

microkrediet
voor moeders

Microcredit for Mothers ANNUAL REPORT 2015

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Testimonial



1 Microcredit for Mothers in a nutshell

WHY - HOW - WHAT

1.1.1 Introduction - 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 41 volunteers during our annual “Bootcamp” and continues to be 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.

With the microcredits we provide, we intend to empower these women to start a small business, which leads to own income generation, increases chances of saving money, investments in health care and education of children and also to more autonomy and independence. In the past ten years we provided approximately 8,750 women with a microcredit and saw clearly that a microcredit can act as an accelerator to improve the lives of these women and their children. When we meet face-to-face with the women who have been provided with a microcredit, we see proudness and self-esteem. This is amongst others what keeps all of us going strongly.

In our 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 41 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- and/or 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 believe 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 41 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 and it continues to be so. ANBI status may provide donors with a tax advantage (a deduction of the income tax return of the donation can be made). This however depends on the specific facts and circumstance of each case.

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 do 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 2015, we looked into the long lasting ambition of many of our volunteers to back our Asian partners' with their training plans. Until that time, we did not fund such activities. We continuously receive requests from our partners to help the poorest women within their communities not only with microcredits but also with 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, but as a result of financial restraints these are always limited.

We believe training can be very beneficiary. 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. In 2015, a project team drew up a plan to run 2 pilots in India. We allocated budget to see how we could further define this ambition. However it proved not easy to find two partners that matched formulated criteria's that were ready to run the pilots. As a result, the

pilot did not take off as hoped for. On the other hand, it taught us again to work demand driven and respond to actual needs of local partners. For 2016 we have decided that training requests from local partners are taken into consideration at the moment we discuss a new fund/project with them. If the request is within a limited set of basic criteria, a training program will be funded.

1.2 Our situation in 2015: SWOT analysis



1.3 Impact

With our donors, we have been able to reach approximately 8,750 women and 17,500 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 context in which our partners implement the microcredit programs, we believe our microcredit loans have a positive impact on 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 2016

On basis of the successes achieved and challenges faced in 2015, we have defined a strategy for 2016 which consists of four specific goals.

1. We would like to raise EUR 100,000 of funds in line with all time high 2015, and provide microcredit loans worth EUR 100,000. The latter has been a challenge in 2015. For that reason, by the end of 2015 we decided to hire more program managers and we have decided to an increase of travel expense reimbursement to increase the amount of (new) local partners visited.
2. We will start funding training projects when requested for by our local partners up to a maximal amount per partner. After evaluation, we will decide whether a greater portion of our funds will be steered towards training, accompanying our microcredit loans.
3. We want to establish a new way of 'donor management'. We see the profiles and amount of donations of part of our donors changing. This requires a different way of managing the relationship we have with these donors.
4. We want to continue the strong connection between each individual volunteer and MfM in order to safeguard a sustainable organization. We will organize continuous activities to build the connection and furthermore we will focus on decreasing hierarchy within the organization and increasing evaluations on several of our workways and activities.



2 Projects in 2015

2.1 Introduction

In 2015, our main focus - in line with 2014 - 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 look for possibilities to expand our activities. Our goal is to have our program managers visit and evaluate every project once a year.

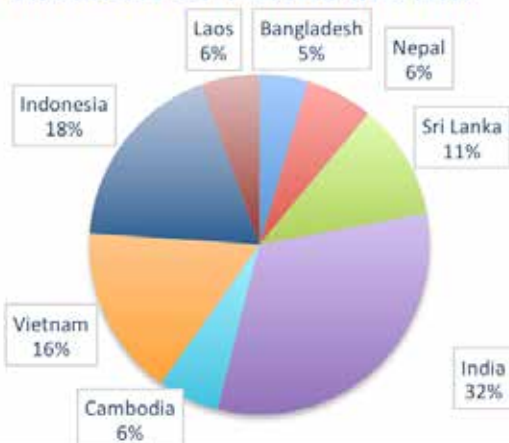
For risk management purposes, we apply a cap of EUR 45,000 per partner and a cap of EUR 10,000 for the first time loan to a new partner. We have not implemented country limits.



2.3 Project targets and results in 2015

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 24 Asian partners had grown from approx EUR 430,000 to approx. EUR 480,000 (see geographic split beneath). The majority of the funds, ca. EUR 423,000 originates from our standard fundraising. The remaining part, EUR 57,500, was funded by Dutch Microfinance (DM), a Dutch foundation that partnered with MfM since 2013. The goal of this partnership is to provide additional funding to existing MfM partners, which MfM is not be able to provide due to limited funds and funding-limits per partner. We call these loans 'DM loans'. This partnership will end by December 2016 and the funding provided by DM will stop by that time.

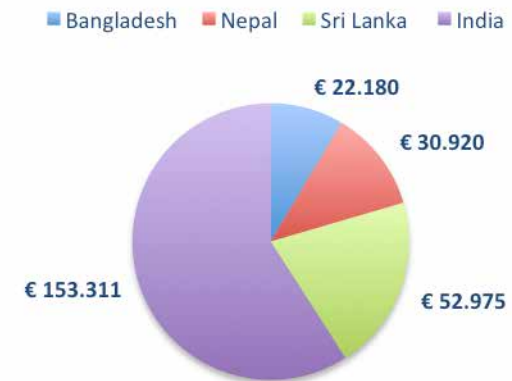
DIVISION OF FUNDS incl DM



2.3.1 South Asia

We started the year with 12 local partners reaching out to our target group in South Asia. We aimed to find new partners and expand with our existing partners and we made some good progress. Three new partners were welcomed, one in Nepal, one in Sri Lanka and one in Bangladesh. On the other hand, we ended an old partnership in Bangladesh. This resulted in 14 partners and approx. EUR 260,000 of funds allocated in the region by the end of 2015.

SOUTH ASIA - EUR 260,000



India

In India, 4 out of 6 of our partners had a good year in terms of the microfinance projects. RAIDS, Manush, Sarala and ROPES were providing women in their communities microcredits from the MfM funds.

Our microfinance program together with Dutch foundation Friends Indeed and Indian NGO ARDAR, where irregularities had taken place in 2014, was kept on hold and no installments nor interest were collected. During 2015, Friends Indeed and our well appreciated Indian Partner RAIDS helped us in our search for a new partner. We wished to find a new NGO who was able to service the 1,000 tribal women in the project by deploying the fund in a proper way. We are very pleased that in the beginning of 2016, we have entered into advanced talks with an NGO east of Hyderabad to take over the management of the ARDAR project. If that succeeds, the tribal women will again receive support with their income generating activities and loan usage. Our partner Sanghamithra had a challenging year. Together we intended to start a new project to replace a prior one, but due to severe drought the final micro credit distribution to the ultimate beneficiaries did not take place in 2015 and was put on hold for the rains to come. Until half 2016, this has not been the case yet.

The moneys are stalled Sanghamithra bank account and will be used to provide micro finance loans as soon as the situation at grassroot level enables Sanghamithra to do so. This drought has also resulted in some smaller losses in the outstanding credit portfolio.

With our partner Manush we expanded our cooperation. They were provided with a second fund of EUR 10.000,- . With this fund, Manush supported around 60 women in their production of plastic flowers, tailoring activities, animal husbandry and vegetable growing.

Bangladesh

In line with our expectations, Rural Development Society (RDS) in Bandhabari successfully ran its first MfM fund. RDS is active for the ultra-poor in their region. Following the positive results, a second fund of EUR 10,000 was initiated by the end of the year. Activities of women participating in this new fund included fishing, handicrafts, tailoring and selling groceries.

Furthermore, we started a cooperation with Centre for Rural Services' (CRS), based in Barisal city. CRS, founded in 2001, is community based development organization in the south of the country. It focuses on social-economic development, human rights and emergency relief. 2 volunteers visited the NGO late 2013 and after a long process, we were able to start a first, small fund helping women to start businesses in (food-) retail, agriculture, aquaculture and tailoring amongst others. EUR 5.765,- was transferred to CRS, who distributed that amongst 100 women in the program. On the other hand, we were unable to restore frequent contact with our Bangladeshi partner Assar about two remaining projects we run with them (called Mango & Banana). All efforts proved unsuccessful. We feel very sad but decided to write off the loan as we have no information about the progress or status of the women in the program and the loan provided to them.

Sri Lanka

In Sri Lanka, our 3 partners JK, KIRDO and DDF continued to run their microfinance projects. During the year, both JK and KIRDO were visited on behalf of MfM and showed good progress. JK but did face some small write offs due to bad debt, but all in line with expectations given the high risks our partners run when servicing the

poorest of the poor. Main reasons were illness and crop failure.

One of our own program managers visited the country end of 2014. This resulted in a new project at existing partner DDF and a new project at new partner NESED. DDF started it's MfM 3rd fund of EUR 10,000 after the successful implementation of the two previous ones. With the new fund, DDF reaches an additional 160 women in the very poor east side of the country, which has suffered severely during the civil war. Newly welcomed partner NESED (North East Socio Economic Developers) also launched a MfM fund in 2015. After two visits by program managers, we were very happy to start the cooperation with this NGO in Trincomalee District. It is active in post conflict and post Tsunami environment where people have no access to many services including financial services. A majority of the population in this region has only resettled recently and has to rebuild its asset base and income source. For the first MfM fund of EUR 10,000, 150 beneficiaries were selected from five villages. They use the loans for farming and fishing amongst others.

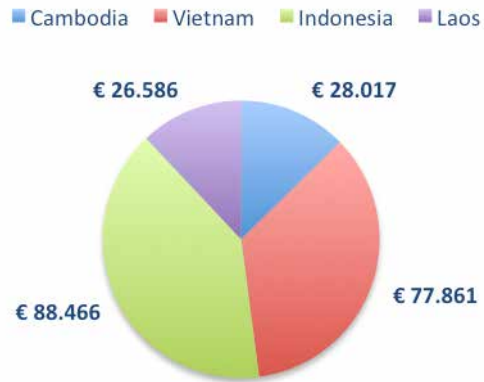
Nepal

The April 2015 Nepal earthquake, which killed over 8,000 people and injured more than 21,000, of course also highly impacted our Nepali partner Dhulikel Hospital. The hospital itself was still standing and the staff worked 24 hours a day helping as many people as possible. Many of its outreach centers on the other hand were impossible to reach let alone work out of. Somehow, the MfM microcredit program run by Dhulikel was not impacted. However the foreseen increase of our commitment, following a visit of one of our program managers in March 2015, was put on hold and did not materialize during the year. Additional funding by MfM is now expected to happen during 2016.

Another NGO that was visited in March is Community Self-reliance Centre (CSRC) based in Kathmandu and active a.o. in the far east-western part of Nepal. The impact of the earthquake was smaller than on Dhulikhel and by the end of 2015, we did start a new microcredit program with this NGO. Founded in 1993, it focuses on landless, poor and marginalized people and strives for a just and equitable society. A EUR 10,000 program started, focusing on 4-5 women led cooperatives in two districts. The program is set up with a common responsibility for repayment of the

individual loans and is invested in mainly agricultural activities.

South East Asia - EUR 220,000



2.3.2 South East Asia

In South East Asia, we started the year with nine local partners. As in South Asia, we aimed to find new partners and expand the programs with our existing partners. Only in Indonesia did we succeed to find a new partner. A Dutch Microfinance loan from a Cambodian partner was repaid in full to DM during the year. By the end of 2015, we had ten partners and approx. EUR 220,000 of funds, of which EUR 57,500 was funded by donor Dutch Microfinance.

Indonesia

In Indonesia, our 4 partners Komida, Amanah, Kopdit Anna and KSA Syariah Amanah continued to run their microfinance projects. Two of our program managers separately visited the partners and the women in the programs.

During one of these visits, the basis was created for a new project with a small NGO called Yayasan TITA MAE AMBON. This organization is based on Ambon and has a sister organization both in the Maluku Islands and back in the Netherlands. After long preparations the project started with a first fund of EUR 5,525 to support 75 women with poultry, foodretail and pottery activities mainly. At the beginning of 2016, the Female Leadership Journey of MfM visited the organization and was witness of the great job done by this NGO.

Laos and Vietnam

In both Laos and Vietnam, our partners Bamboo Traders Association and Bamboo Traders Network (Laos) and Dariu Foundation and An Chi Em had a good year in terms of the microfinance projects. For the reporting year, no changes took place.

Cambodia

In Cambodia, both Chamroeun and Jan Camp continued to support women with our loans. As a result of Dutch Microfinance calling the loan by the end of 2015 (on a years notice), Chamroeun voluntarily repayed the loan in full of EUR 20,000 by the end of 2015. Both we and the Chamroeun regretted to have the end the program but were thankful that we were able to support so many additional women during the last two years.



2.4 Impact

In 2015, we have reached approx. 750 new women, whom as a result of the work of our program managers, some 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 2016

In 2016, MfM strives to reach even much more women than in 2015, to enable them to manifest their strength and potential. In line with 2015, our 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. To back this goal, the team of program managers will be expanded to minimal 2 persons per country. For all of them, we have set a goal of frequent travelling. 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.

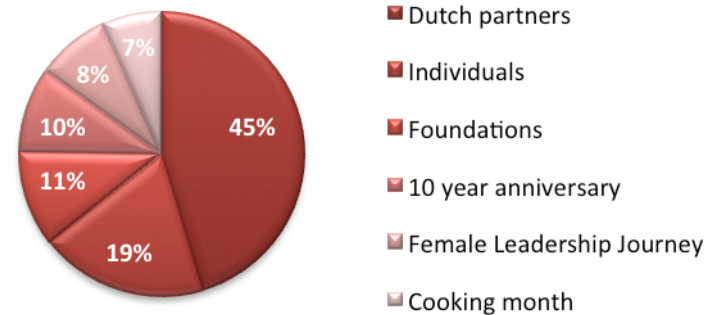
3.2 Fundraising policies

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 2015

2015 was our best year in history with regards to donations; the total amount of donations received was EUR 102,000. We reached our highest target ever of EUR 100.000! Our 10 year anniversary and the celebrating event organized was a great part of the donations in 2015; 10% of the donations came from this event.

In 2015 all categories increased in amount of donations. 45% of the donations came from Dutch partners; the fundraising event for the Kadaster that celebrated their 200 years' anniversary was the biggest donor. 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.



Furthermore the amount donated from individuals also increased compared to 2014, including one great gift received through individuals using the Rabo Charity Desk. In 2015 we started the cooperation with the online partners Goede Doel Shop and You-BeDo.com. These websites reach individuals who are shopping through well-known online webshops. A part of their shopping amount will be donated to a charity of their choice. Furthermore we encouraged our volunteers to contact their local supermarket for the "statiegeld" action, where in a certain period revenue from "statiegeld" tickets is donated to a specific charity; in this case MfM.



Our fundraising team worked 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. 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 2015, one Female Leadership Journey took place in January; India 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 7,650 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 October 2015. Again more restaurants and individuals participated in this fun event, which resulted in funding of almost EUR 4,000.

And last but just as important, we were once again backed by so many 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 2016

Our goals for 2016 are again ambitious. In our post 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. We will continue our relationship and communication strategy with our Dutch partners

and individual donors. We will expand our network and search for more opportunities for new partnerships. In 2015 we were connected to several women networking communities; in 2016 we will continue to look for expanding these cooperations.

Another focus point is to actively involve our growing network of ambassadors (volunteers, former volunteers, Female Leadership Journey participants, highly involved donors). We will work on a more detailed approach to keep the connection with this group.



Fundraising event Kadaster

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.

Our goal is to start the dialogue with our stakeholders. Our event for the 10 years' anniversary is a great example of how we connect with our stakeholders. On this day numerous workshops and presentations were held in an informal setting. During the breaks all volunteers were able to connect with the Dutch partners, donors and other individuals who are enthusiastic about MfM.

But also without such an event we communicate directly with our stakeholders. Our main point of contact is our email address info@microkredietvoormoeders.org. As we are volunteers with mostly full time day jobs it is not always possible to communicate by phone in the first moment of contact. However emails are always

followed within a few days, mostly by phone. It is very important to be personal, our stakeholders would like to know the people behind the organization. This also gives us a good opportunity to listen to our stakeholders and learn from their ideas, wishes and remarks.

4.3 Communication targets and activities in 2015

Our marketing, fundraising and communications team has several specialists who are responsible for PR, communication materials, social media and direct marketing. In line with 2014, 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 ten years this grew 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, our target group of women who are the poorest of the poor and the microcredit principle which appeals to many donors because of the fact that the women are able to grow to a self-supporting environment.

Volunteers

Effective communication amongst our 41 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 and of course in 2015 the anniversary event.

Partners in Asia

We work on a project basis with our local partners; 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. 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

Our website is an important source of information for our donors. Information about our organization, Dutch partners and projects can be found, as well as information about our events (Female Leadership Journey and Cooking Month). An important part is also the information about how you can contribute to our organization. In 2015 we added the pages designed for schools. A lot of schools would like to discuss this topic during classes, our information is of great help with that.

Google Adwords

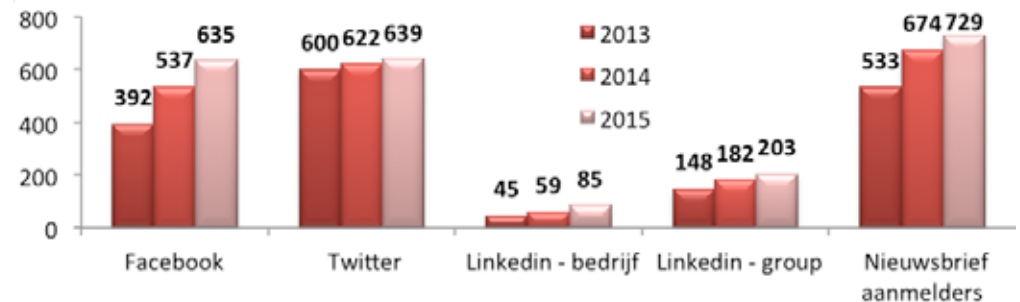
In 2014 we started with the Google Grants program and the use Google Adwords. Several ad campaigns are running and lead to more traffic to our website.

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

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 LinkedIn. In 2015 the number of followers increased again.



Furthermore, we sent 11 newsletters to all individuals who subscribed in the past, using Mailchimp. We see a steady growth in the number of subscriptions (end of 2015: 729). The newsletter contains information about project visits, our fundraising activities in the Netherlands, project updates, job opportunities. The average opening rate is 35% and the average click rate 4%.

PR

In 2015 we developed a number of advertisements which we promoted in stopper emailings; local, regional and national press is approached via email to inform them about our organization. Many magazines and newspapers need stopper advertisement they use when last minute space is available. In 2015 our PR strategy led to an article in Yogamagazine, in the alumni magazine of the VU, free advertisement in the Noordelijk Dagblad and a radio interview on our 10 years' anniversary was done on Amsterdam FM.

Print

For the 10 years' anniversary we adjusted our printed MfM flyer with the special developed logo. We also developed a new Female Leadership Journey flyer, used as promotion material. Studio Pompe and VS&P are our professional partners who assisted us with dtp and printing.

Other communication channels

In 2015, 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 of course our annual report.

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 2015 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 still very hard, although in 2015 we started having some success with our strategy. Press releases hardly ever lead to any follow up and getting in conversation with printed media is difficult.

4.5 The way forward in 2016

For 2016, we have prioritized the following activities:

- Create strategy and program for our ambassadors (volunteers, former volunteers, Female Leadership Journey participants, highly involved donors)
- Continue "Stopper" campaign for printed media
- Continue with communication as in 2015 for social media, newsletters, Google Adwords, blog
- Develop our partnerships with our Dutch partners and keep on looking for new opportunities
- Continue with our PR strategy and focus on local newspapers and magazines



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. During her pregnancy leave

in 2015 she was temporarily replaced by both Mrs Florentine Fokma and Mrs Diana Brandsema. Furthermore the board consists of a Finance Director, Mrs Florentine Fokma and an Operational Director, Mrs Alexa Dutilh (temporarily replaced by Mrs Saskia Bouter, during her pregnancy leave). All Board members are engaged with MfM on a voluntary basis. The board meets once a month.

Supervisory Board

In 2015, 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.
- Ryanne van der Eijk. Ryanne joined the board in 2013. Ryanne works as Senior Vice President Customer Experience at Air France-KLM. Ryanne 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.

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

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’, 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 2015 Number of volunteers

In 2015 the total number of volunteers was stable at 41 volunteers. 10 vacancies were filled in, five volunteers (temporarily) took on another role within the foundation and ten volunteers left (most of them because of the fact that the lustrum team activities ended at the end of 2015). 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 process helped us to find out that our volunteers best work in duos. That’s why we decided for example to have two volunteers working for each country that we are active in. This helps newcomers to get started quickly and existing volunteers to get inspired by new ideas.

Recruitment

In 2015 we managed to hire and successfully on board an additional 10 volunteers in all kinds of roles, for instance for the new function of Coordinator of the Female Leadership Journey. 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. These standards have been continued in 2015.



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 2016

For 2016 we have the following HR goals

1. Creating more connection within and between the teams (so that we can use each other's knowledge and experience whenever necessary).
2. Creating a learning organisation (create more moments to measure, reflect on and evaluate how we are doing as an organisation and how we can do things better in the future).
3. Create a sustainable people review system that can be use every year to evaluate the volunteers.



Financial report

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

BALANCE SHEET	2014	2015
Total Funds	430.095	480.317
Accounts receivable	5.253	39.401
Total Cash	99.920	85.592
Total assets	535.269	605.310
Continuity reserve	12.500	12.500
Revolving funds reserve	352.595	422.817
Future projects reserve	65.281	102.004
Long term liabilities	77.500	57.500
Accounts payable	27.393	10.488
Totaal liabilities	535.269	605.310

A more detailed explanation can be found in paragraph 6.4

6.3 Verview Income and Expenses

PROFIT AND LOSS STATEMENT	2014	2015
Fundraising	53.857	102.208
Interest income	3.559	2.859
Total income	57.416	105.067
Spent on behalf of the objective	24.072-	2.217-
Acquisition costs	127	127
Administrative costs	224	212
Total expenditures	23.721-	1.878-
Net Result	81.138	106.945

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 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	2014	2015					
Bangladesh	MANGO1	3.222	-	Nepal	Dhulikhel Hospital	19.076	21.245	
	Banana	6.444	-		COMMUNITY SELF RELIANCE	-	10.000	
	RDS	5.768	16.322		CENTRE = CSRC			
	CRS	-	5.858		Total	19.076	31.245	
	Total	15.434	22.180		Sri Lanka	JK 2	7.218	5.956
	Cambodia	Chamroeun / EDM	11.107			12.300	KIRDO 5	5.094
Jan Camp		14.053	15.717	Markoesa		4.917	4.980	
Total		25.161	28.017	DDF		16.378	27.030	
India	Sarala	15.623	16.655	NESED		-	9.850	
	Manush - Hakkipikki	4.368	14.011	Total		33.607	52.975	
	Friends Indeed/ARDAR - Ananthagiri	43.435	46.304	Vietnam	The Dariu Foundation (TDF) 1	15.857	16.927	
	Sanghamithra - Bellary	7.721	8.231		Entrepreneurs du Monde (EDM)			
	Sanghamithra - Kolar	25.297	26.603		/ An Chi Em 1	38.345	40.934	
	RAIDS Budubudukala	7.824	8.341		Total	54.201	57.861	
	RAIDS Yanadi	9.229	9.839		DM	Chamroeun / EDM	20.000	-
	RAIDS Pulivendula	10.000	10.661			Komida	37.500	37.500
	RAIDS - MvM fund in progress	7.017	7.394	Entrepreneurs du Monde (EDM)				
	ROPES	4.945	5.272	/ Chi Em 1		20.000	20.000	
	Total	135.458	153.311	Total		77.500	57.500	
	Indonesia	Kopdit Anna3	4.488	4.507	TOTAL	430.095	480.326	
		Rambutan	3.251	3.265	The increase in financial assets is the result of new loans (EUR 61.290), write off of projects and the very strong appreciation of all foreign currencies versus the euro. The latter is non-cash, due to the fact that the provided loans are local currency loans, reported in euro. The DM-loans (provided with the Dutch Microfinance funds) differ from our own 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.			
Komida		32.626	32.773					
KSA Syariah Amanah		4.999	5.020					
Yayasan TITA MAE AMBON			5.410					
Total		45.364	50.975					
Laos	Gender Development Group (GDG)							
	/ bamboo traders (BTA)	16.344	17.886					
	Gender Development Group (GDG)							
	/ bamboo traders (BTN)	7.950	8.700					
Total	24.294	26.586						

Cash & Cash equivalents (2)

Cash and Cash equivalents	2014	2015
Triodos	92.613	76.794
ING 2.223	2.348	
ASN	5.084	6.450
Total Cash and Cash equivalents	99.920	85.592

Accounts Receivable (3)

This concerns amounts receivable of EUR 39.401 which relate to the year 2015 but which are received in 2016. EUR 37.475 consists of large donations from corporations and foundations and associations. These donations were confirmed but not yet received in cash. The remaining part of accounts receivables consist of to be received smaller private donations that related to 2015 but were transferred in the beginning of 2016.

Equity (4)

Appropriation of result	Continuity Reserve	Revolving Funds Reserve	Future Projects Reserve
Equity 2014	12.500	352.595	65.281
Appropriation of 2015 result	-	70.222	36.723
Equity 2015	12.500	422.817	102.004

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 MfM partners by the end of 2015 (EUR 77,500 by the end of 2014). 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. For reporting purposes, the nominal value of the obligation is used.



Accounts Payable (6)

This concerns amounts still payable of EUR 10.488 which relate to the year 2015 but which become payable in 2016. These obligations largely consist of the transfer of a loan to a new partner in Nepal (EUR 10.000). Furthermore, EUR 426 consists of the interest payment on DM loans to be transferred to DM. The remaining part of accounts payable consist of banking costs that related to 2015 but were transferred in the beginning of 2016.

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

Income	2014	2015
Donations		
Individuals	14.524	18.758
Foundations and associations	9.423	21.492
Corporations	13.898	38.818
Events	16.012	23.140
Income from fundraising	53.857	
102.208		
Interest income	3.559	2.859
Total income	57.416	105.067

In 2015 the overall income from fundraising amounted to EUR 102.208. In comparison with 2014, all types of donations increased. Income from events consists of a.o. contributions from participants of the Female Leadership Journey organized by MfM, our Jubilee events and our Cooking Month event. Interest income in 2015 was completely related to DM. This income covers the exact amount of interest expenses related to DM in 2015.

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

Total expenditures on behalf of the objective/funds to projects amounted to -/- EUR 2.217 in 2015. Excluding the currency gain and write offs, they amounted to EUR 6.714. In accordance with the mission of Microcredit for Mothers, these expenditures were used to support all projects. A detailed overview of these costs can be found below.

Spent on behalf of the objective	2014	2015
Capacity building	1.920	320
Currency result	34.841-	20.414-
Depreciation of bad funds	3.185	11.482
Representation costs	742	419
Travel expenses	1.278	2.796
Bank costs variable	152	321
Interest received DM funds	3.492	2.859
Total spending	24.072-	2.217-

a) Capacity Building

In 2015, capacity building costs comparable to the previous year. MfM incurred costs for on the ground inspection of the situation regarding a partner in Nepal.



b & c) Currency Results & Depreciation of bad debt

Country	2014	Additional funding	Depreciation bad debt	Currency result	2015
Bangladesh	15.434	15.765	-9.678	659	22.180
Cambodia	25.161	0	0	2.857	28.017
India	135.458	10.000	-450	8.303	153.311
Indonesia	45.364	5.525	0	77	50.966
Laos	24.294	0	0	2.292	26.586
Nepal	19.076	10.000	0	1.844	30.920
Sri Lanka	33.606	20.000	-1.353	722	52.975
Vietnam	54.201	0	0	3.660	57.861
Subtotal	352.595	61.290	-11.482	20.414	422.817
DM	77.500	-20.000	0	0	57.500
Total	430.095	41.290	-11.482	20.414	480.317

All of our projects are funded in local currency. Therefore, MfM occurs a currency risk. In 2015, this resulted in a large currency gain of EUR 20.414. All of our projects run a high risk for bad debt depreciation. In 2015, two projects in Bangladesh had to be written off. Smaller write-offs incurred in Sri Lanka and India, due to a number of reasons such as illness of the ultimate beneficiaries, crop diseases etc. At 3% of the total outstanding funds at year end, we consider this within normal boundaries.

d & e) Representation costs & Travel Expenses

Our volunteers regularly visit the local projects. Travel expenses are paid for by the volunteers with their own financial means and upon request MfM contributes to their travel expenses with an amount of EUR 450 up to maximal EUR 1.000 for each volunteer visiting a project. In 2015, only very few volunteers requested this compensation, resulting in travel expenses of EUR 2.796. In addition, representation costs of EUR 419 were made because of activities for the volunteers.

f) Bank costs (variable)

EUR 321 of bank costs incurred, related to the transfers of funds to international bank account's of MfM's partners.

g) Interest expenses DM funds

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

Acquisition costs (9)

The limited acquisition costs in 2015 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)

The administrative costs in 2015 of EUR 212 related to fixed bank costs, for keeping an account.

6.6 Cashflow

Cashflow	2014	2015
Net Result	81.138	106.945
-/- currency result	34.841-	20.414-
+ depreciation of bad debt	3.185	11.482
+ change in account receivables/payables	19.992	51.052-
Cashflow from operations	69.474	46.961
-/- new funds provided to partners	62.882-	61.290-
+ new funds received from DM	20.000	
Cashflow from financing	42.882-	61.290-
Total net cashflow	26.592	14.329-
<i>cash beginning of the year</i>	<i>73.327</i>	<i>99.920</i>
<i>cash end of the year</i>	<i>99.920</i>	<i>85.592</i>

By the end of 2015, MfM's cash position had decreased with ca. EUR 14,500. This is mostly explained by the strong increase of accounts receivable, which consist of large donations confirmed in 2015, but only transferred to our bank account in 2016

6.7 Expenditure ratio's

Ratio's	2014	2015
Expenditure to projects / total income	-41,9%	-2,1%
Expenditure to projects + net result / total income	99,4%	99,7%
Expenditure for fundraising / total income	0,2%	0,1%
Expenditure for management and administration / total income	0,4%	0,2%

Expenditure to projects / total income

This ratio indicates which part of the income is spent on projects. The 2015 ratio was negative due to the 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 2015 is added to the Future Projects Reserve and Revolving Funds Reserve. This amount is/ will be used for projects in the future. 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 99,7% in 2015. We are extremely proud of the fact that this percentage is - again - above 95%.

Expenditure for fundraising / total income

The ratio costs for fundraising was 0,12% in 2015. 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.

Expenditure for management and administration / total income

The ratio management and administration is 0,20% in 2015. This ratio indicates which part of the income is spent on management and administration costs. MfM did not incur any management costs.

Testimonial: Rebuilding Nepal Microcredit a powerful tool

As program manager I visited Nepal in April 2015. For Microcredit for Mothers it is of vital importance to understand the local situation for successful project implementation. The evaluation with our partner Dhulikhel Hospital showed how microcredit in combination with health care can create a multiplier effect on the reduction of poverty in outreach communities. What a great job Dhulikhel Hospital!

The outcomes of a pre-appraisal at our new partner Community Self-Reliance Centre (CSRC) were also very promising. This organization educates and organizes people

who are deprived of their basic rights to land and empowers them to lead free, secure and dignified lives. Strengthened by CSRC, they have organized strong community organizations and they are improving and strengthening their livelihoods.

With Microcredit for Mothers they have set up their first microfinance scheme in 2015 to further support this development.

Niels Boertje, program manager Nepal

