

MICROLEND AUSTRALIA LTD

2024 ANNUAL REPORT



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Cover: Microlend Australia believes that “empowering people” is the key to successfully breaking the cycle of poverty. When ‘knowledge’ is shared amongst a community of engaged and supported participants, life-changing impacts can be realised. (Our picture shows a project team from Uganda)

ABOUT MICROLEND AUSTRALIA

Introduction:

There is something profoundly wrong about a world in which every 6th child lives in abject poverty. Why do we allow this? We in Microlend Australia find this great blight on society unacceptable. The question is if you also find this situation intolerable. Surely there are more of us out there. Our charity is driven by a profound commitment to glorify God through empowering individuals to break free from the pervasive cycle of poverty. Founded in November 2013 by Ralf and Anne Schroers, our organisation stems from a vision cultivated over decades of experience in the financial planning industry. After selling their business of 31 years, Ralf and Anne dedicated themselves to addressing global poverty through sustainable economic empowerment.

History and Mission:

The journey began in 2011 with a partnership aimed at eradicating poverty worldwide. This vision materialised into Microlend Australia; a registered not-for-profit organisation in November 2013. Microlend Australia is dedicated to supporting disadvantaged individuals in establishing viable business enterprises. Our mission extends beyond charity; it focuses on fostering self-sufficiency, enabling recipients to enjoy basic human rights and attain a reasonable standard of living.

Microlend Australia's strategic approach involves expanding charitable activities nationally and internationally. We achieve this by establishing microfinance branches across Australia and beyond, inviting like-minded individuals to join us in extending microfinance opportunities to developing nations.

Activities:

1. Fundraising and Donations:

- **Charity Events:** Microlend Australia hosts various fundraising events, such as gala dinners, to gather support and raise awareness.
- **Marketing and Promotion:** Leveraging fundraising-focused technologies, we promote our mission to attract donations and corporate sponsorships.
- **Private Donations and Sponsorships:** Contributions from private donors and corporate partners bolster our ability to fund microfinance initiatives.
- **Commercial Investments:** Engaging in income-generating ventures allows us to sustainably support our charitable endeavours.

2. Microfinance Services:

- Microlend Australia provides financial resources to disadvantaged individuals on a microfinance basis. These programs are run on a not-for-profit basis. We provide funds to empower recipients to start or expand small businesses, fostering economic independence and stability.

3. Monitoring and Support:

- We maintain diligent oversight of loan disbursements and business activities to ensure accountability and effectiveness.
- Ongoing support through mentorship and training helps entrepreneurs navigate challenges and maximize their business potential.

Through these concerted efforts, Microlend Australia remains steadfast in its mission to empower individuals, transform communities, and ultimately glorify God by breaking the chains of poverty. Our annual report stands as a testament to the impact of collective generosity and commitment to sustainable change. Together, we continue to envision a world where every person has the opportunity to thrive and contribute meaningfully to society.



The types of businesses we try to help – Fruit Stand – Uganda

MESSAGE FROM THE BOARD

Microlend Australia C.E.O. Report

The 2023-24 year has been another successful year for Microlend Australia. We've made significant strides in lifting people out of poverty and achieved impressive results in some of our overseas centers as well as having a great result in our fund-raising efforts.

As such, I remain optimistic about our future and our ability to continue driving positive change. Microlend Australia remains committed to empowering individuals and communities around the world and is working tirelessly to eradicate poverty.

This Annual Report provides a detailed overview of our performance against our key metrics and outlines our vision and strategy for the coming years.

1) Financial Sustainability

Microlend Australia's enduring strategy is to ensure its financial sustainability, not just for the current year but for years to come. To achieve this, we've adopted a business model that not only empowers the poor through funding but also generates sustainable revenue. Our model, similar to past years, involves:

- **Supporting small businesses and community projects:** Providing funding to help the poor create ongoing income and become self-sufficient.
- **Continuous fundraising and awareness campaigns:** Engaging the public to support our mission.
- **Developing self-empowerment platforms:** Creating income streams that not only empower the poor but also provide an income to Microlend Australia.
- **Implementing rigorous loan management:** Ensuring responsible financial practices in overseas microfinance locations.
- **Launching Training Module 8:** We have expanded our training modules to include one additional training module 8. This module provides people with a business model template that incorporates all of the previous 7 training modules into one comprehensive business plan thereby summarising their undertaking as one document.

Through these initiatives, we aim to empower individuals, strengthen communities, and ensure Microlend Australia's long-term viability.

Our results for the 2023-24 financial year are as follows:

- Although we initially had no plans to open new branches this year, the performance of the branches established last year has been outstanding. The Microlend Sydney CBD team organised a major fundraising event, renting a boat and selling tickets, which successfully raised \$26,711 for our projects in Harare, Zimbabwe. Note that there were substantially more funds raised in July 2024 which we will show you in next year's report.
- Meanwhile, the Microlend Western Sydney team is working towards establishing a new overseas center in Addis Ababa, Ethiopia. Due to some government compliance issues, they are currently exploring alternative solutions. This team raised \$500 this year and is still in the early stages of developing their fundraising strategies, aiming for increased results in the future.
- Another key objective was to generate funds through fundraising dinners organised by our branches. For the 2023-24 period, the Microlend Narellan Branch raised \$9,290, while the Microlend Five Dock Branch raised a total of \$9,310 from their annual fundraising dinner. Additionally, the Microlend Tamworth Branch contributed \$1,075.00. We extend our congratulations to all branches for their impressive efforts.



- For 2024, one of our key performance goals is to improve the management of loan arrears at our overseas sites. To address this, we have introduced a notes/comments section in our Xero accounting system. This feature allows Overseas Coordinators to record details about poorly performing loans and the related circumstances. By discussing these issues and exploring potential solutions, we aim to reduce loan arrears. Currently, this measure has been implemented at only one overseas center, as we still need to fully develop and enforce this process. A significant challenge is the lack of resources to effectively oversee this. To address this, Microlend Australia is seeking additional volunteer account managers. We recently welcomed Udeshya Khatiwada, who will manage projects in Uganda, and Brad Gordon, who oversees accounts in Tanzania. However, we still require more volunteers to cover other countries. If you are interested in contributing, please contact us.

- One of our major goals is to enhance corporate sponsorships. Microlend Australia currently has two corporate sponsors, however, to fully grow our capacity to help the poor, we believe that this effort needs to be expanded. Indeed, Microlend Australia has worked extensively in this area by developing a marketing arm called Povertybusters. We have also developed a corporate sponsorship powerpoint and we created this year a corporate marketing video.
- With regards to our goal of promoting direct giving options, we have enhanced our proposition by adding a Povertybusters website. We have also expanded our giving options to include a regular payment option, both under our Microlend Website as well as the Povertybusters website. For those people who also may like to consider giving a bequest to Microlend, we have provided an enabling facility to be able to implement such an option. We also had a positive result from an E.O.F.Y. fund raising appeal.

Our primary driver of course continues to be the alleviation of poverty among the poor. Our primary measure towards this is tracking the number of new businesses established throughout the year. In 2023-24 we were able to create 98 new businesses among impoverished communities bringing the total number of microfinance businesses to 2025.

In the 2023-24 financial year, Microlend Australia received \$412,744.84 from the principals and volunteers of Microlend Australia as contributions. We wish to express our thanks to all the volunteers who gave so generously.

Of the \$412,744.84 received in total donations, \$171,812.29 was sent overseas to establish microfinance businesses. As in previous years, it is important to note that 100% of the funds received from public donations were put towards overseas microfinance businesses. In addition, a portion of contributions received from the principals and volunteers were used for this purpose as well, whilst the remainder was used to either retire debt, or expand our local investment program to generate more income into the future.

Microlend Australia continues to grow its own internal investment assets with the view that into the future, our organisation can achieve its own independent source of income. Apart from using these contributions for funding microfinance projects and meeting operating expenses, we also repaid some of Microlend Australia's debt. Consequently, our assets now stand at \$ 1,736,977.52. For full details of Microlend Australia Ltd.'s financial position, please refer to the Profit and Loss Statement and Balance Sheet at the back of this Report.

The intention of the CEO, Ralf Schroers, is to oversee and administer a plan to gradually repay the entire existing current debt owed by Microlend Australia. This debt relates exclusively to additional pool of contributed funds provided by principals and volunteers and has no impact whatsoever on the public donations used for overseas projects.

2) Governance

As in previous years, Microlend Australia remains steadfast in its adherence to Australian and international compliance standards. Our commitment is reflected in the following:

- **Operational Excellence:** We maintain rigorous operational standards aligned with the Australian Charities and Not-For-Profit Commission (ACNC) and the Institute of Community Directors of Australia (ICDA).

- **Strong Governance:** Our professionally competent Board of Directors provides strategic oversight and ensures ethical conduct.
- **Global Awareness:** We actively monitor evolving government frameworks in our operating countries and participate in global initiatives addressing poverty, such as the U.N. World Eradication of Poverty Day.

Our local governance practices are underpinned by:

- **Dynamic Operations Manual:** We continuously update our operations manual to reflect current practices and make it accessible to our network through Google Drive.
- **Efficient Management:** Our Jira management system streamlines volunteer activities, tracks progress and supports reporting to our Board and the creation of our Annual Report.
- **Professional Accreditation:** We maintain ICDA accreditation and strive to recognize the accreditation protocols of our overseas partners.
- **Rigorous Partnerships:** All overseas sites are required to provide not-for-profit registration and a separate bank account for microfinance activities. We partner with these sites, ensuring they meet our standards while leveraging their expertise.
- **Strategic Alliances:** Our new partnership with Action on Poverty aims to enhance our compliance standards for larger projects and potentially qualify for government funding.

By upholding these principles, Microlend Australia continues to deliver impactful microfinance solutions while maintaining the highest standards of governance and accountability.



One of the businesses we helped fund – Chicken Street Stall - Uganda

3) Project Focus

Microlend Australia continuously monitors its projects to ensure their viability and make sure they meet identified needs of the communities in which they operate.

- In May 2024, we visited Papua New Guinea to explore potential projects for the new microfinance centers. We found that the site had been neglected and that the previous coordination efforts were ineffective. As a result, we have appointed a new coordinator and established new bank accounts. Microlend Australia plans to develop further small businesses and also a larger project in PNG. We are also working on upgrading the compliance of the existing non-profit organisation to meet government standards and are anticipating potential funding from the government to support this initiative. Please refer to our Tamworth branch managers report for further information.
- With regards to ongoing training, mentoring and support to our project partners, we have a compact, but comprehensive, suite of training material that enables potential business owners and entrepreneurs to create and run their small businesses. Indeed, we have extended this training program by offering an additional module 8 which provided a template of how to submit a comprehensive business plan.
- We have also included a community development program which is designed to act as a precursor to our business training section. The idea behind the Community development program is that local communities first organise themselves to recognise the resources they already possess before commencing their individual businesses.
- All our materials are simple to understand, can be implemented with ease, and ensure that even those with low literacy levels are able to run their small enterprises. Our material is freely available to any member of the public via the Microlend Australia website (microlendaustralia.com.au). The material is also available in several languages.
- Our Australian activities. The CEO of Microlend Australia, Ralf Schroers continues to provide free financial counselling and businesses modelling to the local population in the Camden, MacArthur, Campbelltown area.

4) Information and Knowledge Sharing

Empowering Others:

Microlend Australia is committed to helping people achieve self-sufficiency. We offer training and support to local charities, organisations, and individuals. Our programs help them develop businesses and manage finances.

Sharing Our Knowledge:

We make all our training materials available online for free. This includes a Community Development Program that guides communities in creating anti-poverty initiatives. We're also working on a video version of this to make it easier for overseas volunteers to implement.

Spreading the Word:

We're actively building our online presence through our websites and social media. We share success stories and updates on our work. Check out our main website at <https://www.microlendaustralia.com.au/how-we-work>.

Building a Stronger Team:

We rely on a dedicated team of volunteers to manage our marketing efforts. We're currently developing a comprehensive strategy to further increase our reach.

Making a Global Impact:

Microlend Australia stays informed about industry trends like the UN's Sustainable Development Goals. We advocate for microfinance as a powerful tool in the fight against poverty. Our Goals include:

- Provide ongoing training and support to our partners.
- Build strong relationships with relevant organisations.
- Promote microfinance as a solution to global poverty.

Investing in the Future:

Microlend Australia is developing an investment strategy to secure our financial future. We have ownership stakes in two property developments (Lang Road, Casula and 183 Airs Rd, Leumeah) that are progressing well. Construction is expected to begin next year. The Lang Road project includes townhouses, one of which we plan to keep. The 183 Airs Rd project will house our new headquarters and a daycare center to provide us with our own ongoing funding.

5) People and Capabilities

Throughout the 2023-24 financial year, Microlend Australia have had a total of 20 new volunteers this year, mainly in Western Sydney, Sydney CBD, Tamworth and Head office.

Any volunteers that have a heart towards ending world poverty are welcome to apply with us. Microlend Australia welcomes passionate volunteers who want to help end poverty. We have opportunities in Sydney, Tamworth, and our head office.

Microlend Australia continues to develop an investments strategy directly owned by Microlend Australia. We are continuing with all our other property developments located in Lang Road, Casula (approximately 20% ownership) and 183 Airs Rd, Leumeah (one third ownership). Both sites have obtained their Construction certificate in recent months and construction is due to commence in next calendar year. The Lang Rd site in Casula comprises of a series of Townhouses out of which we hope to be able to retain one of them.

With regards to the 183 Airs Road site, we hope that this will house our new Microlend Australia Headquarters as well as a one-third ownership stake in the rooftop daycare centre. The remaining units in the development are planned to be sold. This day care centre should generate an independent income for the organisation. Construction should start in November 2024.

6) Quality, Measurement and improvement

Aligning with International Standards

As in previous years, Microlend Australia remains committed to aligning our targets and outcomes with international sustainable development goals (SDGs). To achieve this, we continue to prioritise a human rights-based approach and sustainable development.

Integrating SDGs into Our Operations

Our Code of Conduct, operations manual, and daily activities reflect our commitment to SDG and human rights practices. We require the same adherence from our overseas partners, reinforced through partnership agreements. Additionally, our training materials incorporate these principles.

Data-Driven Approach

Our cloud-based accounting system provides reliable quantitative data, which we aim to enhance with more qualitative input.

Strengthening Impact Measurement

Our partnership with Action on Poverty is expected to elevate the quality of our systems and measurement of overseas project impact.

Efficient Performance and Review

Microlend Australia utilises Jira, an online management program, for efficient performance tracking and review. This system's accessibility and structured approach enable disciplined record-keeping and regular evaluation. A significant portion of our Annual Report is derived from Jira data. We plan to expand Jira's use to our international sites.

As we conclude this annual report, Microlend Australia stands poised at the forefront of our mission to alleviate world poverty. The journey detailed above highlights both the challenges we face and the profound impact of our collective efforts in empowering individuals through microfinance. Our commitment to this cause remains unwavering, fuelled by a belief in the inherent dignity and potential of every person. We invite you, our supporters and potential partners, to join us in this transformative work. Together, we can continue to make a tangible difference in the lives of those in need, empowering them to achieve sustainable livelihoods and break free from the cycle of poverty.

To our current donors and corporate supporters, we extend our heartfelt gratitude for your generosity and belief in our mission. Your contributions have been instrumental in enabling us to expand our reach and impact.

I would also like to express deep appreciation to my wife, Anne, and to all our dedicated members and volunteers. Your commitment and tireless efforts are the backbone of Microlend Australia's success. Thank you for your unwavering support and dedication to this noble cause.

As we look ahead, the challenges may be great, but so too is our resolve. Let us continue to work together towards a future where every individual has the opportunity to thrive, and where poverty is but a distant memory.

With gratitude and hope,

Ralf Schroers

CEO - Microlend Australia



BRANCH REPORTS

Five Dock /Narellan Branch

Since July 2022, the Five Dock team has been combined with the Narellan team to work together for the Charity Dinner; that was held again this year in March. The theme was a “Tropical Night” and was very well attended at the venue of our valued support partners The Canada Bay Club. We raised around \$21,000 to go towards our project partners.



The activities of the Branch have been curtailed over this last year due to the inability to fill a number of key volunteer leadership roles, however, the existing team of loyal volunteers and supporters have continued to put in a fantastic effort to ensure that our overseas partners are supported with the necessary resources.

Overseas Project Updates

As in most developing areas around the world, the struggle to recover socially and economically following the Covid period is VERY real. Many of our programs have “stalled” regarding loan repayments and many of the capital projects have also slowed. Despite this “slowing” however, the projects remain very viable, and plans are in place to work with the overseas coordinators to get things back to “pre-covid” status.

Kenya

The King Simbachai project in Kenya seems to be presenting some particular challenges, and work is continuing to establish the appropriate trust needed to ensure complaint operation.

Zimbabwe

Our other projects in Zimbabwe continue to do well despite the prevailing economic difficulties.

Mongolia

This country was severely impacted by Covid with most loans being unpaid and businesses being virtually unable to operate. It was a combined decision to wind down the Windows of Hope Microlend project in Mongolia due to the inability to get non-functional businesses up and running again after a very difficult Covid period.

It is pleasing to note that several businesses are now operating successfully after a Microlend injection of finances allowed them to begin operations. Praise to God alone for these wonderful answers to hard work and prayer. Thank you also to the extremely hard work of Murray Benn our local contact who continues in God's work with his own ministry.

Tanzania

This was a new country we had taken under our wings to try and support during a very difficult Covid period. It is with great appreciation that we must continue to honour some of our Tanzanian friends who are working tirelessly to ensure the Microlend project continues its operations.

New loans have been issued as post Covid allows more and more people to become economically self-sufficient – recipients can now consider opportunities to open their own businesses and break the poverty cycle.

Unfortunately, many loans continue also to be difficult to pay back. We need to monitor closely to ensure the future viability of Microlend in country. We pray that our Heavenly Father will continue this work through his wonderful local church and group of wonderful workers.

Future planning, 2024/25:

Funding has been difficult during the post Covid years. However, fundraising dinners are now again recurring, and we are so very grateful for the hard work of our founders Ralf and Annie as they continue to lead this combined group of volunteers, ensuring that this great work continues.



Brad Gordon
Treasurer, Microlend Narellan/Five Dock

Tamworth Branch

The following report outlines the activities and events for the Tamworth Chapter of Microlend Australia during the 2023/2024 financial year. It should be noted we are making progress in PNG, after the disastrous Covid -19 pandemic.

I travelled to PNG twice during the 2023/2024 financial year. The first time was in October 2023 where I met with the senior trustee and local member of the Mendi electoral district, Raphael Tonpi. We discussed the many problems facing the PNG Microfinance project and what the best solutions were to be re-establishing a thriving PNG Microfinance project. One of the main problems was that the existing Microfinance Co-ordinator had secured full time employment and was unable to undertake the duties required of his position. As such there had been little Microfinance activity and poor loans follow up on loans throughout the previous three years of the Covid epidemic.

The solution was to choose and train a new Microfinance coordinator. We did this in early 2024. Ralf Schroers and I travelled to Kip PNG in March 2024 and appointed and trained the new Microfinance Coordinator Simon Miril.



Simon Miril – PNG Co-ordinator

Unfortunately, there was no one living in Kip that has the necessary skills required to fulfil the position of coordinator because there are major transportation problems for any Mendi based Coordinator. Simon lives in Mendi a 1.5-hour drive from the village of Kip. Kip is where most existing Microfinance projects have been set up and where we are concentrating delivering future PNG Microfinance projects. Therefore, Simon needs to spend much of his time in Kip. But Simon, like most people in the highlands of PNG, does not own a car. As such Simon needs to travel to Kip with the only one public transportation to the village each day, a PMV. (The PMV, People Moving Vehicle is a flatbed truck covered in canvas with seats along each side). The PMV leaves from its pickup point 4km away from Kip in the morning on its way to the regional centre of Mendi. The PMV returns to Kip in the afternoon.

This means that Simon needs to travel to Kip in the afternoon and stay overnight in Kip for at least two nights in order to conduct one day of business. This is a problem for him as he is a single dad raising three children.

Viability of Microfinance Businesses in PNG

Transportation is also a huge problem for business owners in Kip. Supplies must be bought in Mendi necessitating a three-hour return trip via a PMV and an eight km return walk to get to the PMV pickup point. This travel incurs additional business costs on local business owners paying the return PMV fare and also paying porter costs to carry any supplies back to the Kip.

One solution to reduce and/or eliminate these transportation costs and problems Kip business owners was presented and discussed during our visit. The solution is for a small supermarket with three additional shops and a small Microfinance office to be built in the village of Kip. This will greatly reduce the overhead costs and enable greater profitability for local existing businesses.

The supermarket complex would be owned by the PNG Microfinance Charity and the rent received from these businesses would provide ongoing finances to the PNG Microfinance project enabling all monetary profits to be lent out to locals for establishing new businesses.

Preliminary plans have been drawn up for the supermarket complex. The land has been pledged and 2/3 of the building costs have been pledged by the local member. This is very exciting news providing a great solution to help with the viability of local businesses.

One of the pleasing notes during this trip was that one of the existing loan business applicants, Becky, finishing paying off her loan while we were in Kip. Becky makes new clothes and, as her existing sewing machine had broken down irreparably, she applied for a new Microfinance loan which was granted to her.

Unfortunately, Covid has forced the closure of some Microfinance businesses in PNG. Some businesses have survived although many are not operating and will not begin trading until the economy improves. Until our new Coordinator Simon can track down these existing businesses and talk to the owners, we do not know which businesses are viable and able to reopen.

Microfinance Name Change

The cumbersome name of our PNG Microfinance Charity will most likely be changed from the title of "United church South Lai Circuit Development Trust" to "Rescue PNG." Along with a name change it has been suggested that a new board of trustees will be appointed who will be more readily available, and who will be able to keep a close watch on the coordinator and businesses.

Other News from Kip

Although this following project has nothing to do with our Microfinance project, my frequent trips to Kip has enabled me to pursue another project that will have a huge impact on the health of the Kip villagers.

This parallel project will provide fresh clean water to the local area. The water will be sourced from a spring in the mountains at the back of, and 250m above the village of Kip. The spring provides about 200 litres of water per minute and this water will be piped about three kms into several local villages. More than 110,000 litres of fresh water will be stored along the way. The fresh water will provide clean drinking water, shower facilities and laundry facilities at three village localities and for a boarding school with the capacity for 1,000 boarders. Fresh water will also be provided to a medical centre/hospital, three additional schools, 30 teachers and nurses homes, and to the local villagers along the pipeline.

Two engineers have helped me with this project, and I would like to thank Neil Sharpen for initial planning of this project and David Derkenne for travelling to PNG and helping me with surveying the best route, and, for his extensively fine tuning of the design of this project. I will be travelling to Kip in October 2024 to finish the construction of this project and I would like to thank in advance the construction engineer, Neil Boots, who will be accompanying me as we design and build the header dam, the various creek crossings and sort out other potential problems (e.g. the pipeline has to traverse a gorge that is 86m wide and 40m deep). The PNG locals will be employed to dig the 60cm deep trenches by hand, make the 14 cement water tank pads, carry all material up and down the hill by hand and make all connections.

Yearly activities

Fundraising has been very slow during this year but is hoped to progress during this next year. A group of people from Tamworth travelled to Sydney and supported the Sydney Microlend annual fundraiser.

The committee that was elected in June 2023 has agreed to carry on their committee positions for another year or until the Covid-19 problems subside.

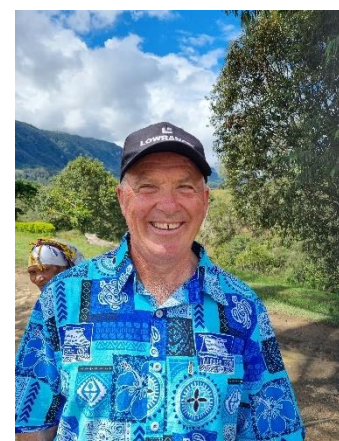
President	Paul Sullivan	Treasurer	Colin Pearce
Vice President	Colin Pearce	Assistant Treasurer	Lois Sullivan
Secretary	Lesley Hood	Overseas Reps	Paul Sullivan and Helen Pearce
Assistant Secretary	Helen Pearce		

Financial Activities

The Tamworth chapter has raised \$1075.00 mainly through donations. By 30/6/2024 the bank balance for the Tamworth Chapter of Microlend was - \$29,202.68. This will be sent to the PNG trustees when the South Lai United church development fund begins operating efficiently again.

Paul Sullivan

President Microlend Tamworth



Western Sydney Branch

EmpowerEthio Progress Report: Building a Path to Sustainable Economic Growth

Overview

Microlend Western Sydney - EmpowerEthio, in collaboration with Microlend Australia head office, is a microfinancing social enterprise focused on reducing poverty and driving sustainable economic development in Ethiopia. The initiative empowers women, youth, and marginalised communities through microloans, financial literacy, mentorship, and cross-cultural connections facilitated by a penpal sponsorship program between families in Australia and Ethiopia. We would like to thank Ralf Schroers, founder of Microlend Australia, for welcoming us to be part of his great team and being generous with his time and wisdom.

Key Achievements and Progress

- **Documents Received from Ralf**

All essential documents for launching Microlend Western Sydney were successfully collected, forming the foundation for compliance and operational readiness.

Status: Completed

- **Establishing Partnerships in Ethiopia**

Efforts are ongoing to engage with local NGOs and community organisations in Ethiopia. These partnerships are essential to reaching target beneficiaries and ensuring long-term impact.

Status: Pending

- **Meeting Legal Requirements for the Western Sydney Branch**

Work is underway to finalise all legal formalities for the opening of the Microlend branch in Western Sydney. Members are in the process of submitting the required forms to ensure everything is ready on schedule.

Status: Completed

- **Opening the Branch Bank Account**

Preparations are in place to open a dedicated bank account for the branch. This step will ensure smooth financial operations and support long-term sustainability.

Fundraising Efforts

In July 2024, we hosted a successful dinner to raise awareness about EmpowerEthio. Given the positive response, we will now hold quarterly fundraising dinners to maintain momentum, engage the community, and build the resources needed for future growth. These events will also showcase the stories of our beneficiaries and supporters, encouraging further involvement and support.

Next Steps and Focus Areas

Partnership Development: Continue outreach to establish partnerships with Ethiopian organisations to implement the program on the ground.

Expand Fundraising: Continue holding quarterly fundraising events to ensure sustainable funding and community engagement.

Looking Forward: Empowering Change Together

Microlend Western Sydney - EmpowerEthio aims to create lasting change by empowering individuals and communities through microloans, financial education, and mentorship. With partnerships forming in Ethiopia and the Western Sydney branch nearing completion, we are excited to take the next steps on this journey.

Through the penpal sponsorship program, we will also foster meaningful connections between Australia and Ethiopia, promoting mutual understanding and long-term relationships. EmpowerEthio is committed to becoming a sustainable social enterprise that drives entrepreneurship, financial inclusion, and cross-cultural support.

Conclusion

EmpowerEthio has made significant progress, achieving essential milestones, including securing documents and launching our first fundraising efforts. As we continue building partnerships, meeting legal requirements, and engaging supporters, we are confident in EmpowerEthio's ability to make a lasting difference.

We look forward to the next phase of this transformative journey. Together, we can break the cycle of poverty, empower communities, and create opportunities for individuals to thrive.

Daniel Gobena – Treasurer – Microlend Western Sydney



Sydney CBD Branch

We are thrilled to provide you with an update on our recent initiatives and the tremendous progress we've made, thanks to your ongoing support and the success of our recent fundraising efforts.

Fundraiser Success – A Night to Remember on The Jackson

On behalf of Microlend Sydney CBD, we extend our deepest gratitude to everyone who contributed to the success of our recent fundraising event aboard The Jackson, a stunning superyacht. We were incredibly fortunate to partner with Captain Cook Cruises, whose generosity played a key role in making the evening a success. The night was filled with excitement, engagement, and remarkable generosity from our supporters, allowing us to raise an impressive \$93,000.

Allocation of Funds – Impact in Zimbabwe

Thanks to the funds raised, we are now able to bring significant advancements to our ongoing projects in Zimbabwe. A portion of the funds will be directed toward completing the construction of the Secondary School, a project we have been dedicated to for some time. This contribution will allow us to finalize the computer lab, ensuring that students have access to modern technology and digital learning tools, a vital step in preparing them for the future. In addition, the funds will enable us to begin work on constructing a much-needed science block, giving students the opportunity to engage in hands-on, practical learning in a dedicated space for scientific exploration.

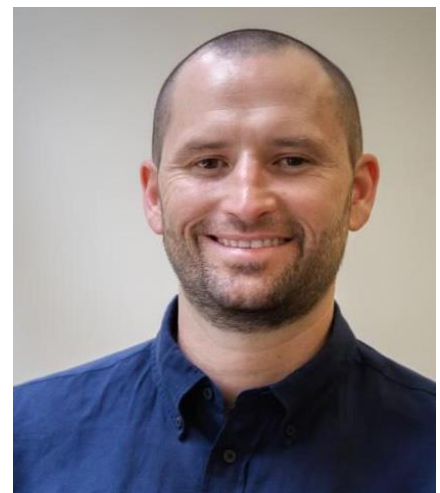
Health Centre Project – Extending Our Reach

In addition to the school projects, the remaining funds will now allow us to initiate our next critical endeavour—the Health Centre Project. Located adjacent to the school, this health centre will provide vital healthcare services to the surrounding community, many of whom currently face barriers to accessing proper medical care. The centre will offer primary healthcare, maternal care, and preventative services, improving the overall well-being of the community. This dual effort—education and healthcare—will empower future generations and support the holistic development of the community.

Conclusion

Once again, we thank all of you for your unwavering commitment to Microlend Sydney CBD. The success of our event on The Jackson and the progress we're making in Zimbabwe would not be possible without your continued support. We look forward to updating you further as we complete these essential projects, and as always, we value your insights and contributions.

Paul Dardagan – President Microlend Sydney CBD



FEEDBACK FROM OUR PARTNERS

Hardware Business - Uganda

In March 2016 Microlend began working with a hardware shop owner in the Manafa District of eastern Uganda. In addition to expanding her product range, she was looking to build a residential room into the premises where she can sleep after a long day to save on the commute home.

The increased income from her expanded business has enabled her to pay school tuition fees for her six children.



Mini Butchery – Zimbabwe



For years, Norman saved every penny from his indigenous farming efforts, but the Zimbabwean economic meltdown made it seem never enough. His dream felt out of reach until he got the chance to attend Microlend Training. After a successful interview, he received a loan to start his own butchery.

Initially, the idea of taking on debt was daunting. However, the Microlend Training boosted his confidence. Despite hearing countless stories of business failures and feeling the weight of responsibility, the excitement of realizing his dream outweighed his fears. With newfound inspiration, Norman took the leap and secured the loan.

The first few months were challenging. Currency fluctuations disrupted business, making it hard to attract customers, but he managed to cover rent and keep the business afloat. Norman spent long hours at his butchery, often late into the night. Securing a loan to start my butchery business has had a profound impact on both my personal life and the community. The loan was a game-changer. This not only allowed me to pursue my passion for butchery but also gave me the opportunity to become financially independent.

I have been able to support my family, invest in personal equipment and contributed to the local economy and supported other small businesses. I also created jobs. In short, the loan wasn't just a financial boost—it was a catalyst for positive change, both in my life and in the community.

Water Purification Plant - Kenya

This year, Microlend invested in the development of a new, modular water purification plant that can be easily installed in a local village setting to provide access to clean drinking water.

These small units will be trialled as another small business enterprise option that will not only provide a direct benefit to the people in the local community, but also enable employment and continued income for a number of partners.



Agricultural Support - Uganda



This is Jacob, working from Tororo town, Uganda. He is married with three children. He appreciates the support of Microlend that has enabled him to purchase a mowing machine, and a grinding machine for ground nuts, powder and oil.

While he is working to repay his loan, he has been able to buy land and build his business. He is also managing to pay school fees and meet his basic home needs.

Mini Bus Transport - Zimbabwe

Kenny was previously involved in the transport business, and learned about Microlend through his daughter, who attends Children of Faith Secondary School. Motivated by the opportunity, Kenny applied for a Microlend loan to purchase a minibus, crucial for transporting distance students to school.

Kenny successfully secured a loan from Microlend to finance the minibus. To complete the purchase, he contributed additionally from his own funds, bringing the total investment to acquire the minibus.



Despite many challenges, Kenny's minibus service has begun operating, providing essential transport for students who live at a distance from the school. The service is addressing a critical need within the community by ensuring that students can attend school regularly.

Kenny's minibus transport service is making a positive difference by improving access to education for distance students. With continued support and strategic adjustments, the service aims to overcome current challenges and continue serving the community effectively.

Kenny is exploring ways to adapt to the economic conditions and enhance the service's sustainability. This includes adjusting pricing strategies to be more affordable for parents while seeking additional support or subsidies to mitigate the impact of economic hardships on families.

PROPOSED PROJECTS for 2024-2025

**Proposed Projects
Microlend Australia Limited
1 July 2024 to 30th June 2025**

Microfinance funding - other	\$0.00	0.00%
Microfinance funding - Philippines - Cebu - Abrahams furniture project PHP 132500	\$3,785.00	0.79%
Microfinance Funding - Tanzania - various new projects	\$20,000.00	4.20%
Microfinance Funding - Kenya - Kings Simbachai new (as yet unspecified) microfinance projects	\$20,000.00	4.20%
Microfinance Funding - Kenya - Purchase of property \$80000 plus 2nd Water Purification plant AUS\$15000, new (as yet unspecified) microfinance projects \$20000,	\$115,000.00	24.12%
Microfinance Funding - Pakistan - 1 To Another - ongoing funding for eye hospital	\$4,000.00	0.84%
Microfinance Funding - Rwanda - All Trust - Coffee shop - Sava Dainties - RWF 8,050,000	\$10,400.00	2.18%
Microfinance Funding - Uganda - Heartfelt Hope - Commercial Property - Supermarket?US \$60000, 20 small projects - as yet unspecified Totalling UGX \$ 72,439,500	\$120,000.00	25.17%
Microfinance Funding - Zimbabwe - Bulawayo - 2nd Supermarket US \$80000 but partially self-funded. Toilets and storage shed to first Supermarket	\$80,000.00	16.78%
Microfinance Funding - Zimbabwe - Alfa Ministries - funding for Ruth Pasi foundation for life projects Bindura Project - Chicken project US \$ 1300, Chivero project US \$1300, Seke project US 1300, Knit for life project US\$ 3000	\$11,500.00	2.41%
Microfinance Funding - Zimbabwe - Living word Ministries funding for building of school computer and science blg already funded with also partial funding of health center achieved. Balance to build health center estimated at US\$30000	\$50,000.00	10.49%
Microfinance Funding - Zimbabwe - Windows of Hope - as yet unspecified project	\$2,000.00	0.42%
Microfinance funding - PNG - United Church South Lai Dev Fund new - building of small shopping center plus as yet unspecified microfinance projects. Co-funding of PNG government expected for approx \$40000.00	\$40,000.00	8.39%
		100.00
Total Operating Expenses	\$476,685.00	%

Above is an updated summary of our projects we are aiming to support in the 2024 annual year. As you can see, quite a few of last year's projects have now been funded leaving these projects for funding in this financial year.

If you are interested in supporting some of these projects, please get back to us on microlend.australia@gmail.com or phone us on 02 4627 5191.

MICROLEND AUSTRALIA LTD'S FUTURE INDEPENDENCE

Our 'BIG DREAM' for Microlend Australia

As mentioned before, our aim is to glorify God by empowering people to break free from the cycle of poverty. We do this by assisting the poor and impoverished to set up various business enterprises so that they can enjoy basic human rights, a reasonable living standard, and become self-sustaining.

Our dreams are to be able to fulfil this goal, not just for next year, but also long into the future. Currently we tell our overseas beneficiaries that they need to become self-empowered and self-sufficient. We also have a structure in place to make the overseas centres independent of Microlend Australia as well. Hence, we believe that it is hypocritical if we do not also adopt this same structure for ourselves here in Australia.

That is, Microlend Australia Ltd needs to ensure that it can sustain itself on an independent basis. Currently Microlend Australia is largely still dependent on its volunteers (over 70% dependence) and its donors. Indeed, all the administrative costs are absorbed by the volunteers as well as a large amount of the overseas funding. It is this issue that Microlend Australia wants to change.

Making Microlend Australia Ltd become self-sufficient and financially independent will:

- Ensure the ongoing viability of the charity long after the original founders are gone.
- Ensure that Microlend Australia is able to absorb all of its administration costs from its own capital Investment portfolio.
- Ensure that Microlend Australia is to grow and can support any salaries paid to future staff. (Note, at this time, Microlend cannot even afford to pay one staff)
- Ensure that 100% of public donation continue to go towards helping the poor overseas.

To achieve this goal, we have undertaken the following programs:

Current investment program	Funds Raised	Funds still required
Property Development into 183 Aird Rd, Leumeah	\$1,040,000.00	\$0.00
Purchase of office for Microlend in Leumeah	\$54,180.00	\$510,620.00
Property Development into 20 Lang Rd Casula	\$209,616.00	\$0.00
Managed Investment portfolio	\$27,317.95	\$2,972,782.05
Total Funds Still required		\$ 3,483,402.05

From the above table you can see that we would need a large corporate sponsor (or several of them) to be able to achieve this goal. For anyone interested in supporting us in this way, please contact our Microlend Australia Head office.

Once achieved we should have sufficient self-generated income from these funds to be able to maintain all the above points raised. Achieving this goal would place Microlend Australia permanently on the map towards eradicating world poverty.



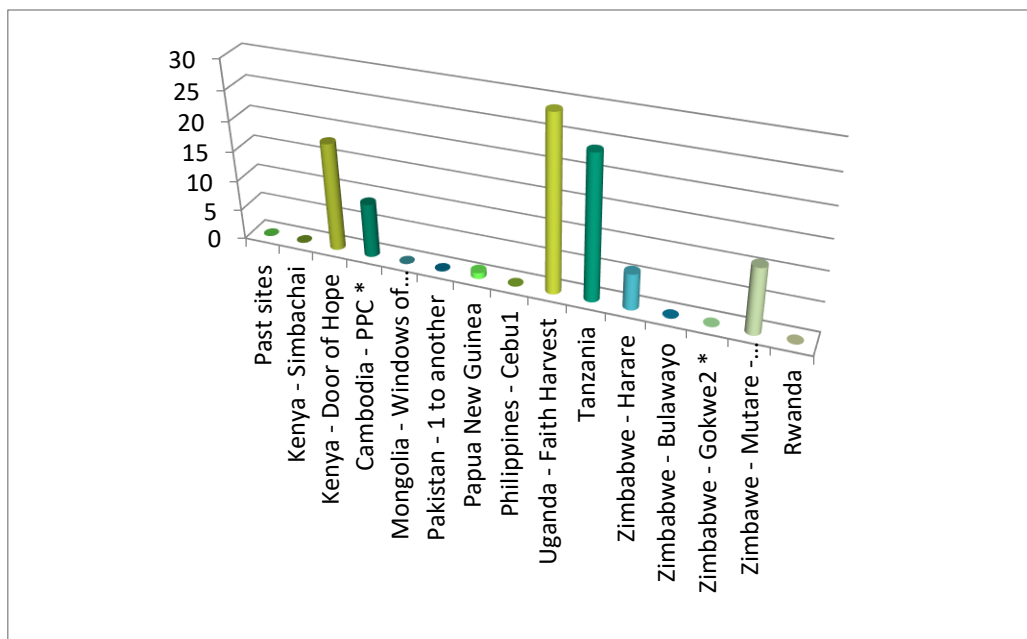
International
Day for the Eradication
of Poverty
October 17



NEW BUSINESSES ESTABLISHED

Centre	Existing Businesses	New Businesses	Total Businesses	
	No of previously established Businesses	No of new businesses	Total to date	
	Microfinance centre			
	Past sites	97	0	97
	Kenya - Simbachai	32	0	32
	Kenya - Door of Hope	103	18	121
	Cambodia - PPC *	145	9	154
	Mongolia - Windows of Hope 4	46	0	46
	Pakistan - 1 to another	12	0	12
	Papua New Guinea	55	1	56
	Philippines - Cebu1	97	0	97
	Uganda - Faith Harvest	194	29	223
	Tanzania	158	24	182
	Zimbabwe - Harare	63	6	69
	Zimbabwe - Bulawayo	56	0	56
	Zimbabwe - Gokwe2 *	215	0	215
	Zimbabwe - Mutare - Windows of hope3 *	621	11	632
	Rwanda	33	0	33
	Total	1927	98	2025

Graph of the number of new businesses established.



OUR ORGANISATION

Microlend Australia Ltd. implements a process towards combating world poverty that we believe makes us unique. We invite you to participate in this process, provide feedback, or promote us to your friends if you like what we do. Since our funding to the poor is in the form of a loan, one unique **feature is that 100% of your donation is sent to an overseas project and is reused to help more and** more people each time the loan is repaid. Our process is as follows:



100% of your donations go towards funding the loans for the poor. All administration and fund-raising costs are absorbed by the volunteers and founders of Microlend Australia.

Currently Microlend Australia is totally run by volunteers. That is, there are no salaries paid which therefore means that administration costs are kept to a minimum. When visiting the overseas sites, all volunteers pay for their own travel and accommodation. Please refer to our Annual Reports regarding the actual cost breakdown. Would you like to join us as a volunteer? Every business created is designed to be self-sustaining. Even the overseas Microfinance centres themselves, although not for profit, are designed to become financially independent. This gives Microlend Australia the ability to walk away and create more and more sites around the world.

We charge no interest on the loans issued. There is however a one-off management fee (this can be up to 12% of the loan) which gets used to pay the overheads of the overseas microfinance centre.

There is no return of the loan or the management fees to Microlend Australia. The overseas microfinance centre is a separate 'not-for-profit', Non-Government Organisation and is not owned by Microlend Australia.

Microlend Australia Ltd has created several branches within Australia. This means we can easily duplicate our efforts to raise funds for our overseas microfinance centres. These

branches could even be created in overseas countries. Would you like to join one of these branches? Or better still, create a new branch of your own?

Microlend Australia can see every loan that has ever been issued as well as at what stage the loan repayments are. We do this by issuing each overseas site with an internet-based accounting system. This ensures a good degree of control over how the funds (your donations) are being used.

Microlend Australia provides simple, yet effective training and ongoing mentoring/support for each new borrower. This training even works with people who are illiterate or people without computer skills. The training program also teaches you how to create and model a business and provides you with an overview on how a business should be run. These training modules can be found under our resources section of the Microlend website and can be downloaded by you for free.

What makes us special?



We do not believe in giving donations, but rather **empowering people** by creating businesses for them



This philosophy provides a **permanent pathway** out of poverty



We use **microfinance strategies** (on a not-for-profit basis) to fund the businesses



Funds are lent and once repaid are **recycled for the next project**



100% of proceeds go to the poor (unless the donor instructs us to finance Microlend's self-funding capital program)



Microlend is run **100% by volunteers** – no members or staff are paid any salaries from donations received



We operate fundraising branches **across Australia** including Narellan, Five Dock, Hunter Valley & Tamworth



Currently we operate 14 overseas microfinance centers in **11 countries**

DIRECTORS, AUDITORS AND FINANCIAL REPORTS

**MICROLEND AUSTRALIA LIMITED ABN
25 166 836 415**

**Financial Statements
For the year ended 30 June 2024**



Ending Poverty through Empowerment

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

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MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2024.

Directors

The names of the directors in office at any time during or since the end of the year are:

- Randolf Schroers**
- Anne Schroers**
- George Ferizis**
- Angelo D'Angelo**
- Doug Ferris**
- Luke Nicholls**

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Result

The profit of the company for the financial year after providing for income tax amounted to:

Year ended	Year ended
30 June 2024	30 June 2023
\$	\$
446,336	(1,162,810)

Principal Activities

The principal activities of the company during the course of the year were Public Benevolent Fund. No significant change in the nature of these activities occurred during the year.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

The accompanying notes form part of these financial statements.

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

Directors' Report

Share Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the Board of Directors:



Randolf Schroers
Director



Anne Schroers
Director

Dated: 11th September 2024

The accompanying notes form part of these financial statements.

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been :

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the Audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

William Tomiczek & Associates
William Tomiczek FIPA, Registered Company Auditor 1425
66 Emu Plains Rd Mt Riverview 2774

A handwritten signature in black ink, appearing to be "William Tomiczek", is written over a horizontal line.

11/09/2024

Mt Riverview

The accompanying notes form part of these financial statements.

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue		694,660	387,178
Gross profit		694,660	387,178
Other income		0	(1,348,285)
Marketing		(9,405)	(2,072)
Administration expenses		(197,550)	(127,890)
Finance Costs		(41,369)	(71,741)
Profit before income tax		446,336	(1,162,810)
Income tax (credit) expense		0	0
Profit for the year		<u>446,336</u>	<u>(1,162,810)</u>
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Total other comprehensive income for the year, net of tax		<u>0</u>	<u>0</u>
Total comprehensive income for the year		<u>446,336</u>	<u>(1,162,810)</u>

The accompanying notes form part of these financial statements.

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

Detailed Profit and Loss Statement

For the year ended 30 June 2024

	2024	2023
	\$	\$
Income		
Donations/Gift income	640,209	359,823
Membership Fees	20	4
Microlend Five Dock Contributions	0	7,210
Microlend Narellen Contributions	8,010	13,350
Income Fundraising Events	4,038	2,885
Microlend CBD Contributions	36,472	0
Interest received/Trust Distributions	5,911	3,906
Capital gains	0	(1,348,285)
Total income	694,660	(961,107)
Expenses		
Advertising & promotion	9,405	2,072
Audit fees	1,858	1,800
Bank fees & charges	902	2,253
Filing fees	0	304
Fundraising Expenses	17,619	10,922
Internet	1,784	75
Insurance	1,668	1,624
Interest - Australia	41,369	71,741
Microfinance Funding	171,812	110,026
Printing & stationery	0	192
Repairs & maintenance	1,272	0
Subscriptions	635	692
Total expenses	248,324	201,704
Profit from Ordinary Activities before income tax	446,336	(1,162,810)

The accompanying notes form part of these financial statements.

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415
Statement of Financial Position as at 30 June 2024

	Note	2024	2023
		\$	\$
Assets			
Current Assets			
Cash assets		329,845	209,096
Receivables		1,060,283	1,035,283
Current tax assets		1,456	438
Total Current Assets		<u>1,391,584</u>	<u>1,244,816</u>
Non-Current Assets			
Other financial assets		216,652	185,039
Property, plant and equipment		130,198	108,623
Total Non-Current Assets		<u>346,850</u>	<u>293,662</u>
Total Assets		<u>1,738,434</u>	<u>1,538,478</u>
Non-Current Liabilities			
Financial liabilities		1,051,669	1,298,050
Total Non-Current Liabilities		<u>1,051,669</u>	<u>1,298,050</u>
Total Liabilities		<u>1,051,669</u>	<u>1,298,050</u>
Net Assets		<u>686,765</u>	<u>240,428</u>
Equity			
Retained profits		686,757	240,421
Issued Capital		8	7
Total Equity		<u>686,765</u>	<u>240,428</u>

The accompanying notes form part of these financial statements.

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

Statement of Cash Flows
For the year ended 30 June 2024

	2024	2023
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	688,689	383,271
Payments to Suppliers and employees	(207,302)	(107,131)
Interest received	5,911	3,906
Interest and other costs of finance	(41,369)	(71,741)
Income tax paid	(611)	69
Net cash provided by (used in) operating activities (note 2)	<u>445,318</u>	<u>208,374</u>
Cash Flow From Investing Activities		
Proceeds from disposal of:		
Investment Activities	<u>(78,188)</u>	<u>(311,845)</u>
Net cash provided by (used in) investing activities	<u>240,428</u>	<u>(311,845)</u>
Cash Flow From Financing Activities		
Proceeds of borrowings/Loan Repayments	<u>(246,381)</u>	<u>43,318</u>
Net cash provided by (used in) financing activities	<u>1,051,669</u>	<u>43,587</u>
Net increase (decrease) in cash held	120,749	(60,153)
Cash at the beginning of the year	<u>209,096</u>	<u>269,248</u>
Cash at the end of the year	<u><u>329,845</u></u>	<u><u>209,096</u></u>

The accompanying notes form part of these financial statements.

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

Statement of Cash Flows
For the year ended 30 June 2024

	2024	2023
Note 1. Reconciliation Of Cash		
<p>For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.</p> <p>Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:</p>		
Microlend Aust-Bendigo Bank	127,310	16,650
Microlend Narellen-Macquarie	155,145	141,297
Microlend Pymble-Bendigo Bank	2,305	23,293
Microlend Tamworth	29,203	27,855
Microlend Sydney CBD	15,432	0
Microlend Western Sydney	451	0
	329,845	209,096

The accompanying notes form part of these financial statements.

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415
Statement of Changes in Equity for the year ended 30/06/2024

	Notes	Retained Earnings	Total
Balance at 01/07/2022		0	0
Comprehensive income			
Other comprehensive income for the year			
Total comprehensive income for the year attributable to members of the entity		0	0
Balance at 30/06/2023		240,422	240,422
Comprehensive income			
Profit attributable to the members		446,335	446,335
Other comprehensive income for the year			
Total comprehensive income for the year attributable to members of the entity		446,335	446,335
Balance at 30/06/2024		686,757	686,757

The accompanying notes form part of these financial statements.

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

Notes to the Financial Statements

For the year ended 30 June 2024

Note 1: Summary of Significant Accounting Policies

MICROLEND AUSTRALIA LIMITED is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on ***Insert the date the Directors Report was signed on: View > Notes to the Financial Statements*** by the directors of the company.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations, and the disclosure requirements that are mandatory under the Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of the statements are as follows:

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

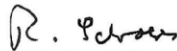
Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

1. **the financial statements and notes are in accordance with the Corporations Act 2001:**
 - (a) **comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations; and**
 - (b) **give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.**
2. **in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.**

This declaration is made in accordance with a resolution of the Board of Directors.



Randolf Schroers
Director



Anne Schroers
Director

Dated: 11th September 2024

MICROLEND AUSTRALIA LIMITED ABN 25 166 836 415

Independent Auditor's Report

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MICROLEND AUSTRALIA LIMITED (the Company), which comprises the Statement of Financial Position as at 30 June 2024, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of MICROLEND AUSTRALIA LIMITED is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

Balance Sheet

Microlend Australia Limited As at 30 June 2024

Account	30 June 2024
Assets	
Bank	
Microlend Aust Bendigo Bank Head Office	127,309.92
Microlend Future Bendigo Bank	2,305.14
Microlend Narellan Macquarie Bank	155,144.81
Microlend Sydney CBD Macq Bank	15,432.30
Microlend Tamworth Macquarie Bank	29,202.68
Microlend Western Sydney	450.51
Total Bank	329,845.36
Current Assets	
Colonial First State Wholesale Investments	27,317.95
Total Current Assets	27,317.95
Fixed Assets	
Lang Rd, Casula	53,229.06
Office Equipment At Cost	1,213.50
Unit 2, 183 Airds Rd Leumeah	75,755.00
Total Fixed Assets	130,197.56
Non-current Assets	
Loan to PRG Developments Pty Ltd 183 Airds Rd	1,036,666.00
Loan to PRG2 Unit trust	23,616.65
Units in PRG Developments Unit Trust	3,334.00
Units in PRG2 Unit Trust - Lang Rd Casula	186,000.00
Total Non-current Assets	1,249,616.65
Total Assets	1,736,977.52
Liabilities	
Current Liabilities	
GST	(845.07)
Rounding	(0.06)
Total Current Liabilities	(845.13)
Non-current Liabilities	
Company Tax Instal. Payable	(610.95)
Loan from Schroers Superannuation Fund	1,051,668.76
Total Non-current Liabilities	1,051,057.81
Total Liabilities	1,050,212.68
Net Assets	686,764.84
Equity	
Current Year Earnings	446,335.71
Member Contribution	8.00
Retained Earnings	240,421.13
Total Equity	686,764.84

Profit & Loss Statement

Profit and Loss	
Microlend Australia Limited	
For the year ended 30 June 2024	
Account	2024
Trading Income	
Corporate Donations	2,000.00
Donation/Gift Income	225,464.10
Membership fees	20.00
Microlend Narellan Contribns	8,010.00
Microlend Sydney CBD Contributions	36,472.00
Sale of donated goods	4,038.00
Volunteer donations	412,744.84
Total Trading Income	688,748.94
Gross Profit	688,748.94
Other Income	
Dividends & Trust Distributions received	884.85
Interest Income	5,026.31
Total Other Income	5,911.16
Operating Expenses	
Accounting/Bookkeeping Fees	1,857.70
Advertising & Marketing	9,405.00
Bank Fees	2.40
Bank Merchant Fees	899.76
Business Insurance	968.93
Directors liability Insurance	699.50
Fund raising expenses - general	1,636.36
Fund raising expenses - Narellan Branch	3,919.09
Fund Raising expenses - Sydney CBD	12,063.64
General Repairs & Maintenance	1,271.72
Interest Paid	41,368.91
Internet	1,784.39
Microfinance Funding - Cambodia - PPC	30,383.71
Microfinance Funding - Kenya - Doors of Hope	33,417.51
Microfinance Funding - other	1,576.68
Microfinance Funding - Philippines - Cebu	1,937.37
Microfinance funding - Tanzania - Norbert and	19,217.68
Microfinance Funding - Uganda - Heart Felt H	28,550.95
Microfinance funding - Zimbabwe - Gokwe	5,157.93
Microfinance Funding - Zimbabwe - Harare - I	51,570.46
Subscriptions	634.70
Total Operating Expenses	248,324.39
Net Profit	446,335.71

Operating Expense Breakdown – 2023- 24

Expenditure Break up		
Microlend Australia Limited		
1 July 2023 to 30 June 2024		
Administration expenses	\$17,524.10	7.06%
Fund raising expenses	\$17,619.09	7.10%
Microfinance donations - other	\$0.00	0.00%
Microfinance funding - Cambodia - PPC	\$30,383.71	12.24%
microfinance funding - other countries	\$1,576.68	0.63%
Microfinance funding - Kenya - Doors of hope	\$33,417.51	13.46%
Microfinance Funding - Tanzania	\$19,217.68	7.74%
Microfinance Funding - Philippines	\$1,937.37	0.78%
Microfinance Funding - Uganda	\$28,550.95	11.50%
Microfinance Funding - Zimbabwe - Alfa Ministries	\$5,157.93	2.08%
Microfinance Funding - Zimbabwe - Living Word Ministries	\$51,570.46	20.77%
Interest Expenses	\$41,368.91	16.66%
Total Operating Expenses	\$248,324.39	100.00%

Comments

We are extremely proud that we have been able to keep our Administration and fundraising expenses to less than 10% (actual 7.06%) of total expenditure. Some of the reasons that we are able to have such a low expenditure level on these items is due to the fact that we currently do not have any employed staff.

We also pay no rent, electricity, water or stationery as these are provided to us on a pro bono basis. Additionally, all our legal advice and a large portion of our accounting services are provided for free all thanks to our volunteers.

Sadly, interest rates have risen in the last couple of years making this a larger proportion of the overall expenditure breakup. We are very conscious of this and as such are planning to reduce our debt situation to improve that part of our financial situation.

