



microkrediet  
voor moeders



# Microcredit for Mothers Annual report 2014

vormgeving: [www.studiopompe.nl](http://www.studiopompe.nl)

# Introduction



Radhika is part of the Gypsy community in the Shikari colony in Andhra Pradesh, India. She is married and has two children of 4 and 6 years old. The family was moving from one place to another for their livelihood. Because of this, she and her children experienced deprivation, exclusion and vulnerability at the different locations they migrated to. They were living under the tree, at bus stands, railway stations and other public places.

With the help of Microcredit for Mother's Indian partner ROPES, she has been living in the same place for some time now. ROPES has helped her to promote her right to identity by mobilizing ration cards and access to government housing schemes to have pucca housing. The next challenge for Radhika is to realise a sustainable

livelihood in the same location. Encouraged by ROPES, she became a member of the Kaliyamma Self-Help Group. As a member, she then got a loan of EUR 100,- from ROPES-Microcredit for Mothers' revolving fund project. She used it to buy materials for beads works and fancy items, which is her traditional occupation. With the purchases she did, she was able to improve her business and to increase her income from Rs.200 to Rs.300- per day. After interest and repayment of the loan, this means an additional daily income for her and her family.

This increased income, together with the broader help of ROPES, has brought a big change in her life. Radhika herself feels great encouragement to enhance her entrepreneurship skills and her strength and to give her children a chance of education. Her son is now able to join a government primary school and her daughter attends the ROPES Child Protection Centre.



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## Testimonial



# 1 Microcredit for Mothers in a nutshell

## WHY - HOW - WHAT

### 1.1.1 The purpose, cause and beliefs that inspire us to do what we do

In 2014, we renewed our mission statement. It was embraced by all our 40 volunteers during our annual “Bootcamp” and is now as follows:

*We empower the poorest women in Asia to manifest their strength and potential. This leads to growth in their self-esteem and independence. Achieving this together inspires us to do this for as many women as possible.*

When Microcredit for Mothers was founded in 2005 by Eriijn Sie and Samantha Rolefes, they formulated the following mission: “Our mission is to improve the living conditions of impoverished children in developing countries, thereby empowering them to grow up as independent adults with human worthy living conditions. We hope that as an adult these children will play a significant role in developing their own community and country further.” They chose to improve the living conditions of these children by providing their mothers with a microcredit. These microcredits target to empower them to start a small business, lead to own income generation, increase chances of saving money, investment in health care and education of children and more autonomy and independence.

In the past nine years we provided 7,000 women with a microcredit and saw clearly a microcredit can act as an accelerator to improve the lives of their children. In general, the women generate income, allowing them to save money to invest in the health and education of their children. However, we also learned that the impact on the women

themselves is much larger than we expected. When we meet face-to-face with the women who have been provided with a microcredit, we see proud women with self-esteem, taking more control of their own lives. This realization led to the renewed mission statement of Microcredit for Mothers by changing the focus of our mission from children to their mothers.

In our new mission there are two components that are interesting to highlight:

- Our target group: “the poorest women in Asia”. We believe in female entrepreneurs and leaders at the poorest levels. We help the poorest mothers in Asia who have no other access to financial means to start a business, amongst other ethnic minorities. Women have already made enormous progress in emerging markets. The wide success stimulates us to contribute even more, as women are still a driving force in these areas. This is shown by facts as: (1) The poorest families in general still depend on the woman’s income; (2) The woman’s income benefits not only herself, but her entire family; (3) Women, more than men, invest the money they make in health, education and the welfare of their family.
- “Achieving this together inspires us to do this for as many women as possible”. When we asked our volunteers why they put so much of their time and energy into MfM the two main reasons they gave us were (1) to do something good for others and (2) the inspiration & energy they get when working with fellow volunteers to achieve this goal.

## 1.1.2 How we work and what is 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 poorest of the poor women.

1. Our 100% volunteers. Microcredit for Mothers exists due to the time and dedication of our plus/minus 40 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 MfM's mission.
2. Own fundraising. We have a separate Fundraising Team within Microcredit for Mothers who ensures we raise enough funds to fulfill 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".
3. 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, human rights activities or local MFI's (Micro Finance Institutions) in Asia.  
These local organizations have established a relationship of trust with the local communities long before we encounter them.
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 the work at Microcredit for Mothers. Not being dependent on single individuals anymore, MfM has become a solid and sustainable foundation.
5. We provide the fishing rod instead of the fish. We strongly believe in the sustainable development of women and feel this cannot be achieved by merely providing a woman with a sum of money. Our microcredits 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've chosen to focus specifically on providing microcredits to the poorest women in Asia, for this moment. We've established local partnerships in India, Nepal, Bangladesh, Sri Lanka, Indonesia, Cambodia, Laos and Vietnam.

7. Connection. We believe in the power of connecting people. Within MfM we connect our 40 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.

## 1.1.3 Regulatory facts CBF-mark

Microcredit for Mothers consciously does not obtain the CBF-mark. The reason is simple; this mark has to be paid for, 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 is 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. The Microcredit for Mothers Foundation has its residence in Amsterdam and is registered at the Chamber of Commerce under number 30204889.

### 1.1.4 Our activities: what we do and what kind of products and services we have

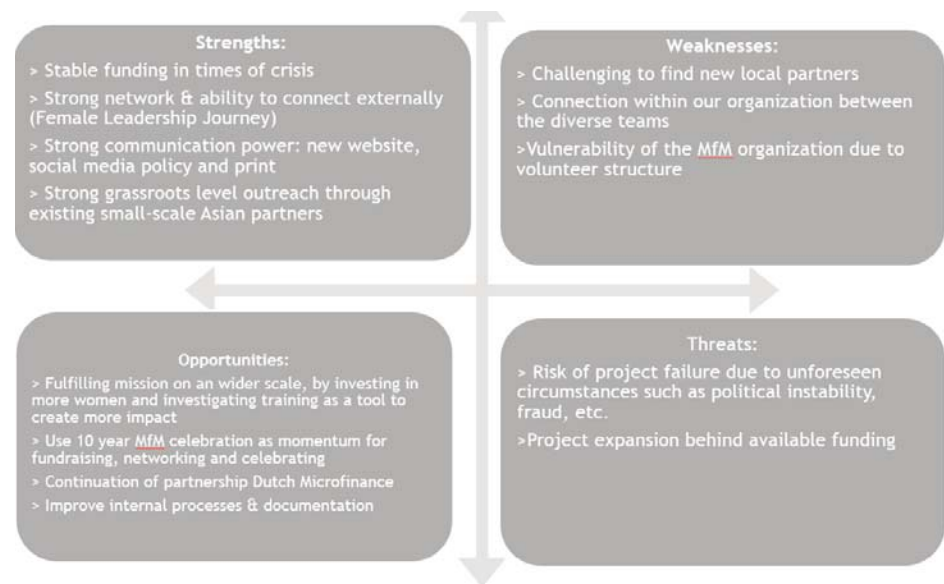
The core product we have put in place to empower the poorest women in Asia to manifest their strength and potential is the provision of microcredits. An MfM microcredit is, on average, a loan of EUR 85 which is provided to the poorest women in Asia by one of our local partners. Our women use these loans for a variety of businesses ranging from raising chickens, selling textiles or making candles.

In 2013 we had the ambition to expand our microcredit loans with sustainable product loans, i.e. loans to empower our women to buy sustainable products such as lamps running on solar power, clean cooking stoves, water filters, etc to empower our women not only economically, but also in her and her families' health. We invested time and energy into setting up a pilot in solar lamps in Nepal, but unfortunately we were not successful due to national rules and regulations regarding sustainable products. After further investigation in other countries, we learned this ambition encounters regulatory hurdles, was more difficult to combine with the regular business than expected and requires another way of working with our partners. We thus decided to abort this ambition for the time being.

We did look into the long lasting ambition of many of our volunteers, in many cases based upon the recurring request of our Asian partners, with regard to supporting the poorest women not only with microcredits but also with trainings. MfM currently does not fund these trainings. In most cases our local partners already provide some training (ranging from financial & business topics to health and legal topics) to the

women in our projects. Research of the RijksUniversiteit of Groningen for example shows that training (in whichever subject) leads to a larger social network for women, more possible support and hence to a larger chance of completing a microcredit loan and making a sustainable step in development. We therefore decided to set up a pilot with at least one of our local partners by funding training in 2015 to see how we can further define this ambition. In case this pilot is successful, we hope to add the funding of training to the products and services we provide to the poorest women in Asia.

### 1.2 Our situation in 2014: SWOT analysis



### 1.3 Impact

With our donors, we have been able to reach approximately 7,000 women and 14,000 children up till now, by providing the women with a small microcredit loan. As a result, these women improve their freedom of choice in how they earn and spend money. This has many facets, including the ability for them to have more choice of their occupation, make household spending decisions, finance larger purchases for their homes and businesses, refrain from selling off assets in times of crisis and better manage risk.

Combined with the broader way our partners implement the microcredit programs, we believe our microcredit loans have an impact on the potential of these Asian women to manifest their potential and strength. Crucial in this respect are amongst other criteria for enrollment in the local microcredit programs, training and guidance during the programs, working together and supporting each other. These all influence a positive outcome of the projects.

As we are a small foundation and only have limited financial means, we do not evaluate the impact of our projects through randomized controlled trials or other forms of profound evaluations. However we do check the 'financial status' of these women with yearly poverty assessment index analyses and we do interviews with women in the programs during all of our visits. Although in this way we only reach a very small percentage of the women enrolled, it does teach us that the programs are highly appreciated and many women benefit from it.

### 1.4 The way forward in 2015

On basis of the successes achieved and challenges faced in 2014, we have defined a strategy for 2015 which consists of five specific goals.

1. We would like to raise EUR 100,000 of funds and provide microcredit loans worth EUR 100,000. To this end we created a clear monthly fundraising forecast. On the program management side we decided to hire more program managers and we are piloting an increase of travel expense reimbursement to increase the amount of (new) local partners visited.
2. We would like to start at least one pilot project where MfM funds training. The goals, content, process and evaluation metrics of this training need to be defined jointly with our local partner. The evaluation will be used to decide whether will allocate a greater portion of our funds to training accompanying our microcredit loans in the future.
3. We want to evaluate whether our partnership with Dutch Microfinance, who provide funding to our local partners on basis of an interest rate between 2% – 6%, allows us to support our mission and what the impact is on our organization, local partners and women.
4. We want to celebrate our 10th anniversary! We have recruited a team of six volunteers to organize celebrations around this anniversary with the goal to connect, inspire and collect donations.
5. We want to enhance the connection of each individual volunteer to MfM in order to create a more sustainable organization. We will do this by introducing specific tools, but also by placing more focus on creating dialogue on each individual's connection with MfM.



# 2 Projects in 2014

## 2.1 Introduction

In 2014, our main focus was to expand our running microcredit projects with our Asian partners and to find new partners to start new projects with. By doing so, we strived to reach an increasing amount of women in order to enable them to manifest their strength and potential. We focus on women in eight different countries, being Bangladesh, Nepal, India, Sri Lanka, Cambodia, Laos, Vietnam and Indonesia.

## 2.2 Project policies

We distribute our 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 never higher than 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, some of 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 three loan cycle.

Program Managers are responsible for managing the microfinance programs. They maintain the relationships with our local business partners, look after frequent reporting on our projects, measure impact and research possibilities to expand our activities. Our goal is to have our program managers visit and evaluate every project once a year.

During the year, a new policy on maximum exposures was introduced. As of the end of the year, a cap of EUR 45,000 per partner and a cap of EUR 10,000 for the first time loan to a new partner will be applied for new initiatives. It was decided not to implement country limits.

### 2.3 Project targets and results in 2014

To achieve our mission, we continued to be active in eight countries divided into two major regions: South Asia and South East Asia. By the end of the year, the value of MfM funds allocated to our 21 Asian partners had grown from app EUR 355,000 to

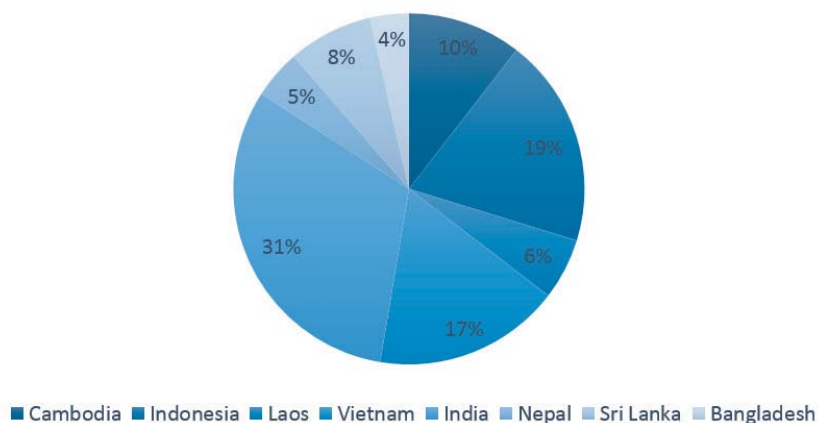
approx. EUR 430,000 (see geographic split beneath). The majority of the funds, ca. EUR 352,500 originates from our standard fundraising. The remaining part, EUR 77,500, was funded by Dutch Microfinance (DM).

Given our irregular income (donations) and wish to spread these amongst new and existing partners and countries, funds are sometimes restricted. DM is therefore a great opportunity for MfM, as we use this specific fund to provide additional funding to existing partners, which MfM would not be able provide under normal circumstances. We call these loans 'DM loans'.

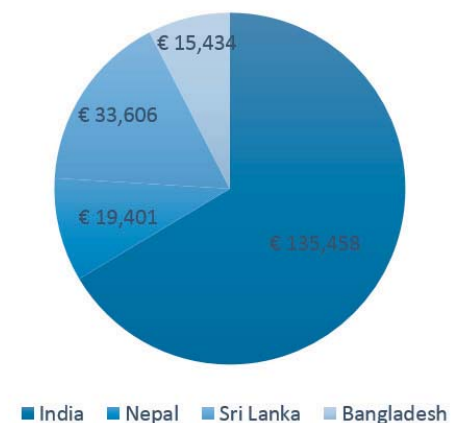
#### 2.3.1 South Asia

At the beginning of the year, we had 11 local partners reaching out to our target group in South Asia. We aimed to find new partners and expand with our existing partners. This goal was only partly reached. We welcomed one new partner in Bangladesh and one in India. On the other hand, an old partner in Sri Lanka became independent (through adoption by another Dutch organization who enabled the women to run the project totally independent). All in all, by the end of 2014 we had 12 partners and approx. EUR 204,000 of funds allocated in South Asia.

Division of funds per country



SOUTH ASIA - EUR 204,000



## India

In India, four of our five partners had a good year in terms of the microfinance projects. RAIDS, Manush, Sarala, and Sanghamithra were providing women in their communities microcredits from the MfM funds.

We welcomed a sixth partner in India, the Rural Organisation for Poverty (Ropes), active in ten villages in Chittoor District in Andhra Pradesh. After extensive contact with the people of Ropes and a visit by one of our volunteers in 2013, we started a first small project with them. Ropes focuses on 'child rescue and child rights protection', 'Emergency relief during natural disaster', 'Skill- & vocational training courses' and 'SHG development & microfinance'. The broader range of activities and long lasting relationship with the women in their communities fits very well with our goal and preferred way of working. 50 women were selected to join the first MfM project and started income generating activities in livestock, dairy production, tamarind processing and producing and selling fragrance sticks.

In early 2014, our program manager together with the Dutch foundation Friends Indeed identified management problems at our partner ARDAR and its 'Campus

Challenge programmes'. This Indian NGO, with experience in remote fishery areas of Andhra Pradesh, is active on a grass root level with community based programs since 2003. Programs include education, water and sanitation, health care and micro credit. In 2009, Friends Indeed and ARDAR started a similar broad regional program in Ananthagiri, partly funded by The Ministry of Foreign Affairs of The Netherlands. In 2010, MfM joined the two parties to fund the envisaged microcredit project of 1,000 tribal women for EUR 72,000 as part of the greater plan. In May 2014, MfM learned that the Directors of ARDAR had absconded and a special external audit identified discrepancies in the financial transactions of ARDAR. After enormous efforts to retain the Campus and the different programs, Friends Indeed had taken charge of the Campus and the programs again. As soon as possible, our program manager together with our external advisor Pradeep Esteves, a consultant from Context India Bangalore, visited ARDAR and a significant amount of women in the program to do a stock taking and see if and how our program and fund was affected by the fraud. Fortunately, they found nothing irregular for the MfM funds. The outstanding loans provided to the tribal women were untouched by the fraud and the part of the funds that had been repaid by the women, was still in the ARDAR-MfM bank account. The fraud had been committed with moneys allocated to other programs. Immediately, the collected funds in ARDAR's bank account was transferred to another MfM partner in India. The outstanding loans at the tribal women were put on hold. By the end of 2014, the situation on the ground had come to rest and MfM and Friends Indeed decided to look for an alternative NGO who is willing to run the project for the remaining funds of approx. EUR 43.000. We expect to welcome this NGO in 2015. A lot of time has been spent and some expenses were made (travel and consultant fees) to manage the situation, but fortunately, the fraud has not affected our funds.



## Bangladesh

At the end of 2013, two of our volunteers visited Rural Development Society (RDS) in Bandhabari, Kotalipara, Gopalganj. Since the late '90s, RDS has been active for the ultra poor in their region. Early 2014, MfM provided RDS with funds to start a first microfinance program for 40 women. The main income generating activities are carpentry and fish hook making. The results of this first program are promising and early 2015 MfM and RDS will jointly explore opportunities to expand the program. On the other hand, one of the projects we run with our Bangladeshi partner Assar proved unsuccessful. Female sexworkers in that specific project fled for the police, leaving their homes and everything behind, including our microcredit program. We feel very sad for these women and together with Assar decided to cancel this project and write off the loan.

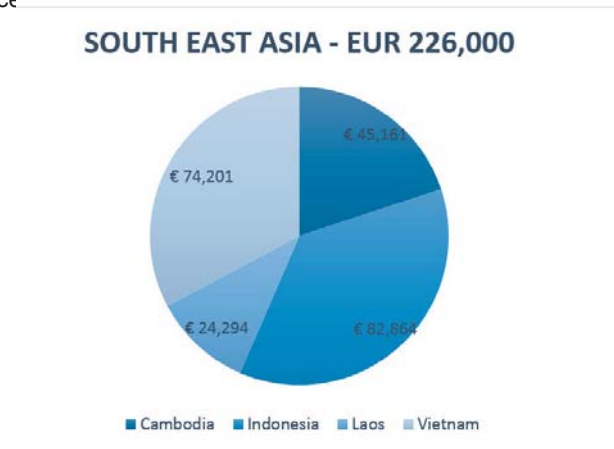
## Sri Lanka and Nepal

Sri Lanka was visited twice in 2014. Our partners are working hard to support the women in our programs. These visits have resulted in a new project at an existing partners and at a new partner, but both will start early 2015. For the reporting year, no big changes took place. Also in Nepal no new projects took off. Our partner Dhulikel showed good performance in their MfM funded microcredit project.



## 2.3.2 South East Asia

In South East Asia we started the year with seven local partners. As in South Asia, we aimed to find new partners and expand the programs with our existing partners. In Laos and Indonesia, we succeeded to join forces with a new partner. And in Laos, Cambodia, Vietnam and Indonesia we expanded our programs with existing partners. All in all well on target by the end of 2014, with nine partners and approx. EUR 233,000 of funds, of which EUR 77,500 was funded by our donor Dutch Microfinance



## Indonesia

In december 2013, we were approached by Syariah Amanah (Amanah), an Indonesian NGO in Bogor and Tangerang (West Java). After extensive correspondence and a visit by one of our volunteers, a new project with Amanah was launched. 75 women in the age of 17-55 have started small shops for selling food (cake, vegetables), the production of clothes and handicrafts or have started to provide services (massage, beauty salon, electric top up) or rice cultivation. Amanah's mission is to improve (family) welfare by offering financial services to poor women in order to become entrepreneurs. Aside from training them in business activities, they also intend to provide training on social topics. This is all done according to Islamic principles and the Grameen Bank system of micro finance.

Our existing partner Komida started a new project with additional funding, which was specifically raised by the 2013 Female Leadership Journey to their project. With this funding, they were able to expand their activities.

## Laos

In Laos, we expanded our cooperation with the Bamboo Traders Association (BTA). This foundation, established with the help of the World Wide Fund for Nature (WWF) and the SNV Netherlands Development Organization enables farmers to sell their agricultural products sustainably and effectively. With an additional loan BTA was able to reach new women in Ban Nahouaypang. Furthermore, through BTA, we started a new partnership with the Bamboo Traders Network (BTN) in the Viengkham District, a cooperation with similar characteristics as BTA but in a different region. BTN distributed 154 loans for agricultural income generating activities.

## Vietnam

In 2014, the Female Leadership Journey visited Vietnam and An Chi Em (ACE), our partner since 2008. ACE reaches a large amount of women but is still confronted by unmet demand in their communities. The funds raised with the Female Leadership Journey were used by ACE to address the existing demand for women in new communes on the border of Dien Bien province and Muong Ang.

## Cambodia

142 urban women in Phnom Penh received a new loan from our partner Chamroeun. With a large DM loan, Chamroeun increased its outstanding microfinance loans to enable women to start amongst other food retail (e.g. foodpacks) and handicraft. In this project, every women borrower has a guarantor, often the husband but someone else can also acts as a guarantor, co-signing the agreement. That person can be a sister or a neighbor for instance.

## 2.4 Impact

In 2014, we have reached approx. 500 new women, whom as a result of the work of our program managers, were able to start or strengthen their income generating activities and to improve their freedom of choice in how they earn and spend money. Together with the training and guidance received during the tenor of the loans, and when working together and supporting each other, positive outcomes for the women in the projects are witnessed by our volunteers and reported by our partners.

## 2.5 Way forward in 2015

In 2015, MfM strives to reach even much more women than in 2014, to enable them to manifest their strength and potential. The goal is to transfer EUR 100,000 to our partners, being existing partners and new partners. MfM has translated this goal in a firm budget and allocated the amount to the different regions. Additionally to setting the financial budget, we have set a goal of frequent travelling by our volunteers. An important part of starting new projects is a visit to the partner and target group by our program managers and therefore as many visits as possible should be done.



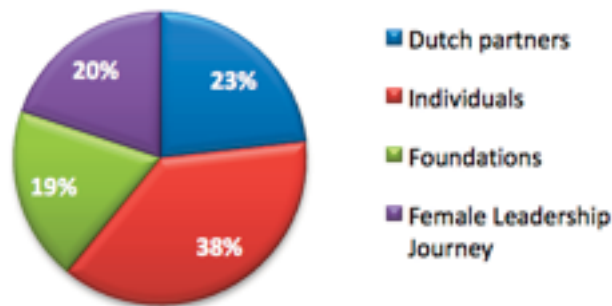
# 3 Fundraising

## 3.1 Introduction

Fundraising is a very important part of the work done by Microcredit for Mothers. MfM is completely dependant on donations from private donors, funding partners and fundraising activities and events, as we don't receive any funds from the Dutch government or other governmental organizations.

## 3.2 Fundraising policies

It is our policy to raise funds without any costs involved, all based on efforts of our unpaid volunteers and supported by Dutch partners who work pro-bono. As direct contact is key for good relations with our donors, we strive to have a dialogue with all our different donors as well as account management with our existing corporate partners. Each donor has a volunteer assigned who is in contact regularly to give updates about our organization and once every now and then to discuss the partnership. With regard to our individual donors and foundations, we strive to communicate regularly through our different communication channels (social media, newsletters, etc.) and involve them in activities organized by us.



## 3.3 Fundraising targets and activities in 2014

The target for 2014 was ca. EUR 80.000. Unfortunately we didn't reach this target; in 2014 we received EUR 54.000 in donations. One of the reasons for not reaching our goal was the fact that the second Female Leadership Journey was postponed to 2015 and no large donation from a corporate was received. By the end of 2014, 38% of our donations came from individuals, 19% of other foundations, mainly from Fair Chances and the Soroptomisten, 20% from our event the female leadership journey and 23% from our Dutch partners. The result of 2014 was in line with 2013, however we saw a drop in corporate donations, caused by the fact that in 2013 a high one-off donation was received from a Dutch bank. However in 2014 more funds were raised through individual donations.

Our fundraising team works hard to organize several events to raise funds.

This proactive way of fundraising has proven to be very successful. In a majority of our activities and events, a way of reciprocity is seen: people joining events gain social, intellectual and/or inspirational value in return for their donations.

Microcredit for Mothers believes in connecting people. We believe Dutch women can learn from our women in the microcredit programs in Asia and vice versa. One of the events organized twice a year is the Female Leadership Journey (FLJ) to our projects in Asia. During these journeys, MfM facilitates three connections: a connection with yourself, a connection with the women in MfM's microcredit programs and a connection with local nature and culture. In 2014, one Female Leadership Journey took place in May; Vietnam was visited. As with the journeys in previous years, part of the fee for this journey is reserved for donations for the project that is visited. In total, EUR 9,745 of funding was gained from this event. Also our partner Namasté Reizen, who helps us organize this journey, donates on a quarterly basis part of their profits.

Our yearly Cooking Month event was held in September 2014. Again more restaurants and individuals participated in this fun event, which resulted in funding of almost EUR 7,000.

Other fundraising activities were the collaboration with Happinez Magazine, where part of the webshop revenue of January 2014 was donated to us. A very positive collaboration was done with Fair Chances. This foundation publishes a cooking book full of recipes from mothers all around the world. Part of the profits is donated to charities, where MfM also receives a share. And of course we are very thankful to all individuals who support us on a monthly basis or organize special activities to raise funding for us.

### 3.4 Impact

All the hard efforts of our fundraising team resulted in a large amount of donations by individuals and institutions. The outcome of those fundraising activities has been described in chapter 2, being all the new women that were able to use a microcredit loan for new income generating activities. Furthermore, the impact of donating to MfM can also be found within our individual donors. Everyone has different reasons and different drivers to donate, but overall we are convinced that by donating to MfM, people benefit from a positive feeling and the wish to contribute to the development of others.

### 3.5 Way forward in 2015

Our goals for 2015 are ambitious. In our anniversary year we hope to gain funding of EUR 100.000. Our marketing, fundraising and communications team has grown over the years and is working more and more professionally which gives a good basis for expanding our fundraising activities. Furthermore the annual events like the Cooking Month and the two Female Leadership Journeys are also organized. And last but not least we celebrate our 10 years' anniversary with a big event, where of course fundraising is one of the main goals.

We will continue our relationship and communication strategy with our partners and individual donors. We will expand our network and search for more opportunities for new partnerships.



# 4 Communication

## 4.1 Introduction

Communication is key to spread our word and share the stories of our women in the projects in Asia. It also supports our ability to mobilize and expand the pool of resources available for development of female entrepreneurship in Asia.

## 4.2 Communication policy

Our communication policy focuses on the external communication with our local partners in Asia and all stakeholders in the Netherlands and our internal communication with our volunteers. As we want to spend as much of our funds on microcredit as possible, our communication focuses on channels and tools that are free of charge. MfM is a transparent organization; we communicate directly with all our stakeholders; in the Netherlands our partners, our donors, our social media followers, our volunteers and all other individuals who show interest in our organization and in Asia our local partners. The content of our communication is very diverse; the projects and the women in Asia are the main focus, but also our fundraising events and activities in the Netherlands and information about the organization are items we communicate on.

## 4.3 Communication targets and activities in 2014

Our marketing, fundraising and communications team has several specialists who are responsible for PR, communication materials, social media and direct marketing. In line with 2013, they focused on the different communication target groups and communication channels of MfM.

## Communication target groups

### Donors and other individuals who are interested in our work

The number of individual donors grows every year. As the organization started as a two women organization our first donors were family, friends and acquaintances of our two founders. Over the past nine years this has grown to a wider and more diverse group of donors. The most important reasons for supporting our organization are our organizational structure with minimal overhead costs and our target group of women who are the poorest of the poor.

## Volunteers

Effective communication amongst our 40 volunteers is highly important to keep everyone informed and connected, especially given the fact that we don't have an office. All kinds of face to face meetings and direct communication in smaller groups take places. On a larger scale, communication amongst volunteers is done through our internal newsletter and volunteer events such as quarterly drinks.

## Partners in Asia

We work with 21 local partners on a project basis; some are located in very rural areas. Our program managers regularly speak to our partners, either via email or Skype. Dashboards are created for monitoring and more effective communication about the goals and progress of the projects. Furthermore project visits are done by the program managers and other volunteers to keep a good relationship with the partners, get more in-depth information about the projects and to see with our own eyes the impact of the work.



## Communication channels

With no budget available for communication, we are keen to use all forms of free publicity that can be gathered by using different channels. Each channel focuses on different target groups and has its own way of communication. In 2014 we started increasing the dialogue with our stakeholders. Contact with our organization is possible through our website, social media channels and our general email address. Our aim is to respond within several days.

### Communication through our website and other internet applications

We are very proud of our completely new website which was launched in August 2014. With the help of graphic designer Edwin Rozendal and website agency .VDMi the new website was designed and built. We would like to thank both parties for their hard work which they did completely free of charge. It has a clear call to action, the donation module is part of most pages and via the contact form visitors can contact us by mail or subscribe for our newsletter. We see an increase in incoming emails and newsletter subscriptions as well as website visits since the launch of the site in 2014.

### Google Adwords

In 2014 we also applied for the Google Grants program to use Google Adwords. We were positively surprised Google has this program where non-profits have a budget to use for ad campaigns. Three of such campaigns led to more traffic to our website and contributed to a growing name-awareness in the Netherlands. In 2015 we are extending the campaigns to direct more visitors to our website.

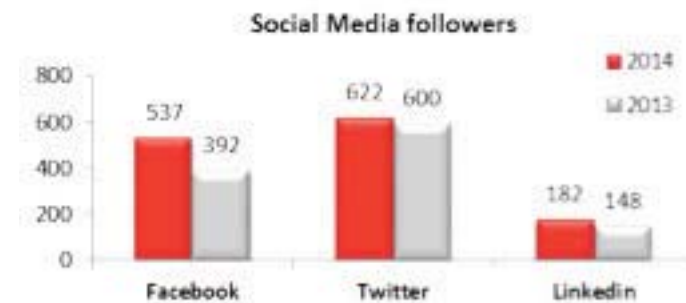
### Geef Gratis

For several years we have been linked to Geef Gratis. This organization supports non-profits in their fundraising activities by creating an online platform where non-profits can present themselves but also by giving the opportunity to use their online donation module. This is of great importance to us, as we don't have the capabilities to build our own module with the same extensive payment opportunities and low costs.

Social Media and Newsletter

### Social Media and Newsletter

Via our Social Media channels we communicate with our stakeholders in the Netherlands about project (visit) updates, fundraising activities and events. Our aim is to communicate weekly via Facebook, several times a month via Twitter and monthly via LinkedIn. In 2014, communication was well in line with our plan for the year and the amount of people following our communication through these channels increased. Furthermore, we sent seven newsletters to all individuals who subscribed in the past, using Mailchimp. We see a steady growth in the number of subscriptions (end of 2014: 700). The newsletter contains information about project visits, our fundraising activities in the Netherlands, project updates, job opportunities. The average opening rate is 34% and the click rate 4,1%.



### PR

In 2014 a PR volunteer joined our marketing, fundraising and communications team. The main focus points were the promotion of the Female Leadership Journeys and MfM in general. For external expertise we liaised with PR agency Simply PR who advises us free of charge.

### Print

With the launch of our new website we also created a brand new general MfM flyer and a new Female Leadership Journey and Cooking Month flyer, used as promotion material. Studio Pompe and VS&P are our professional partners who assisted us with design and printing.



## Other communication channels

In 2014, MfM also communicated through blogs about the Female Leadership Journey, during presentations for network communities who are looking for projects they can support with donations and ofcourse our annual report, that was restyled in 2013 to align with our new layout and look and feel of the website.

Thank you policy

Donors of whom contact details are known, receive a personal thank you message. If donations are done through the Geef Gratis module, an automatic thank you message is sent.

## 4.4 Impact

The impact of our communication messages in total is increasing strongly. In 2014 the followers on our social media channels and the number of newsletter subscriptions increased, social media messages are liked, shared and commented on and more emails were sent to our general email account. Also more and more people who lack any personal connection at first instance with MfM or one of the volunteers, contacted us. This has led to new fundraising leads, individual actions for donations, new communication partners and participants for the Female Leadership Journey.

Some of our communication channels do not show positive results or impact yet. Press releases and other contacts with the press are very hard. Press releases hardly ever lead to any follow up and getting in conversation with printed media is difficult.

## 4.5 The way forward in 2015

For 2015, we have prioritized the following activities:

- Organizing and promoting our 10 year anniversary
- New MfM video
- “Stopper” campaign for printed media
- Publish our 2015 strategy on our website
- Launch English language website in new format
- Continue with communication as in 2014 for social media, newsletters, Google Adwords, blog
- Special webpage for scholars with information about microcredits to be used for school papers



# 5 Organisation

## 5.1 Introduction

Microcredit for Mothers is run entirely by volunteers who dedicate their time and their skills to the foundation next to their own (paid) jobs and family lives. MfM's organizational structure is designed around four main teams: Program Management South Asia, Program Management South East Asia, Marketing, Communication & Fundraising and HR. All teams are connected by monthly meetings in which team members meet to discuss their ongoing business, their targets and in which they can share information and best practices.

All team managers meet with the Board for the Management Team meeting once a month. In this way a clear rhythm aligns all activities and initiatives and connection between the teams is guaranteed. The Management Team consists of the Board members, the Manager HR, the Manager Marketing, Communication and Fundraising and the Regional Managers South Asia and South East Asia.



## Managing Director and Board

As of October 2014, Mrs Thirza Schaap has been appointed in the position of Managing Director. Thirza has a position as Director Loyalty Partnerships Flying Blue with Air France - KLM. She has been active for Microcredit for Mothers since 2012 in the roles of Strategy Consultant and Operations Director. Furthermore the board consists of a Finance Director, Mrs Florentine Fokma and an Operational Director, Mrs Alexa Dutilh. All Board members are engaged with MfM on a voluntary basis. The board meets once a month.

## Supervisory Board

In 2014, the Supervisory Board of Microcredit for Mothers consisted of the following persons:

- Ilse Visser. Ilse joined the board in 2010 and has a managerial background. She founded an employment agency for internationals in 1996, Undutchables. At this moment the agency has 6 offices and an excellent reputation in the market.
- Rianne van der Eijk. Rianne joined the board in 2013. Rianne works as Chief Customer Experience at Air France-KLM. Rianne has a background in the (international) hospitality and travel business.
- Annemieke den Otter joined the board in 2014. Annemieke is an experienced investment banker, risk and finance manager, currently working at Ordina as Finance Director Corporate
- Angelique Timmer joined the board in 2014. As the former Managing Director of MfM she now exerts her experience as Chairman of the Supervisory board. Angelique is very experienced in entrepreneurship, management consultancy, microfinance and international not-for-profit. She currently works on expanding her own international social retail network regarding the basic needs of water, energy and cooking, through the Ivy Company.

Ed Monchen left in 2014 after 4 years of valuable supervision and advice.

None of the board members receive any compensation for their efforts and none of the board members have additional positions with conflicting interest. The board meets once every two months. The responsibilities of the board are stated in the articles of association of Microcredit for Mothers; these articles of association were renewed in 2013.

### Report by the Supervisory Board:

*“The Supervisory Board of Microcredit for Mothers supervises the achievement of the goals of the foundation. Volunteers and in particular the management of the foundation prepare the annual plan and any strategic adjustments. The Supervisory Board hereby advises and assists and supervises the execution of the annual plans.*

*Through bi-monthly consultation the Supervisory Board oversees implementation of the annual plans and assists and advises its expertise, if necessary.*

*The Supervisory Board also has the task of approving the budget, annual report and strategic plan. Therefore, the Supervisory Board is accountable for the policies and the functioning of the management.”*

## 5.2 Organisational policies

### Volunteer Policy

Our volunteer policy focuses on clear and transparent agreements between our volunteers and the organisation, benefiting both parties. A standard volunteer-agreement is used for all volunteers which states the role and the expected time investment of the volunteer. Roles include program management, fundraising & fundraising projects, marketing and communication, HR & recruitment and finance.

On-boarding of volunteers is done by ways of an information package, entrance to all communication media and a tailor-made on the job training in the teams.

### Performance management

Every year a process of goal setting and budgeting is conducted. The board discusses financial and non-financial targets and budgets with the management team. In our annual ‘bootcamp’ at the end of the year, the strategy and targets are discussed and made final in dialogue with all volunteers present. Targets and performance are evaluated throughout the year in team meetings and bilaterals. Once a year we also verify the enthusiasm and activities of our volunteers.



## 5.3 Targets and activities in 2014

### Growth of volunteers

In 2014 the number of volunteers grew with 40 % from 29 to 41 volunteers, 20 vacancies were filled in, nine volunteers took on another role within the foundation and eight left. As only 5% of our volunteers are male it is our goal to attract more male volunteers whenever new vacancies will arise. Ages vary between 26 and 65 with 60% of our volunteers between 30 and 40 years and 33% between 40 and 50 years old.

### Professionalising our teams

As we believe that people are our most important asset to execute our mission and reach our goals, we started with a “team and people review” in 2014 to evaluate if all teams were still in the best composition and individual volunteers still in an inspiring role to contribute to our mission. This review led to several movements in (team) roles and targets.

### Recruitment

In 2014 we managed to hire and successfully on board an additional 20 volunteers in all kinds of roles, for instance for our 10 year anniversary project team. Thanks to a lean recruitment process and well defined roles and cooperation in the process the average time to hire was 4 weeks.

### HR Basics in place

In 2014 we made a big effort to re organise our HR basics like contracts, insurances, addresses, photobook of all volunteers, birthdays and alumni. We also created standards and tools for all our HR processes such as on-boarding, administration and recruitment.

## 5.4 Impact

As we work with only volunteers and have ambitious goals, we believe that the combination of motivation, connection and flexibility are key while we still keeping our focus on results. The management team together with HR, tries to facilitate the volunteers in their roles as much as possible, for instance by sharing knowledge and documents, by having clear targets and by facilitating a rhythm of meetings, drinks and our annual

bootcamp. We strive to make reliable and inspirational connections in order to get to know each other, have fun and share knowledge and experience. We believe that these connections help us to work smoothly, have fun and achieve better results.

## 5.5 The way forward in 2015

For 2015 we have the following HR goals

1. Professional basics in place regarding the volunteer contracts, administration, leavers policy and interviews and HR data reporting
2. Best person for the job: We strive to have the best person on the job when recruiting people for existing or new roles.
3. Facilitating connections through internal newsletters, meetings and our annual bootcamp



# 6 Financial report 2014

## 6.1 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, except for the Dutch Microfinance assets and liabilities. These are carried in functional value at nominal value. The exchange differences are accounted as expenditure in the statement of income and expenditure.

## 6.2 Balance Sheet

<b>BALANCE SHEET (euro's)</b>		<b>2013</b>	<b>2014</b>
<b>Assets</b>			
Financial Assets (revolving funds)	1	335,558	430,095
Cash	2	73,327	99,920
Accounts receivable	3	168	5,253
Prepaid amounts		95	
<b>Total Assets</b>		<b>409,148</b>	<b>535,269</b>
<b>Equity</b>			
Continuity Reserve	4	12,500	12,500
Revolving Funds Reserve		278,058	352,595
Future Projects Reserve		58,680	65,281
<b>Liabilities</b>			
Long term liability	5	57,500	77,500
Accounts payable	6	2,411	27,393
Accounts received in advance			
<b>Total Equity &amp; Liabilities</b>		<b>409,148</b>	<b>535,269</b>

A more detailed explanation can be found in paragraph 6.4



## 6.3 Overview Income and Expenses

PROFIT AND LOSS ACCOUNT (euro's)		2013	Budget 2014	2014
<b>Income</b>	7			
income from fundraising		76,870	80,325	53,858
other income		169	100	3,559
<b>Total income</b>		<b>77,039</b>	<b>80,425</b>	<b>57,417</b>
<b>Expenditures</b>				
Spent on behalf of the objective	8	40,216	6,425	(24,072)
Acquisition costs	9	185	225	127
Administrative costs	10	249	250	223
<b>Total expenditures</b>		<b>40,651</b>	<b>6,900</b>	<b>(23,721)</b>
<b>Net Result</b>		<b>36,388</b>	<b>73,525</b>	<b>81,138</b>

A more detailed explanation can be found in paragraph 6.5

## 6.4 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 eight Asian countries in which we are active. In that way, they represent the microcredits that are provided to the various projects. The tenor of a microcredit is, generally speaking, 1 year. 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. Below, a detailed overview of the Financial Assets per country and per partner can be found.

COUNTRY	PROJECT (euro's)	2013	2014
Bangladesh	ASSAR2	3,185	-
	MANGO1	2,832	3,222
	Banana	5,663	6,444
	CRS	-	5,768
	<b>Total</b>	<b>11,680</b>	<b>15,434</b>
Cambodia	Chamroeun / EDM	9,868	11,107
	Jan Camp	12,367	14,053
	<b>Total</b>	<b>22,235</b>	<b>25,161</b>
India	Sarala - Kolkata	14,043	15,623
	Manush - Hakkipikki	3,927	4,368
	Friends Indeed/ARDAR - Ananthagiri	54,339	43,435
	Sanghamithra - Bellary	6,941	7,721
	Sanghamithra - Kolar	22,739	25,297
	RAIDS - Budabudakala	7,033	7,824
	RAIDS - Yanadi	8,296	9,229
	RAIDS - MfM fund in progress		17,017
	ROPES		4,945
	<b>Total</b>	<b>117,316</b>	<b>135,458</b>

COUNTRY	PROJECT (euro's)	2013	2014
Laos	Gender Development Group (GDG) / bamboo traders (BTA)	12,071	16,344
	Gender Development Group (GDG) / bamboo traders (BTN)		7,950
	<b>Total</b>	<b>12,071</b>	<b>24,294</b>
Nepal	Dhulikhel Hospital	17,330	19,076
	<b>Total</b>	<b>17,330</b>	<b>19,076</b>
Sri Lanka	JK 2	6,344	7,218
	KIRDO 5	4,477	5,094
	Markoesa	4,322	4,917
	MMSLS3	2,493	-
	DDF	14,396	16,378
	<b>Total</b>	<b>32,033</b>	<b>33,607</b>
Vietnam	The Dariu Foundation (TDF) 1	14,016	15,857
	Entrepreneurs du Monde (EDM) / Chi Em 1	25,014	38,345
	<b>Total</b>	<b>39,030</b>	<b>54,201</b>
DM	Komida	37,500	37,500
	Entrepreneurs du Monde (EDM) / Chi Em 1	20,000	20,000
	Chamroeun / EDM		20,000
	<b>Total</b>	<b>57,500</b>	<b>77,500</b>
<b>TOTAL</b>		<b>335,558</b>	<b>430,095</b>

The increase in financial assets is the result of new loans (EUR 42,800), a write off of a project in Bangladesh (ASSAR2) and the very strong appreciation of all foreign currencies versus the euro which resulted in an increase in financial assets without precedent in the history of MfM (EUR 35,000). This is non-cash, due to the fact that the provided loans are local currency loans, reported in euro.

In Sri Lanka, we have concluded a long lasting relationship with MMSLS, one of MfM's first partners. A Dutch foundation has 'adopted' the program and handed the fund over to the women in the program.

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. As we report these – contrary to all other loans – in nominal value they don't show currency effects.

## Cash & Cash equivalents (2)

Cash & Cash equivalents (euro's)	2013	2014
ING	1,821	92,613
Triodos	66,506	2,223
ASN	5,000	5,084
<b>Total Cash and Cash Equivalents</b>	<b>73,327</b>	<b>99,920</b>

## Accounts Receivable (3)

This concerns amounts receivable of EUR 5,253 which relate to the year 2014 but which are received in 2015. EUR 1,524 consists of interest on DM loans relating to the second half of 2014, to be received from partners in Cambodia, Vietnam and Indonesia. This interest income was not yet received by the end of 2014. The remaining part of accounts receivables consist of to be received donations that related to 2014 but were transferred in the beginning of 2015 and some small interest on bank accounts.

## Equity (4) 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

Appropriation of result (euro's)	Continuity Reserve	Revolving Funds Reserve	Future Project Reserve
Equity 31-12-2013	12,500	278,058	58,680
Appropriation of the Result 2014	-	74,537	6,601
<b>Equity 31-12-2014</b>	<b>12,500</b>	<b>352,595</b>	<b>65,281</b>

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 77,500 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 77,500 has been provided to two MfM partners by the end of 2014 (EUR 57,500 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 its 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. For reporting purposes, the nominal value of the obligation is used.

### Accounts Payable (6)

This concerns amounts still payable of EUR 27,392 which relate to the year 2014 but which become payable in 2015. These obligations largely consist of obligation regarding the Female Leadership Journey (EUR 25,775). Furthermore, EUR 1,524 consists of the interest on DM loans relating to the second half of 2014, to be received by MfM from partners in Cambodia, Vietnam and Indonesia. This amount is the exact amount of DM interest as in accounts receivable will directly be transferred to Dutch Microfinance.

## 6.5 Notes to the statement of income and expenditures Income (7)

Income (euro's)	2013	budget 2014	2014
<b>Income from fundraising</b>			
Individuals	18,624	20,000	14,524
foundations and associations	10,240	15,000	9,423
corporations	34,516	30,000	13,898
yearly donation (periodieke giften)	325	325	
Events	13,165	15,000	16,012
<b>Total income from fundraising</b>	<b>76,870</b>	<b>80,325</b>	<b>53,858</b>
Interest income	169	100	3,559
<b>Total income</b>	<b>77,039</b>	<b>80,425</b>	<b>57,417</b>

In 2014 the overall income from fundraising amounted to EUR 53,858. In comparison with 2013, the donations from private individuals dropped, as well as income from corporations. The large contribution of a Dutch bank was not repeated by another company in 2014. On the other hand, income from events showed a strong increase compared to 2013. Income from events consists of a.o.. contributions from participants of the Female Leadership Journey organized by MfM. Compared to 2013, two Journeys took place, consequently resulting in a large additional event income. Furthermore, income from our Cooking Month event increased compared to 2013. Interest income in 2014 was almost completely related to DM. This income covers the exact amount of interest expenses related to DM in 2014.

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

Total expenditures on behalf of the objective/funds to projects amounted to -/- EUR 24,072 in 2014. Excluding the currency gain and a write off of one program, they amounted to EUR 7,584, in line with budget. 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.

Expenditures spent on behalf of the objective/ Funds to projects (euro's)		2013	budget 2014	2014
Capacity building	a	117	500	1,920
Currency result	b	35,220		(34,841)
Depreciation of bad funds	c	2,245		3,185
Representation costs	d	750	1,250	742
Staff expenses		-		-
Social security expenses		-		-
Travel expenses	e	1,648	4,500	1,278
Bank costs (variable)	f	237	175	152
Interest expenses DM funds	g			3,492
<b>Total of spent on behalf of the objective</b>		<b>40,216</b>	<b>6,425</b>	<b>(24,072)</b>



## a) Capacity Building

In 2014, capacity building costs increased compared to budget and previous year. MfM incurred costs for the issues at our partner ARDAR/Friends in Deed. An Indian consultant was hired. He visited the partner organization and later on, together with our program manager, many women in the program as well as the partner. In doing so, he provided MfM with extensive and necessary support on the ground.

## b & c) Currency Results & Depreciation of bad debt

Country (euro's)	2013	Additional funding	Depreciation bad debt	Currency result	Total Depreciation	2014
Bangladesh	11,680	5,000	(3,185)	1,939	(1,246)	15,434
Cambodia	22,235	-	-	2,926	2,926	25,161
India	117,316	5,000	-	13,142	13,142	135,458
Indonesia	26,364	15,000	-	4,000	4,000	45,364
Laos	12,071	10,300	-	1,923	1,923	24,294
Nepal	17,330	-	-	1,746	1,746	19,076
Sri Lanka	32,033	(2,500)	-	4,074	4,074	33,606
Vietnam	39,030	10,000	-	5,172	5,172	54,201
DM	57,500	20,000	-	-	-	77,500
<b>TOTAL</b>	<b>335,558</b>	<b>62,800</b>	<b>(3,185)</b>	<b>34,841</b>	<b>31,737</b>	<b>430,095</b>

All of our projects are funded in local currency. Therefore, MfM occurs a currency risk. In 2014, this resulted in a large currency gain of EUR 34,841 (compared to the currency loss of EUR 35,220 in 2013).

Some of our projects run a high risk for bad debt depreciation. In 2014, a small amount had to be written off in Bangladesh due to unforeseen circumstances. Female sex workers in that project fled from the police, leaving their homes and everything behind, including our microcredit program.

## 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 with 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 2014, only very few volunteers requested this compensation, resulting in travel expenses of EUR 1,287. In addition, representation costs of EUR 742 were made because of activities for the volunteers (EUR 750 in 2012).

## f) Bank costs (variable)

EUR 270 of bank costs incurred, related to the transfers of funds to International Bank account's of MfM's partners (EUR 237 in 2013).

## g) Interest expenses DM funds

This interest expenses DM funds is the exact amount of the interest income DM funds.

## Model C shows the above mentioned costs in a different way

x EUR 1.000	Objective								General			
	South-Asia				South-East Asia							
	Bangladesh	India	Nepal	Sri Lanka	Cambodia	Indonesia	Laos	Vietnam	DM funds	Management and administration	Total 2014	Total 2013
<b>Expenditures</b>												
Currency result on funds	-1.9	-13.1	-1.8	-4.1	-2.9	-4.0	-1.9	-5.2			-35.0	35.2
Depreciation of bad funds	3.2										3.2	2.2
Interest received DM funds									3.5		3.5	
Purchases and acquisition	0.03	1.34		0.45		0.09	0.43	0.03	0.04		2.4	2.0
Outsourced work		1.07									1.1	0.0
Payroll											0.0	0.0
Housing											0.0	0.0
Publicity and communication										0.9	0.9	0.9
Office- and general expenses										0.2	0.2	0.2
<b>Total Expenditures</b>	<b>1.3</b>	<b>-10.7</b>	<b>-1.8</b>	<b>-3.6</b>	<b>-2.9</b>	<b>-3.9</b>	<b>-1.5</b>	<b>-5.1</b>	<b>3.5</b>	<b>1.1</b>	<b>-23.7</b>	<b>40.6</b>

## Acquisition costs (9)

Acquisition costs (euro's)	2013	budget 2014	2014
Fund acquisition	58	100	0
Internet costs	127	125	127
<b>Total</b>	<b>185</b>	<b>225</b>	<b>127</b>

The limited acquisition costs in 2014 of EUR 127 related to internet domain registration. All printing and other communication materials were funded in kind by our Dutch partners.

## Administrative costs (10)

Administrative costs (euro's)	2013	budget 2014	2014
Tradename & legal costs	50	50	8
General Administrative costs	-	-	-
Contribution & other costs	-	-	-
Bank costs (fixed)	199	200	216
round-off difference	-	-	-
<b>Total</b>	<b>249</b>	<b>250</b>	<b>223</b>

## 6.6 Cashflow in 2014

By the end of 2014, MfM's cash position had increased with ca. EUR 27,000. This increase is nearly fully related to prepayments for the Female Leadership Journey of EUR 25,775. Without these prepayments, change in cash would have been almost zero, as income from fundraising + the drawn amount from DM was roughly the amount of new provided funds to our partners and the limited costs occurred (other small changes in accounts receivables and accounts payable contribute to the remaining amount).

Cashflow	2014
net result	81,138
-/- currency result	(34,841)
+depreciation of bad debt	3,185
+ change in account receivables/payables	19,992
<b>Cashflow from operations</b>	<b>69,474</b>
-/- new funds provided to partners	(62,882)
+ new funds received from DM	20,000
<b>Cashflow from financing</b>	<b>(42,882)</b>
<b>Total net cashflow</b>	<b>26,593</b>

## 6.7 Ratio expenditure

Cost ratio's (%)	2013	2014
Expenditure to projects/ total income	52%	-42%
Expenditure to projects incl. net result added to Future Project Reserve & Revolving Fund Reserve/ total income	99.4%	99.4%
Expenditure for fundraising/ total income from fundraising	0.24%	0.22%
Expenditure for management and administration purposes/ total income	0.32%	0.39%

### Expenditure to projects/total income

This ratio indicates which part of the income is spent on projects. The 2014 ratio was negative due to the large currency gain. A percentage under 100% implies in many cases that there is an addition to reserves. This is indeed the case as the result of 2014 (EUR 81,138, including the currency gain of EUR 34,841, see Equity note 4) is added to the Future Projects Reserve and Revolving Funds Reserve. This amount is/will be used for projects in the future. For information purposes, this is not valuable. 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 2014. 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 0,22% in 2014. This ratio indicates the relation between costs of fundraising and the total income by fundraising. This shows that the Marketing, Communications & Fundraising Team is able to raise funds at an exceptionally low cost.

### Ratio management and administration/total income

The ratio management and administration is 0,39% in 2014, in line with 2013. This ratio indicates which part of the income is spent on management and administration costs. MfM did not incur any management costs.



# Testimonial Female Leadership Journey

In March 2014 Tjaddy participated in the Female Leadership Journey to Vietnam. I started the journey together with 15 other women, and amongst all our goals we had one combined goal: Microcredit for Mothers. We visited the project in Dien Bien Phu. In an area where paved roads, a waterproof roof or a warm blanket or bed are not common, we were welcomed very warmly and with open arms by the women. Proud and thankful women who can use their talents with the loan they receive to improve the living conditions of themselves and their children. Children who don't have the same chances and opportunities as our children.

A life changing experience happened during an afternoon in Da Nang. Enjoying some rare free time, I was riding a bike through the beautiful scenery. I met a young girl, Phi,

who asked if she could help me, I was surprised by the question and curious to see what she had in mind. In self-taught English she told passionately about her small sewing business. She cannot afford her own shop, but with the small possibilities she has people are very grateful with the clothes she makes. She took my measurements and 1,5 hour later I was surprised by a beautiful skirt, which made me feel special, feminine and beautiful. I treasure this experience, Phi is in my heart forever. I want to contribute so she can invest in her future; Phi doesn't need much for her next step.

I am grateful to have seen what it can do when women can develop themselves from their own power and strengths.

