this way, initiatives are more effectively aligned and the teams are managed more directly. All coordinators and the Board meet once a month for the Management Team meeting to discuss ongoing projects, strategy and other matters. In 2013, an average of 35 volunteers dedicated themselves to the foundation.

Volunteer policy

Every volunteer that decides to contribute to Microcredit for Mothers signs a volunteer-agreement which states the role and the expected time investment of the volunteer. Onboarding of all volunteers is done by ways of an information package, entrance to all communication media and a tailor made boarding plan in the teams. The primary process of MfM is led by the Program managers who are responsible for management of the microcredit programs. They maintain the relationships with our local business partners, ensure frequent reporting on our projects, measure the impact of our programmes and explore new opportunities to expand our current activities. Our aim is that our program managers conduct a yearly visit to each of our partners, thereby acquiring a yearly evaluation of the projects. Besides the programs, volunteers are assigned to various supporting activities such as HR and recruitment,

- Samantha Rolefes, chairman and founder
- Ilse Visser
- Ed Monchen



fundraising and fundraising projects, and marketing and communication including maintenance of the website. All the teams meet once every month. Furthermore, all volunteers meet quarterly at a social meeting and once a year for the annual 'Bootcamp' in which the mission is discussed and new ideas are proposed. Alignment with our Dutch partners is being done in various forms and by all types of communication.

Report by the Supervisory Board

In 2012, the Supervisory Board decided to re-new the organization chart. In need of an extra controlling and advising segment, the members of the management board raised a Supervisory Board. Most of the former members of the management were appointed to the Supervisory Board. A new and fresh management was effected, with –long-serving– members of the foundation. This was all documented at the solicitor DLP Piper.

At the beginning of 2013, the Supervisory Board members were:

- Samantha Rolefes: Samantha has a background in business administration and has been working in the IT sector since 1996, both in The Netherlands and in the US. Samantha is currently working as a Principal Consultant at PA Consulting Group, specializing in management and IT consulting. Samantha is chairman of the Supervisory Board and one of the two founders of Microcredit for Mothers.
- Ed Monchen: Ed has 22 years of experience in (international) business in marketing and management positions (including HP, VODW and Aon). In 2013, he was working as a partner at Forgood, a consultancy for sustainable development.
- Ilse Visser: Ilse has an organizational background. In 1996 she founded

Undutchables, the recruitment agency for internationals. At this moment the agency has 6 offices and an excellent reputation in the market.

In March/April 2013, two new members were added to the Supervisory Board. One member to replace Samantha, the other member to strengthen the Supervisory Board further. Mariette Helmann and Rianne van der Eijk were a good match and contributed a lot of experience and knowledge to the team.

- Rianne van der Eijk. Rianne is General Manager North Europe at KLM and she adds her strong strategic skills to the team. Rianne has a background in the (international) hospitality and travel business.
- Mariette founded Eurocongres Conference Management which is one of the leading congress organisers in Europe. With her organizational and management talents she made a great chairman after Samantha left the Supervisory Board. Unfortunately, she was not able to finish her job with MfM as she became very ill in 2013 and later passed away in 2014. We are very grateful for her time and contribution in our Supervisory Board.

None of the Supervisory Board members receive remuneration or reimbursement for made expenses. Furthermore, none of them has a position that can lead to potential conflicts of interest. The Supervisory Board meets with the Management Board every 6 to 8 weeks to discuss the most important issues. Standard topics of these meetings are new projects and new partners, the organizational chart and its challenges, budgets and results. Moreover, the Supervisory Board appoints the director(s) of the foundation, keeps track of his/her functioning and assesses the director(s) at the end of the year.



Financial Report

General information

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.



2.1 Balance Sheet

BALANCE SHEET (euro's)		2013	2012
Assets			
Financial Assets (revolving funds)	1	335,558	255,389
Cash & Cash Equivalents	2	73,327	57,498
Amounts receivable	3	168	100
Prepaid amounts		95	
Total Assets		409,148	312,986
Equity			
	4		
Continuity Reserve		12,500	12,500
Revolving Funds Reserve		278,058	255,389
Future Projects Reserve		58,680	44,961
Liabilities			
Long term liabilities	5	57,500	
Amounts payable	6	2,411	137
Amounts received in advance		-	-
Total Equity & Liabilities		409,148	312,986

A more detailed explanation can be found in paragraph 2.3

2.2. Overview Income and Expenses

PROFIT AND LOSS ACCOUNT (euro's)		2013	budget 2013	2012
Income	7			
income from fundraising		76,870	64,500	58,170
other income		169	100	100
Total income		77,039	64,600	58,270
Expenditures				
Spent on behalf of the objective	8	40,216	5,250	41,323
Acquisition costs	9	185	250	125
Administrative costs	10	249	245	532
Total expenditures		40,651	5,745	41,979
Net Result		36,388	58,855	16,291

A more detailed explanation can be found in paragraph 2.4

2.3 Notes to the Balance Sheet

Financial Assets (1)

The Financial Assets consist of the Revolving Funds. These Funds represent the microcredits that are provided to the various projects, that is to say, to the women in the eight Asian countries. The tenor of 1 microcredit is, generally speaking, 1 year. However, the loans for these women are not provided by us directly but are distributed by our partner organisations in the various countries. We cooperate very closely with these partners and the microcredits can only be granted under the terms and condition as set by our foundation. The Financial Assets are therefore in fact the loans distributed to our partners. Below, a detailed overview of the Financial Assets per country and per partner can be found.

COUNTRY	PROJECT (euro's)	2013	2012
Bangladesh	ASSAR2	3,185	3,174
	MANGO1	2,832	2,821
	Banana	5,663	5,642
Bangladesh	Total	11,680	11,637
Cambodia	Chamroeun / EDM	9,868	10,269
	Jan Camp	12,367	-
Cambodia	Total	22,235	11,637
India	Sarala - Kolkata	14,043	16,553
	Manush - Hakkipikki	3,927	4,628
	Friends Indeed/ARDAR - Ananthagiri	54,339	64,052
	Sanghamithra - Bellary	6,941	8,181
	Sanghamithra - Kolar	22,739	28,323
	RAIDS - Budabudakala	7,033	8,290
	RAIDS - Yanadi	8,296	-
India	Total	117,316	130,027
Indonesia	Kopdit Anna3	4,011	5,311
	Rambutan	2,906	3,848
	Komida	19,455	25,760
Indonesia	Total	26,364	34,911
Laos	Gender Development Group (GDG)/bamboo traders (BTA)	12,071	12,668
	Total	12,071	12,668
Nepal	Dhulikhel Hospital	17,330	9,145
Nepal	Total	17,330	9,145

Sri Lanka	BBSWI4	-	2,608
	JK 2	6,344	7,286
	KIRDO 5	4,477	2,978
	Markoesa	4,322	2,978
	MMSLS3	2,493	2,680
	DDF	14,396	-
Sri Lanka	Total	32,033	18,530
Vietnam	The Dariu Foundation (TDF) 1	14,016	14,216
	Entrepreneurs du Monde (EDM)/Chi Em 1	25,014	13,986
Vietnam	Total	39,030	28,202
DM	Komida	37,500	-
	Entrepreneurs du Monde (EDM)/Chi Em 1	20,000	-
DM	Total	57,500	-
TOTAL		335,558	255,389

The strong devaluation of the Indian Rupee and the Indonesian Rupiah versus the euro resulted in a significant decline in financial assets in these countries. This is non-cash, due to the fact that the provided loans are local currency loans, reported in euro (see also 2.4).

In Sri Lanka, we have concluded our long lasting relationship with BBSWI, MfM's first partner. We have handed over the program to this Buddhist foundation after 8 years of partnership.

The DM-loans (provided with the Dutch Microfinance funds) differ from our previously provided loans due to the interest bearing debt element, and therefore they are reported separately.

Cash & Cash equivalents (2)

Cash & Cash equivalents (euro's)	2013	2012
ING	1,821	12,548
Triodos	66,506	40,843
ASN	5,000	4,105
Total Cash and Cash Equivalents	73,327	57,498

Amounts Receivable (3)

This concerns amounts receivable of EUR 168 which relate to the year 2013 but which are received in 2014 – for example interest on a bank account (EUR 100 in 2012).



Equity (4)

Appropriation of result (euro's)	Continuity	Revolvind Funds	Future Project
	Reserve	Reserve	Reserve
Equity 31-12-3012	12,500	255,389	44,961
Appropriation of the Result 2013	-	22,669	13,719
Equity 31-12-2013	12,500	278,058	58,680

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 (5)

The loan term liability of EUR 57.500 consists of the loan received from Cor Bladt, a Dutch individual with whom MfM started a collaboration to further enhance the goals and activities of Microcredit for Mothers under the name Dutch Microfinance (DM). In total, he has allocated EUR 100.000 for this collaboration, of which EUR 57.500 has been provided to two MfM partners by the end of 2013. It is contractually agreed that MfM shall not incur any risk with respect to the loans provided by MfM as part of this collaboration. Should any change in the value of local currencies result in either an increase or decrease of the DM loans provided by MfM to it's partners in euro, the value and the repayment obligation of the long term liability will similarly increase/decrease. The same applies for failure in repayments by the beneficiaries of our partners.

Amounts Payable (6)

This concerns amounts still payable of EUR 2.411 which relate to the year 2013 but which become payable in 2014 (EUR 137 in 2012).

2.4 Notes to the statement of income and expenditures

Income (7)

Income (euro's)	2013	Budget 2013	2012
Individuals	18,624	30,000	26,016
Foundations and associations	10,240	4,500	4,044
Corporations	34,516	10,00	8,663
yearly donation (periodieke giften)	325		
Events	13,165	20,000	19,448
Total income from fundraising	76,870	64,500	58,170
Interest income	169	100	100
Total income	77,039	64,600	58,270

In 2013 the overall income from fundraising amounted to EUR 76.870, an all time high. In comparison with 2012, the donations from private individuals dropped, but they were almost completely compensated for by donations from foundations and associations. The strong increase compared to 2012 is mostly realised by donations from corporations. This year, MfM did not receive any income from inheritances.

Income from events relates to contributions from participants of the Female Leadership Journey organised by MfM. Compared to 2012, only one of the originally two envisaged Journeys took place, consequently being below the budget that was set in 2012.

Expenditures on behalf of the objective / Funds to projects (8)

Total expenditures on behalf of the objective/funds to projects amounted to EUR 40.216 in 2013. In accordance with the mission of Microcredit for Mothers, these expenditures were used to support all projects in the 8 different countries in South and South East Asia. A detailed overview of these costs can be found below

Expenditures spent on behalf of the objective/

Funds to projects (euro's)		2013	Budget 2013	2012
Capacity building	a	117	-	1,249
Currency result	b	35,220	-	14,303
Depreciation of bad funds	c	2,245	-	22,523
Representation costs	d	750	500	320
Staff expenses		-	-	-
Social security expenses		-	-	36
Travel expenses	e	1,648	4,500	2,791
Bank costs (variable)	f	237	250	100
Total of spent on behalf of the objective		40,216	5,250	41,323

a) Capacity Building

In 2013, limited capacity building costs (EUR 117) were made for the introduction of a first sustainable product loan in Nepal (EUR 1.249 in 2012).

b & c) Currency Results & Depreciation of bad debt

Country (euro's)	2012	Additional funding	Depreciation bad dept	Currency result	Total Depreciation	2013
Bangladesh	11,637	-	-	43	43	11,680
Cambodia	10,269	13,134	-	(1,168)	(1,168)	22,235
India	130,027	10,000	(1,289)	(21,422)	(22,712)	117,316
Indonesia	34,911	-	-	(8,547)	(8,547)	26,364
Laos	12,668	-	-	(597)	(597)	12,071
Nepal	9,145	12,000	(1,691)	(2,124)	(3,815)	17,330
Sri Lanka	18,530	15,000	216	(1,713)	(1,497)	32,033
Vietnam	28,202	10,000	519	308	827	39,030
DM	-	57,500	-	-	-	57,500
TOTAL	255,389	117,634	(2,245)	(35,220)	(37,465)	335,558

All of our projects are funded in local currency. Therefore, MfM occurs a currency risk. In 2013, the currency loss amounted to EUR 35.220.

Some of our projects run a high risk for bad debt depreciation. In 2013, some fairly small amounts had to be written off in India and Nepal due to unforeseen circumstances.

d & e) Representation costs & Travel Expenses

Our volunteers regularly visit the local projects, but do not receive full remuneration for their trips. Travel expenses are paid for by the volunteers by their own financial means. However, MfM contributes to their travel expenses with an amount of EUR 450 for each volunteer visiting a project, if requested by the volunteer. In 2013, only very few volunteers requested this compensation, resulting in travel expenses of EUR 1.647 in 2013. In addition, representation costs of EUR 750 were made because of activities for the volunteers (EUR 320 in 2012).



f) Bank costs (variable)

EUR 237 of bank costs incurred, related to the transfers of funds to International Bank account's of MfM's partners (EUR 100 in 2012).

Acquisition Costs (9)

Acquisition costs (euro's)	2013	Budge 2013	2012
Fund acquisition	58	0	0
Internet costs	127	250	125
Total	185	250	125

The limited acquisition costs in 2013 of EUR 185 related to internet domain registration and banners being produced for fundraising activities.

Administrative Costs (10)

Administrative costs (euro's)	2013	Budget 2013	2012
Tradename & legal costs	50	-	224
General Administrative costs	-	-	58
Contribution & other costs	-	25	24
Bank costs (fixed)	199	220	225
round-off difference	-	-	1
Total	249	245	532

2.5 Ratio expenditure

Cost ratio's (%)	2013	2012
Expenditure to projects/total income	52%	71%
Expenditure to projects incl. net result added to Future Reserve / total income	99,4%	98,9%
Expenditure for fundraising total income for fundraising	0,24%	0,21%
Expenditure for management and administration purpose/ total income	0,32%	0,91%

Expenditure to projects/total income

This ratio indicates which part of the income is spent on projects. The 2013 ratio of 52,2% versus 70% in 2012.

A percentage under 100% implies in many cases that there is an addition to reserves. This is indeed the case as the result of 2013 (EUR 36.388, see Equity note 4) is added to the Future Projects Reserve and Revolving Funds Reserve. This amount will is/be used for projects in the future. Therefore, in our view, a Ratio where the net result (which is added to the Future Projects Reserve and Revolving Fund Reserve) is also taken into account, provides a better understanding of the actual percentage of income that is used to support the strategic goal of the foundation.

Expenditure to projects + net result / total income

The ratio expenditure which includes the net result which is added to the Future Projects Reserve and Revolving Fund Reserve provides a good understanding of the total income that is used to fulfil the strategic goal of the Foundation. This percentage is 99,4% in 2013. We are extremely proud of the fact that this percentage is - again - above 95%.

Ratio costs as a percentage of fundraising

The ratio costs for fundraising was 0,24% in 2013. This ratio indicates the relation between costs of fundraising and the total income by fundraising. We are again very proud of the fact that we are able to raise funds with an exceptionally low amount of costs.

Ratio management and administration/total income

The ratio management and administration is 0,32% in 2013. This ratio indicates which part of the income is spent on management and administration costs. MfM did not incur any management costs.

Microcredit for Mothers in practice

3.1 Project visit Cambodia by Linde Zwart

In March 2013, I went to Cambodia on behalf of Microcredit for Mothers to visit two of our partners, one in the city of Phnom Penh and one in the country side close to Siem Reap. I can honestly say that it was the most inspirational week of my life (and also the hottest, some days over 40 degrees Celsius!). Our local partners are very important to us and this trip has made me even more proud of them than I already was.

In the capital Phnom Penh we work with Chamroeun to provide women and their families in the city with microcredits. The organization has several branches all over (mostly) the western part of Cambodia. Early in the morning I first had a meeting with the CEO, every now and then a few seconds in the dark because of several power cuts, but that happens all the time in Cambodia. We signed a contract for a revolving fund that will help 140 women to start their micro business.

After this meeting we went by tuktuk to Branch number 6, Takmal Branch, as they call it, where I asked the Branch manager and the head of marketing about a million questions. The women that are granted the loan cannot repay by bank transfer, as they do not have a bank account (or electricity or running water for that matter). So it is important for the partner to have a presence in every part of the relevant region, therefore our partner has branches, district offices and (mobile) satellite offices near the women to collect monthly repayment. Chamroeun checks if a borrower had/has previous and current loans by consulting the Credit Bureau of Cambodia. I also got to get a look at a loan file, which consists of a loan contract and a loan repayment schedule and often thumb prints of the borrower. Every borrower has a guarantor, often the husband is the co-borrower, but someone else acts as a guarantor, co-signing the agreement. That person can be a sister or a neighbor for instance.



In the afternoon we went all over the city by tuk-tuk to visit women who have been granted a microcredit and I got a chance to ask them how that has changed their lives. This was an amazing experience. For instance, I spoke to Sroeng Huy. She came from the country side to Phnom Penh in 1977. Her sister who lives nearby is her guarantee for the loan, which she uses to buy rice from the market and fruit from another market. She makes rice porridge and around lunch time she goes to the area where garment factory workers have a lunch break to sell the rice porridge and the fruit. She has 2 children and adopted a third child. All in all she is able to provide for the family. Another woman we spoke to is Chem Neang, who lives in a small home with 8 people. She used her loan (2nd cycle) to buy shells (it looked a bit like the one's from little snails) from people by the river, and then she washes and prepares with salt before selling them on a kart which she bought with the first cycle loan.

My one week in Cambodia was amazing and meeting the Cambodians and our partners has been inspiring beyond expectation. It was both heartwarming and at times a heartbreaking experience that I would not have wanted to miss for the world!

3.2 September 2013, marked by cooking for Microcredit for Mothers

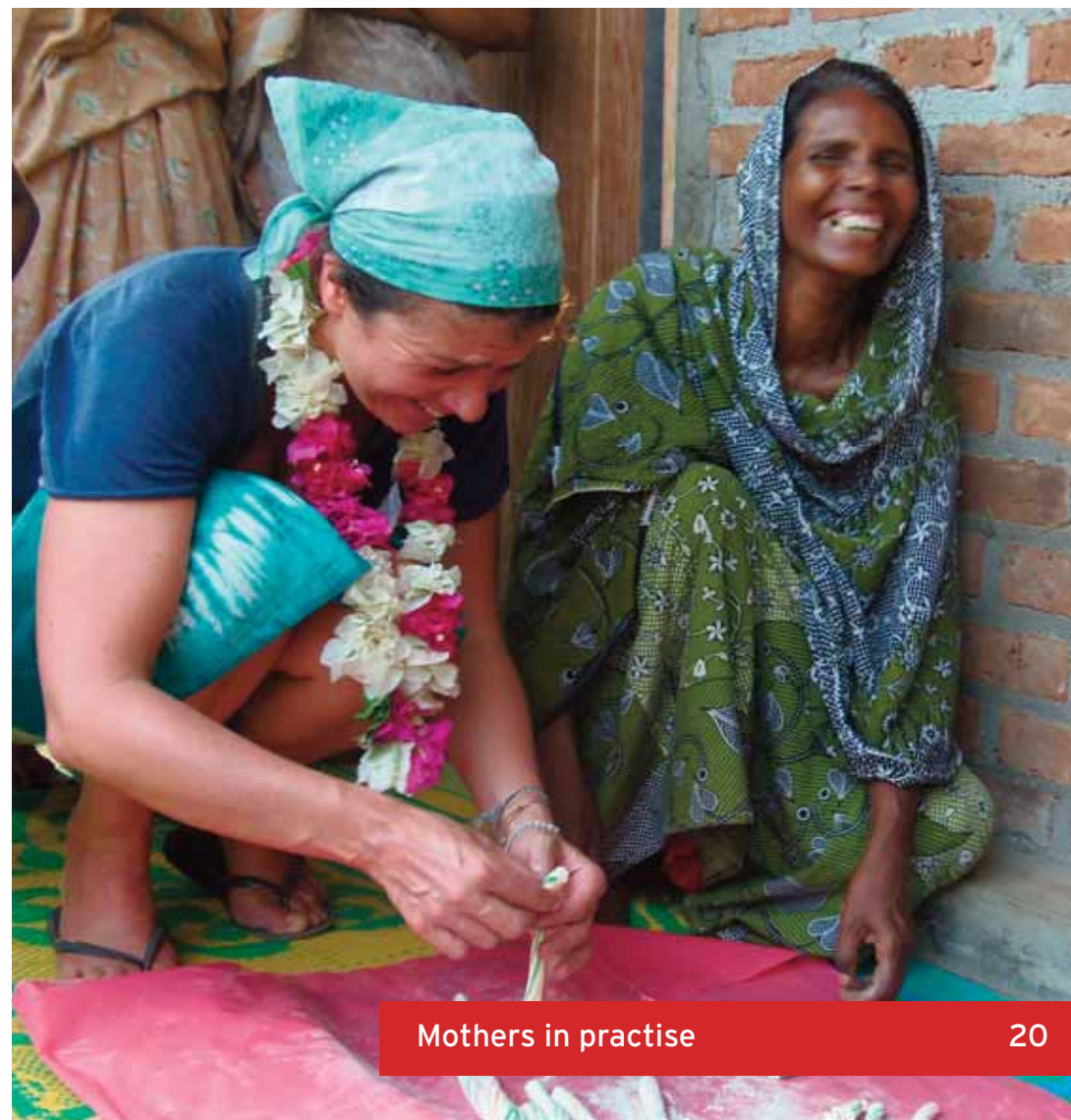
In September 2013, Microcredit for Mothers organized the MfM Cooking Month for the fifth time in a row. This whole month got our existing network, but also newly interested people, preparing food and dinners for friends and family. Volunteers organized high teas, special dinners and picnics. At the end of such an occasion, they all asked their guests for a small donation for Microcredit for Mothers.

The whole idea was invented five years ago. MfM wanted to draw special attention to all the women from our microcredit projects in Asia, during one full month a year. The link with food preparation was not difficult. Lots of women who receive a loan through MfM are producing food, are selling food or are making the most wonderful and delicious snacks. We wanted to connect these women with people who are cooking in The Netherlands. By organizing a food-related event for friends around you, a microcredit loan for a woman in Asia is quickly collected!

For the first time in 2013, restaurants and companies also participated in this project. Different restaurants had their own way to raise money. The restaurants De Jonker, Leaf Vegetarian and Lof der Zotheid made special Microcredit for Mothers menus in the month of September of which a percentage of the revenues was contributed to MfM. The Movies restaurant organized a very special Sunday afternoon, IJscuypje in

Amsterdam had a collection box on their counter and the big supermarket Albert Heijn donated one dinner as well. Our sponsors Orlando Uitgevers, A Beautiful Story and ZTRDG supported us by giving the most wonderful gifts and presents to the winners of a launched challenge.

The result: lots of new members in our network, lots of publicity on Facebook and a total donation of EUR 5.000.



3.3 Female leadership Journey 'Kracht van de Ontmoeting' (the power of engagement) in Sri Lanka

Microcredit for Mothers believes in connecting people. We believe that Dutch women can learn from our women in the microcredit programs in Asia and viceversa. That is the reason why Female Leadership Journeys (FLJ) to our projects in Asia are organized twice a year. During Female Leadership Journeys, MfM facilitates three engagements: an engagement with yourself, an engagement with the women in MfM's microcredit programs and an engagement with local nature and culture.

In collaboration with MfM's reliable and very professional partner Lab for Leaders (www.labvoorleiders.nl), managed by Anita Tamminga, MfM is able to provide a life changing journey for the women who are participating.

In October 2013 a group of thirteen Dutch women visited Sri Lanka, where they met our partner Dayasarana Development Foundation (DDF). DDF is a foundation with 13.000 members, founded by a big national company called the Daya Group. It puts a lot of effort on the empowerment of women in the projects and provides them with

trainings and other ways to raise awareness for this subject.

Upon arrival at DDF, the FLJ participants were warmly welcomed by Director Special Projects Mr. Wijesinghe who showed them the meaning of female leadership for members of DDF in the field. The thirteen Dutch women had the honor to truly connect with the Sri Lankan women by helping them feeding their animals, assisting them in the grocery shop and cutting the rice in the field. In the evening they were eating, dancing and singing with them. Furthermore, they spent two nights sleeping in their houses. An experience that none of them will ever forget.

Due to the donations coming from this Female Leadership Journey, DDF was able to extend their Microcredit program in different villages. After 10 days, the group left Sri Lanka truly grateful and inspired, and continued to share this wonderful experience with friends and family once back in The Netherlands.

