



**OPPORTUNITY  
INTERNATIONAL  
AUSTRALIA**

ANNUAL REVIEW 2013

# INVEST IN A MOTHER



**Opportunity International**  
AUSTRALIA

## CONTENTS

A note from the Chief Executive Officer and Chair	1	<b>INDONESIA</b>	
About Opportunity	2	Your impact in Indonesia	18
Small loans, big changes	3	Norlina's story	20
What does poverty mean?	4	Life in Indonesia	21
2013 at a glance	6	Your impact in China	22
Thank you	8	Your impact in Ghana	23
A global impact	9	Impact assessment: Ensuring the effectiveness of your support	24
		How your gift is multiplied to help more families	27
<b>INDIA</b>		Moving into 2014 and beyond	28
Your impact in India	10	Our supporters	30
Babita's story	12	Governance	32
Life in India	13	Board of Directors	34
		Council	37
<b>PHILIPPINES</b>		Leadership Team	38
Your impact in the Philippines	14	Our people	39
Yvonne's story	16	Our wider impact	41
Life in the Philippines	17	Financial statements	42



Use the QR codes throughout this Annual Review to access more content from Opportunity International Australia.

### Here's how:

1. If you don't have one already, download a QR code reader onto your smartphone via the app store.
2. Open the app and hold your phone over the code until it scans.



# A NOTE FROM THE CHIEF EXECUTIVE OFFICER AND CHAIR

## THANK YOU FOR INVESTING IN MOTHERS

Dear friends

The word 'invest' has long been associated with using money for a financial return. But it can mean so much more. In this year's Annual Review, we are pleased to share how your investments in mothers like Seema (pictured on the cover) are transforming lives. For Seema, it has meant she has been able to double her income and begin to afford nutritious food and clean water. She now has hope that she will be able to send her five children to a good school.

We believe it is difficult to think of a more worthwhile or effective investment than providing a family in poverty the tools they need to start their own business. This enables them to provide for their children – helping break the cycle of poverty for generations to come. This Annual Review is full of stories of mothers who have used loans as little as \$47 or \$124 to completely transform their families' futures.

Thank you for giving these mothers an opportunity.

### A GLOBAL IMPACT

In 2013, your support meant more mothers like Seema could make their dreams a reality. The year's end saw Opportunity grow to **reach 2.7 million families** through small loans and other support (including health programs, apprenticeships and business training) across India, the Philippines, Indonesia, China and Ghana.

Other highlights from the year include:

- Expanding into **new areas and communities** such as the densely populated island of Java in Indonesia
- Training 970 **health leaders** in India who have reached more than 105,000 people in their communities
- Increasing focus on **Social Performance Management** to assess the impact of programs and continue to strengthen them into the future.

You can read more about these highlights and other achievements from 2013 on pages 6 and 7.

### THANK YOU

The stories in this year's Annual Review would not have been possible without your continued support. On behalf of the families that can now regularly put food on the table and see their children graduate from school – thank you for all you do.

We look forward to continuing to work together to help families like Seema's.

Warmly



Edward Kerr  
Chair

Robert Dunn  
Chief Executive Officer



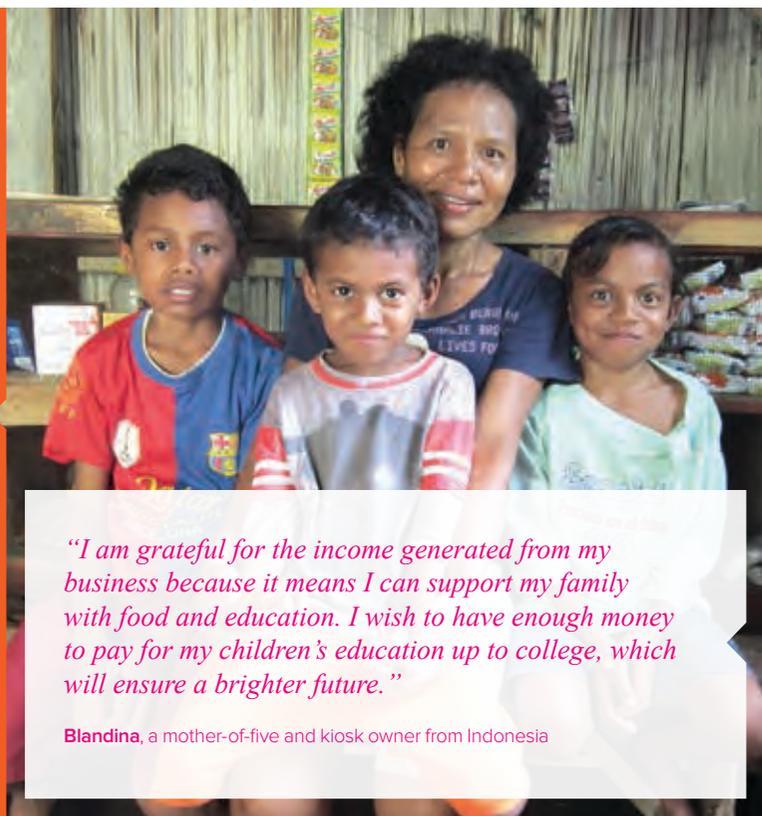
Edward Kerr



Robert Dunn

We would like to thank our previous Chair Chris Sadler for his years of service and dedication to reaching out to families living in poverty.

## ABOUT OPPORTUNITY



*“I am grateful for the income generated from my business because it means I can support my family with food and education. I wish to have enough money to pay for my children’s education up to college, which will ensure a brighter future.”*

**Blandina**, a mother-of-five and kiosk owner from Indonesia

**By providing small loans to families through Opportunity International Australia, you can help them leave poverty behind. With a loan as small as \$100 to buy a sewing machine or seeds to plant a vegetable farm, families are able to start their own business and transform their lives, their children’s futures and their communities. With 97% of loans repaid and then recycled, your impact continues year after year.**

Opportunity was started by Australian entrepreneur David Bussau when he gave \$50 to a poor farmer named Ketut in Indonesia close to 40 years ago. With this \$50, Ketut was able to buy a sewing machine and start a tailoring business, earning a regular income and helping his family leave poverty behind. Ketut went on to run an import/export business and own a fleet of taxis, providing employment for other people in his community, too.

Today, Opportunity enables you to have the same kind of impact in the lives of families in need. In partnership with the Opportunity International Network (with support members in the United States, United Kingdom, Canada, Germany, Singapore and Hong Kong), your support is currently helping families out of poverty in more than 20 countries around the world.

### WHAT DO WE MEAN BY ‘INSPIRED BY CHRIST’?

In the gospel of Luke, Jesus tells a crowd the story of the ‘Good Samaritan’. The parable talks of a man who was mugged by some robbers, beaten and left to die on the side of the road. Three people come across the man, but only one stops – the Samaritan. On such a dangerous road, all three had their reasons to keep going, but only the Samaritan pushed his reasons aside to help.

Opportunity aims to be like the Samaritan. Moved with compassion, he pushed aside cross-cultural boundaries to show real and costly love to someone in desperate need. In the stories of Jesus’ life, we see the same character displayed.

Rather than focusing on evangelism, discipleship or church planting (roles that other organisations are fulfilling), we see our role as responding to one of Jesus’ main messages – to love our neighbour as ourselves. 1 John 3:16 says: “This is how we know what love is – Jesus Christ laid down his life for us. So, we also ought to lay down our lives for others.” Opportunity is trying to answer this call.

### OUR VISION

A world in which all people have the opportunity to achieve a life free from poverty, with dignity and purpose.

### OUR MISSION

By providing financial solutions and training, we empower people living in poverty to transform their lives, their children’s futures and their communities.

### OUR MOTIVATION

We respond to Jesus Christ’s call to love and serve the poor. We seek to emulate the Good Samaritan, whose compassion crossed ethnic groups and religions. We serve all people regardless of race, faith, ethnicity and gender.

### OUR VALUES

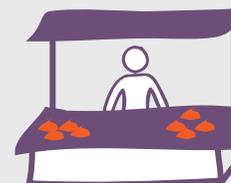
- Commitment to families in need
- Humility
- Integrity
- Respect
- Stewardship
- Transformation.

# SMALL LOANS, BIG CHANGES

Small loans mean big changes. Thanks to your support in 2013, 2.7 million families are on a journey of transformation through microfinance, using small loans to start their own businesses, earn regular incomes and provide for their children.

As well as small loans, microfinance empowers families living in poverty with savings accounts, microinsurance, micropensions, remittance services and training.

**Isabella** lives with her husband and two children in a makeshift home in a slum in the Philippines.



She receives a small loan of \$200 to help her start a trading kiosk.



At the same time, Isabella opens a **microsavings account** and takes out **insurance** in case of an emergency.



Isabella has hope for her children's future and is saving so that they can attend university. **She can now help others in her community, employing people in her business and becoming a local leader.**

## THE JOURNEY OF TRANSFORMATION

Isabella continues to grow her business. **Her children are now able to eat more than once a day and can begin to go to school.** They plan to move into a safer home, away from the slum.



Her **business grows**, giving her a regular income. Isabella's loan is repaid and then **recycled to help give more families a hand up out of poverty.**



She receives **training** on vital business, leadership and life skills.

97% OF SMALL LOANS ARE REPAYED

## WHAT DOES POVERTY MEAN?

Poverty is a word that's used to describe a range of different living circumstances. While poverty is generally measured by a numerical figure such as living on \$1 or \$2 a day, it means a lot more than that. Poverty is a lack of access to proper food, clean drinking water, education, healthcare and sanitation – basic needs that are fundamental to life.

It's difficult to imagine how hard it would be to live without any one of these. But it's important that we do, so that we will do what we can to fix it.



### FOOD

One in eight people in the world suffer from chronic hunger, which means they've struggled for more than one year without enough food to eat. They may only be able to eat one small bowl of grains a day. Sometimes parents may have to skip a meal so they can feed their children instead.



### CLEAN WATER

If you take a five-minute shower, you're using more water than the average person living in a slum is able to use over an entire day to bathe, cook, clean and drink. What's more, your water will be far cleaner. In poor communities, contaminated water leads to the spread of serious illness and disease such as diarrhoea – which, in a developing country, can be deadly.



### EDUCATION

Without an education, children are held back. It's estimated that 57 million primary-school-aged children around the world are currently not in school. They face a future where they can't write their own names, get steady jobs or make informed decisions to best look after themselves. An education opens up a world of opportunity.



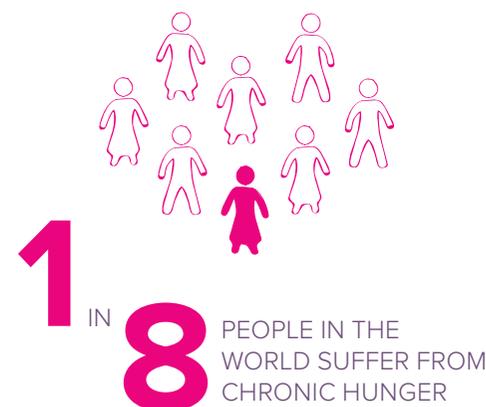
### HEALTHCARE

Due to a lack of nutritious food and clean water, people living in poverty are particularly vulnerable to illness and disease. In developing communities, preventable diseases can become deadly and healthcare can be unaffordable. A woman giving birth in the Philippines is 27 times more likely to die during childbirth than a woman giving birth in Australia.



### SANITATION

Roughly one in two people in India are forced to defecate in the open because they have no access to a toilet facility. This means young girls and women are put at risk when they have to leave their houses at night to go to urinate or defecate. It also leads to a negative stigma being placed around aspects of life such as menstruation.



Your support means families no longer have to be limited by these conditions. With a hand up to start their own business, parents are able to provide children with their basic needs.



## A POWERFUL INVESTMENT

*“I don’t like to cry because of those times in the past. I didn’t have anything and I couldn’t buy things for my children. I was not able to provide food or education. It was very hard.*”

*“I used a loan to buy three piglets and this changed everything. Our life has changed very much.”*”

Remy (pictured right), a mother-of-two from the Philippines, was able to use a small loan to start a piggery. Thanks to her income, her children have been able to get a full education. Her eldest daughter, Amina (pictured left), even went on to graduate from university in the United States!

Thank you for investing in mothers like Remy – small loans really do mean big changes!

## 2013 AT A GLANCE

### OBJECTIVE 1: PROGRAMS

**Help existing and new partners develop tailored programs that are growing, sustainable and impactful. Goal: Grow from serving 2 million people to 2.6 million people.**

#### 2013 OUTCOMES

- Helped provide small loans and other services to 2.7 million families in India, the Philippines, Indonesia, China and Ghana, helping them start small businesses and leave poverty behind
- Distributed \$9,881,000 to our programs around the world



- Helped 997,681 families access savings accounts in India, enabling parents to save for the future of their children
- Covered 1,155,129 people in the Philippines with microinsurance, helping keep families out of poverty when disaster strikes
- Expanded into new areas of Indonesia, helping new program partners give a hand up to 229,398 families on the islands of Java, Sulawesi and Sumatra
- Trained 970 health leaders in India who have helped educate 105,000 people in their communities in basic health practices that save lives
- Offered training programs to give new skills to people living in poverty – including business training in China and a Youth Apprenticeship Program in Ghana
- Implemented Social Performance Management across most of our programs in India and the Philippines, effectively measuring the impact your support is having.

### OBJECTIVE 2: FUNDRAISING

**Grow revenue, diversify income sources and build our fundraising capability. Goal: Raise \$9.5 million through donations and government grants.**

#### 2013 OUTCOMES

- Raised a total of \$9.46 million through donations and government grants
- Had 97 Ambassadors across the country advocating on behalf of families living in poverty, raising \$336,981 – enough to give 5,897 families small loans
- Received support and guidance from the Opportunity Council, influential Australians who share their wisdom with us and speak on our behalf (read the full list of members on page 37)

- Travelled with supporters to India and the Philippines, enabling them to see the difference their support has in families' lives
- Raised \$143,759 in honour of International Women's Day
- Encouraged Australians to 'cook up some change' in support of families living in poverty in the Philippines as part of our *Food for Thought* campaign
- Named the first charity beneficiary of new survey app AskU, developed by PwC and The Australian Charities Fund
- Continued to show good stewardship with fundraising costs just 15% of fundraising revenue.

### OBJECTIVE 3: BRAND DEVELOPMENT

**Develop and implement a targeted brand development program.**

#### 2013 OUTCOMES

- Developed a new brand identity with the global Opportunity International Network – to be launched in 2014
- Implemented targeted brand development activities, covering associations, events, media and communications
- Received television, print and radio media coverage across the country, helping us encourage more Australians to reach out to families in need
- Named as a finalist of the PwC Transparency Awards in the \$5m to \$30m revenue category, an accolade that recognises not-for-profit organisations for the quality and transparency of their reporting
- Ensured compliance with best practices of the Australian Council for International Development and the Fundraising Institute of Australia.

## OBJECTIVE 4: PEOPLE

**Empower and develop our people to perform, succeed and live the Opportunity values.**

### 2013 OUTCOMES

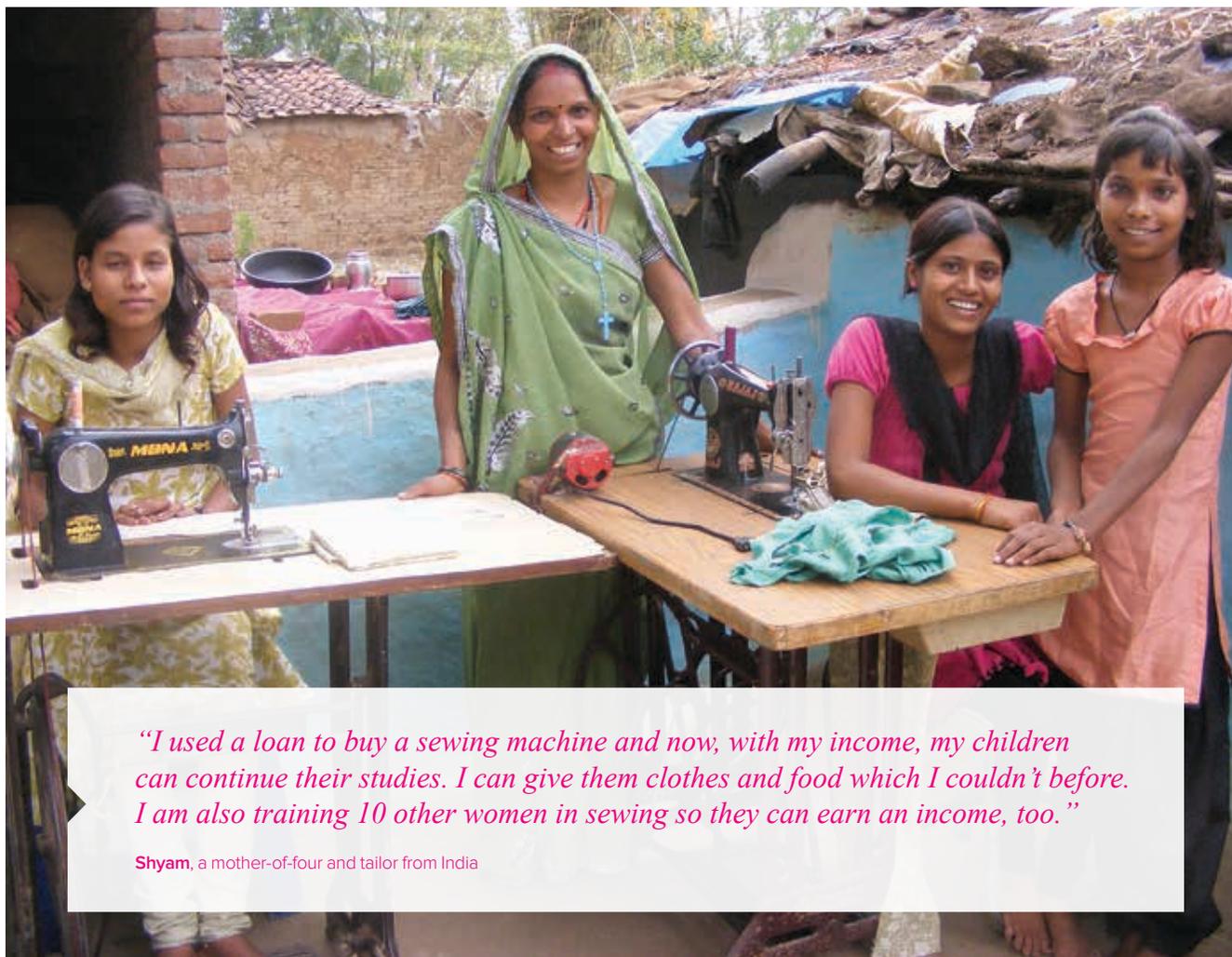
- Brought the Opportunity team together with a two-day staff conference sponsored by PwC, enabling us to collectively and strategically plan for the future
- Conducted fortnightly staff training sessions, increasing internal capability and interaction across teams
- Continued to work by our employee handbook and *The Opportunity Way*, a team-developed framework that outlines who we are and how we operate
- Received support from a dedicated team of volunteers and interns who donated 6,963 hours of service to our work in areas such as administration, communications, donor services, events, finance, programs, research and strategy
- Completed participation in the Westpac Organisational Mentoring Program, building organisational capacity and continually improving our effectiveness.

## OBJECTIVE 5: THE NETWORK

**Work with the Opportunity International Network to increase outcomes and impact.**

### 2013 OUTCOMES

- Worked closely with the Opportunity International Network on a range of activities including Social Performance Management, program development and implementation, strategy, audit and risk, fundraising and communications
- Developed a new global brand identity to be launched in 2014.



*“I used a loan to buy a sewing machine and now, with my income, my children can continue their studies. I can give them clothes and food which I couldn’t before. I am also training 10 other women in sewing so they can earn an income, too.”*

**Shyam**, a mother-of-four and tailor from India

## THANK YOU

To all the supporters, Ambassadors, volunteers, corporates, staff, Board and Council members who so generously gave a hand up to families living in poverty through Opportunity in 2013 – thank you.

**BY INVESTING IN MOTHERS,  
YOU ARE TRANSFORMING  
THE LIVES OF FAMILIES FOR  
GENERATIONS TO COME.**

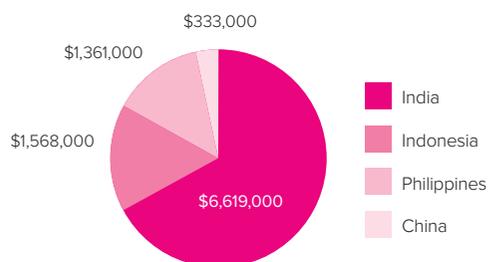
To the Australian Government and the Australian Council for International Development, our sincerest thanks for your ongoing support and assistance, enabling us to continue to serve families living in poverty around the world.



# A GLOBAL IMPACT

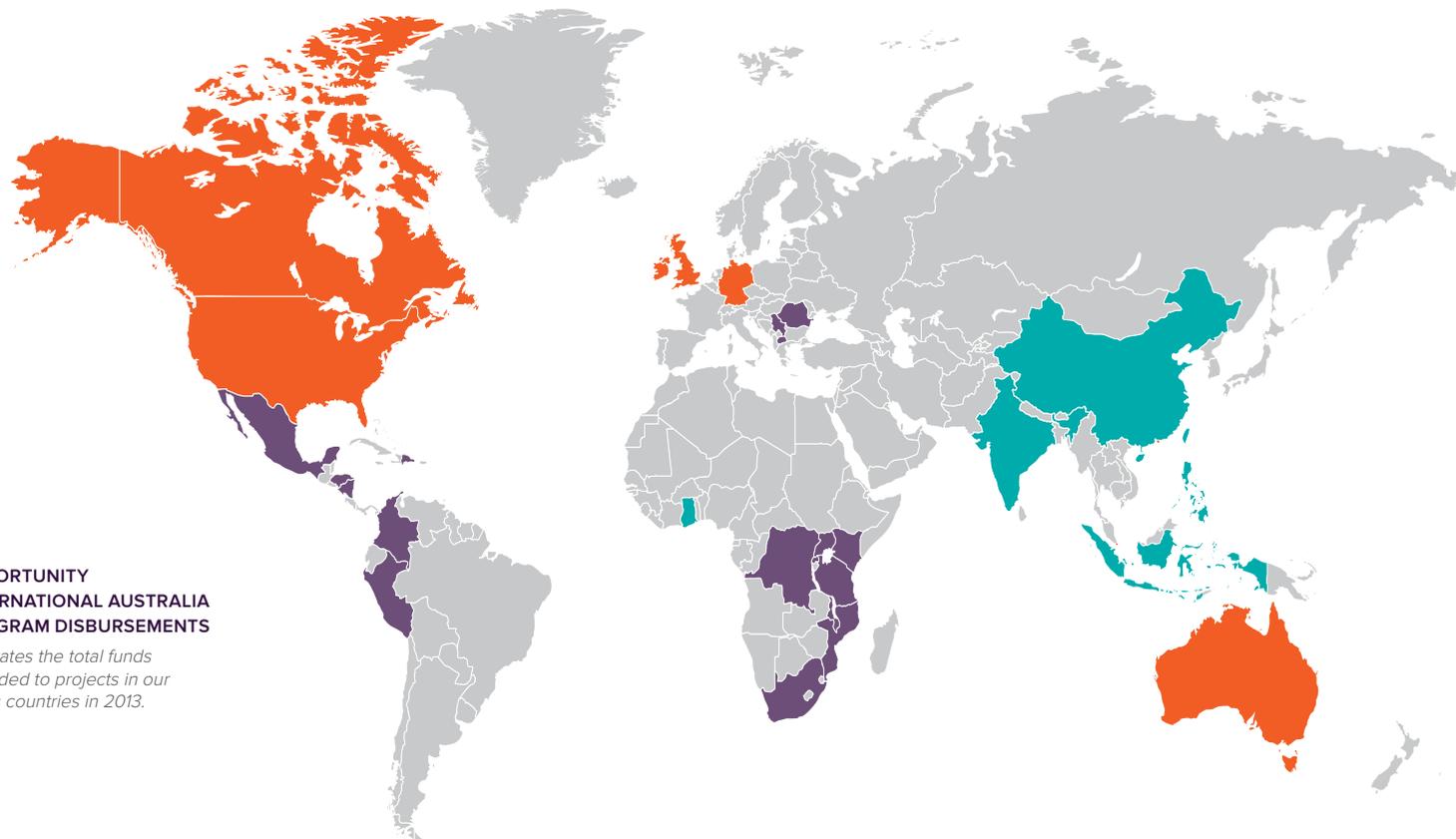
Helping you give a hand up to families living in poverty, Opportunity International Australia exists as part of the global Opportunity International Network – a network of support members who operate through local microfinance partners in more than 20 countries around the world.

Opportunity International Australia principally supports programs in India, Indonesia, the Philippines, China and Ghana.



### OPPORTUNITY INTERNATIONAL AUSTRALIA PROGRAM DISBURSEMENTS

*Illustrates the total funds provided to projects in our focus countries in 2013.*



### SUPPORT MEMBERS

- Australia
- Canada
- Germany
- Hong Kong
- Singapore
- United Kingdom
- United States

### PROGRAMS

#### AFRICA

- Democratic Republic of Congo
- Ghana
- Kenya
- Malawi

- Mozambique
- Rwanda
- South Africa
- Tanzania
- Uganda

#### ASIA

- China
- India
- Indonesia
- Philippines

#### EASTERN EUROPE

- Macedonia
- Romania
- Serbia

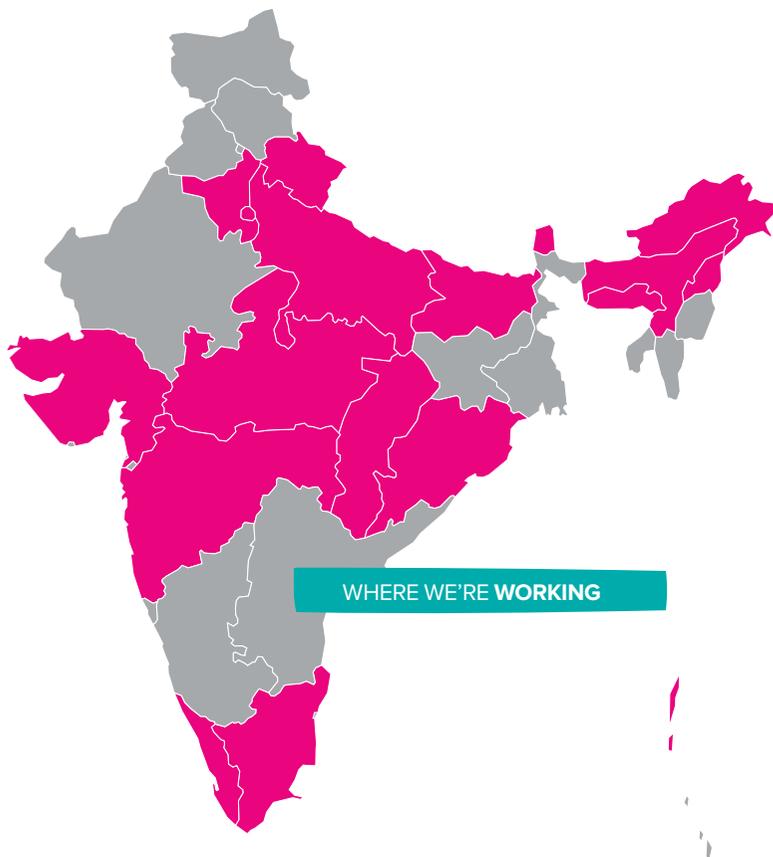
#### LATIN AMERICA

- Colombia
- Dominican Republic
- Honduras
- Mexico
- Nicaragua
- Peru

- Support members
- Opportunity International Australia programs
- Other Opportunity International Network programs

# YOUR IMPACT IN INDIA

Despite the country's significant economic progress, the World Bank estimates that two in three people in India are still living on the equivalent of less than US\$2 a day. In 2013, your collective support totalled \$6,619,000, helping reach more than 1.6 million families across the country. Thank you for transforming lives.



**\$6,619,000 invested**

in mothers like Babita (story on page 12) across India.



**16,847 families**

using water and sanitation loans to install toilets or sources of clean water.



**859 communities**

where families are able to access your support.



**639 small loans**

for solar energy provided to families with established small businesses so they can access a cheaper and more environmentally friendly source of electrical power.



**1,621,044 families**

using small loans to start their own small businesses and provide for their children.



**970 women**

trained as health leaders, reaching more than 105,000 people so far with education on basic health practices that save lives.



**997,681 families**

with access to savings accounts, enabling them to prepare for future costs such as sending children to university or fixing homes.



**40,000 people**

surveyed as part of the Social Performance Management program, enabling us to measure the effectiveness of your support.



**2,802,605 people**

covered by life insurance, offering security in case of emergency.



**354,774 people**

with access to a pension account, enabling them to look forward to a more secure future in their latter years.



*“I have been able to save money to send my children to a better school. School will improve their lives, they will be able to get a job anywhere. They can work in any computer-related jobs. One of my sons says he wants to be a lawyer!”*

**Babita, India**

## BABITA'S STORY

**Coming from Shiv Vihar in Delhi, India, Babita's family used to live in poverty.**

"My husband used to work as a labourer, getting paid only Rs.100 (A\$1.82) a day. Sometimes he would be paid one day and then not again for another 15 or 20 days. Because of this, our children were never fed properly," Babita says.

But a small loan of just Rs.7,000 (A\$124) helped Babita start a food stall selling *samosas* (fried pastry with a vegetable filling) and other snacks.

*"I get up at 4 or 5am to prepare the samosas for the business. Our monthly income is about Rs.12,000 (A\$218) – before it was just Rs.2,500 (A\$45). Business has increased and we can afford so much more for our children,"* she says.

Most important to Babita is that her children get a full education, a dream made possible thanks to the support of someone like you.

"In my childhood I couldn't study. I don't want my children to have the same life as me. They need to go to school and become successful."

"I have been able to save money to send my children to a better school. School will improve their lives, they will be able to get a job anywhere. They can work in any computer-related jobs. One of my sons says he wants to be a lawyer!"

It's thanks to the support of someone like you that Babita's children can have such big dreams.

"Our efforts are to get behind them and make sure they get a good job. Whatever my children dream now, our dream is that it comes true and they become successful in life!"

**Read more about Babita's community of Shiv Vihar opposite.**



**THANK YOU  
FOR INVESTING  
IN MOTHERS  
LIKE BABITA.**



Scan to see  
more from Babita.

## LIFE IN INDIA

### COMMUNITY SPOTLIGHT: SHIV VIHAR

Shiv Vihar is a community of about 40,000 people in Delhi. An average household is made up of five or six people who live together in small homes. The most common businesses in the area are food stalls, just like Babita runs. For mothers like her, a small business means a regular income, helping them put food on the table and send their children to school.

If you lived in Shiv Vihar, you would most likely have electricity but almost certainly be without a toilet in your house. Water supply is a major issue; you'd have to collect water from community taps which can mean walking long distances or waiting for long periods of time throughout the day. To beat the queues, you might get up before dawn to collect buckets of water for your family for the day.

Natural disasters like earthquakes are a concern in the area, but even more deadly can be preventable diseases such as cholera, typhoid, dengue fever and the flu. For mothers like Babita, the income they earn from their small businesses also enables them to make sure their children stay healthy and can be treated when they are sick.

**Thank you for helping communities like Shiv Vihar begin to leave poverty behind!**

### MOVING FORWARD

**In 2014, your support will continue to give families in poverty in India a hand up through small loans, savings, insurance and pensions. The further development of electronic banking services will help reach families in isolated and underserved areas in a cost-effective way.**

**You can help address some of the biggest issues in India – open defecation and water contamination. By increasing access to water and sanitation loans (used to install water pumps, toilets and septic tanks), your support will help families invest in their health and avoid unnecessary illness.**



### BUILDING BUSINESSES

#### THE TYPES OF BUSINESSES YOU'RE HELPING CREATE.



**WEAVERS:** A small loan buys materials such as yarn and equipment like looms.



**FOOD STALLS:** A small loan buys cooking equipment and ingredients.



**GROCERY SHOPS:** A small loan buys goods such as fruit and vegetables, shampoo and soap in bulk to then be resold.

**Health leaders will also be trained in new areas of India, reaching families in Tamil Nadu, Assam, Chhattisgarh and Bihar. With enough investment, this will mean 2,000 health leaders can reach 400,000 families, improving health practices with community health education.**

**Through your continued support, the children of mothers like Babita in India will lead a very different life – one where they have enough food each day and school is a reality, not a dream.**

# YOUR IMPACT IN THE PHILIPPINES

The Philippines is seen as one of the world's fastest emerging economies. But despite this, almost one in two people still live in poverty. With no safety net, frequent natural disasters such as Typhoon Haiyan trap families in this cycle. Small loans enable families to start small businesses and build their resilience by earning a regular income and beginning to afford basic essentials like education and secure housing. Last year your support of \$1,361,000 helped reach a total of 649,512 families in the Philippines.



## \$1,361,000 invested

in mothers like Yvonne (story on page 16) across the Philippines.



## 649,512 families

using small loans to start their own small businesses and provide for their children.



## 73 of 81 provinces

where families are able to access your support.



## 583 branches

across the country where families are able to get a hand up through services such as small loans, savings accounts and also insurance.



## A range of loans provided

to help families living in poverty manage their specific needs, such as an agriloan for farmers that enables them to repay after harvest and improve yields through complementary training and new technology.



## 1,155,129 people

covered through microinsurance, including life, credit, health and crop insurance, helping families focus on a better future by becoming less vulnerable.



## Communities empowered

to start community enterprises such as ginger or oyster farms with training, loans and market linkages.



## Cost-effective remittance services

in development, helping migrant workers transfer money safely and affordably to family in their hometowns.

In 2013, the Philippines was hit by the strongest tropical cyclone to ever reach land. Typhoon Haiyan wreaked devastation across the country, killing thousands and destroying the livelihoods of many more. Approximately 67,720 families that Opportunity serves were affected – your support can reach those in some of the hardest hit areas.

Thank you for helping families rebuild their lives.

A woman with dark hair, wearing a light blue t-shirt, is seated at a wooden stall. She is smiling slightly. The stall is filled with various items: several bags of small, round, light-colored produce (possibly onions or garlic) are in the foreground. A large, clear plastic jug filled with a light-colored liquid is next to her. In the background, there are bunches of bananas hanging from the ceiling and a woven basket. The stall appears to be outdoors or in a semi-enclosed structure with a thatched roof.

*“The loan didn’t just help my business. Because of the income I am able to earn, I can send my children to school and I am able to pay for our daily expenses. I am able to save, which will be a great help in the future.”*

Yvonne, Philippines

## YVONNE'S STORY

**"I want my children to finish their studies and I am hoping for a bright future for them," Yvonne says.**

47 years old, Yvonne is a mother-of-three from the community of Sapang Buho in the Philippines.

"My children are Harold, Princess and Harvey. They are aged 10-21 and my favourite time of the day is night time because that is when I am able to be with them."

Coming from a poor community, Yvonne was determined to work hard to give her family a future free from poverty, one where her children don't have to face the same obstacles she did as a child. "When I was young I dreamed of being a teacher. But I wasn't able to," she says.

Thanks to someone like you, Yvonne's life has changed.

*"I used a loan of Php.5,000 (A\$128) to grow a business selling cooked foods, fresh fish and vegetables. The loan meant the business was able to succeed and we can now earn Php.800 (A\$20.50) a day."*

"The loan didn't just help my business. Because of the income I am able to earn, I can send my children to school and I am able to pay for our daily expenses," Yvonne says. "I am able to save, which will be a great help in the future."

"Now our usual food is fish, vegetables and sometimes meat. When my children are sick, I am able to rush them to a hospital or health centre," she says.

Seeing how the loan has changed her own life, Yvonne knows just how great an impact your support can have in the lives of other families in the Philippines. "Through small loans, more people like me can grow a business and give their family a better life. Your support is a big help!"

**Read more about Yvonne's community of Sapang Buho opposite.**



Scan to see more from Yvonne.

## LIFE IN THE PHILIPPINES

### COMMUNITY SPOTLIGHT: SAPANG BUHO

Sapang Buho is a small community of just over 3,300 people, located on the banks of the Pampanga River in the province of Nueva Ecija, the Philippines. The majority of families in the community rely on agriculture – mostly vegetable and rice production – and trading kiosks to earn an income. Small loans are helping mothers like Yvonne build their own small businesses and work towards a secure future.

If you lived in Sapang Buho, your family would probably share a small two- or three-room house. Most houses have toilets and electricity, but you might have to get your clean water from a communal water pump, which needs to be manually pumped.

The local markets are about six kilometres away, but you can get food from local *sari sari* (grocery) stores. A bowl of rice will cost about Php.13 (A\$0.34) and is the staple of most meals. The main health issue in the community is malnutrition, and as heartbreaking as it may be, you may not be able to afford to feed your children the types of food they need. With a small business, mothers like Yvonne are able to earn the income they need to put a stop to this.

**Thank you for helping communities like Sapang Buho begin to leave poverty behind!**

### MOVING FORWARD

**Your support will help families in the Philippines rebuild their lives following Typhoon Haiyan – supporting them as they re-establish businesses and restore their livelihoods. By giving a hand up, you'll be helping families who may have lost everything get back on their feet.**

**You'll also be helping reach isolated communities with remittance and mobile banking services. The Philippines is the 'text capital' of the world and new technologies can help us effectively reach even more families.**



#### BUILDING BUSINESSES

#### THE TYPES OF BUSINESSES YOU'RE HELPING CREATE.



**PIGGERIES:** A small loan buys piglets that can grow and breed.



**SARI SARI (GROCERY) STORES:** A small loan buys products and goods to sell.



**TAILORING:** A small loan buys a sewing machine and materials.

**Advances in mobile banking will enable the design of a cost-effective remittance product through which workers can support their families in rural areas.**

**To help the farmers you're reaching get a better price for their crops, we're looking to build more market linkages and help whole communities develop reliable and sustainable sources of income.**

**Thank you for continuing to transform the lives of families like Yvonne's in the Philippines.**

# YOUR IMPACT IN INDONESIA

As one of our closest neighbours, Indonesia has long been a popular travel destination for Australians. But beyond the beautiful beaches, almost one in two people in Indonesia live in poverty. In 2013, your support of \$1,568,000 reached families in rural areas of eastern Indonesia and also helped us expand to give a hand up to families on the densely populated island of Java as well as Sumatra and Sulawesi.



**\$1,568,000 invested**

in mothers like Norlina (story on page 20) across Indonesia.



**261,020 families**

using small loans to start their own small businesses and provide for their children.



**229,398 families**

reached with a hand up, through relationships with new program partners on the islands of Java, Sumatra and Sulawesi.



**10 islands**

where your support is making a difference.



**2,835 people**

receiving training on how to improve their small businesses through financial awareness, business management and marketing.



**218,323 families**

with savings accounts, enabling them to prepare for future costs such as sending children to university and fixing homes.



**Electronic banking services developed**

to help reach people in isolated areas so that they can access small loans and make deposits for their family's future.



**'Transformation facilitators'**

working with villages to deliver training and small loans that address shared community issues.



WHERE WE'RE WORKING



*“Now I don’t have to worry about day-to-day costs because my income is enough. We can save for our children’s future needs and pay their schooling fees. I can send my daughter to university which I never imagined before! I thought I would not have this opportunity to see her succeed, but I was given a chance to make this happen with a loan.”*

Norlina, Indonesia

## NORLINA'S STORY

**A mother-of-four, Norlina is from a village in the Maulafa subdistrict in Indonesia. At the age of 12, she had to leave school. "I could not continue because my parents couldn't afford to pay the fees," she says.**

For Norlina, there was nothing more important than making sure that her children were able to get an education – but with little money, she didn't know how she could. It was a small loan that gave her the hand up she needed to provide for her children.

"I used my loan of Rp.500,000 (A\$46.30) to purchase piglets. I run a pig-breeding business and also have a kiosk that sells vegetables and daily needs such as sugar, tea bags, corn and coffee. I usually get up at 4am to prepare meals and start the kiosk. If I open the business early I can get more customers."

Thanks to someone like you giving her a hand up, Norlina's income has increased to Rp.50,000-Rp.100,000 (A\$4.63-\$9.26) a day.

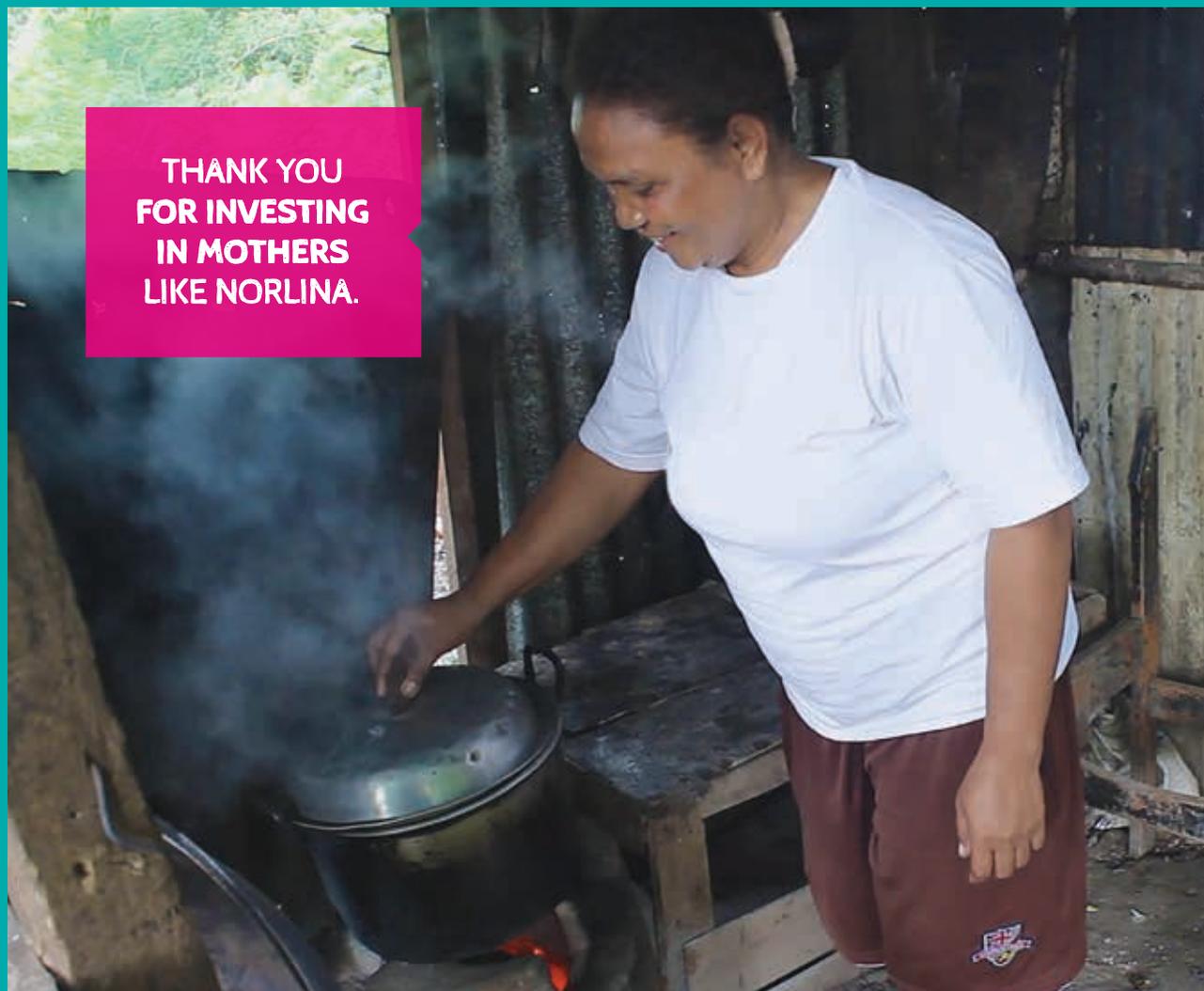
"Now I don't have to worry about day-to-day costs because my income is enough. We can save for our children's future needs and pay their schooling fees. I can send my daughter to university, which I never imagined before! I thought I would not have this opportunity to see her succeed, but I was given a chance to make this happen with a loan."

The loan hasn't just given Norlina an income – it has also given her new hope for the future.

*"I now expect that I can provide all my children with the chance to get a better education. I work hard for that. Hopefully they will finish their studies and get a great job."*

"Thank you for assisting me," she says.

**Read more about Norlina's community of Maulafa opposite.**



Scan to see  
more from Norlina.

## LIFE IN INDONESIA

### COMMUNITY SPOTLIGHT: MAULafa

Norlina's home of Maulafa is made up of nine villages, just 10 kilometres from the city of Kupang, with a population of just over 70,000 people. For the wealthier families in the region, houses are made of brick walls and zinc roofs. For other families, houses are constructed of palm branch walls while reeds make up the roofs.

A typical meal in Maulafa is fish with some vegetables and rice, costing about Rp.20,000-Rp.30,000 (A\$1.85-\$2.78) to make. If you lived in the area and wanted to pick up the ingredients, you would have to travel 10 kilometres to the markets in Kupang.

Many families in the region run kiosks or food stalls, while others work on farms, harvesting vegetables such as corn or cassava. While clean water is usually accessible in the villages, in the dry season from June to October, water is limited and has to be fetched from unreliable wells or bought from trucks that deliver to the area.

In Maulafa, your support is helping mothers like Norlina to start farms and trading kiosks, giving them the reliable income they need to provide for their families.

**Thank you for helping communities like Maulafa begin to leave poverty behind!**

### MOVING FORWARD

**Your support will help reach more people in Indonesia in regions such as Aceh, Sulawesi and West Nusa Tenggara – underserved areas where many mothers have no opportunity to earn an income and ultimately provide for their family.**

**Innovative technologies in electronic banking will help reach isolated communities with small loans and savings**



**accounts and in the rural areas of East Nusa Tenggara, specialised loans are being developed for subsistence farmers and marginalised groups such as people with disabilities.**

**With your help, more mothers like Norlina will have the opportunity to transform their children's futures.**

### BUILDING BUSINESSES

#### THE TYPES OF BUSINESSES YOU'RE HELPING CREATE.



**VEGETABLE FARMS:**  
A small loan buys seeds and fertiliser to begin growing vegetables.



**FISHING BUSINESSES:**  
A small loan buys a boat to begin catching fish.



**BASKET WEAVERS:**  
A small loan buys bamboo to weave.

## YOUR IMPACT IN CHINA



**48,334 jobs**

created or sustained.



**11,000 hours**

of training and coaching given.



**771 people**

with accident insurance, covering them in case of emergency and helping them become less vulnerable.

In the Anhui and Jiangsu provinces of China, families living in poverty have limited access to any kind of financial services and basic necessities such as safe drinking water.

Your support helps enable small-medium businesses to provide long-term employment opportunities for families living in poverty. These businesses have the specific aim of providing women, people with disabilities and the elderly with a means to earn an income and provide for themselves and their families.

To help these businesses grow, Opportunity International China provides training and coaching to businesses alongside loans, as well as offering English lessons to children of clients – helping empower generations to come.



WHERE WE'RE WORKING

### MEET WANG JING

In 2007, Wang Jing moved back to his hometown in the Jiangsu province to be with his mother and his children after working for six years in the city.

“A lot of the families in my community have members who are disabled, frail or too old to find a job. Others have to leave their small children at home to work,” he says.

Based on his work experience in the city, Wang Jing knew that it would be possible to set up a business farming mushrooms. He rented a plot of land and 20 greenhouses.

His goal was to use this business to create employment opportunities for the disadvantaged people in his community.

*“With a loan I was able to expand and my company now has 30 employees. I was also able to receive training in financial management.”*

Wang Jing's business now farms and packages mushrooms to sell, providing employment opportunities for those in need as well as allowing single parents to work from home while looking after their children.

“With enough money we will be able to expand to hire more than 100 people.”

Thanks to the support of people like you, the future will be transformed for even more families living in poverty.

“We can help more stay-at-home parents, youth and disadvantaged people,” he says.

**Thank you for equipping people like Wang Jing with the tools they need to help families in their communities out of poverty.**



### BUILDING BUSINESSES

#### THE TYPES OF BUSINESSES YOU'RE HELPING CREATE.



**MUSHROOM GROWERS:**

A loan buys spores and farming equipment.



**CHICKEN FARMERS:** A loan buys chickens and feed.



**CLOTHES MANUFACTURERS:**

A loan buys materials and sewing machines.

## YOUR IMPACT IN GHANA



### 954 young apprentices

have graduated from the Youth Apprenticeship Program.



### 9 out of every 10 graduates

feel confident enough to go on and run their own businesses.



### 76 percent

of apprentices are female.

Youth unemployment in Ghana is a critical issue – with three in four of the unemployed population aged between 20 and 29. Through the Youth Apprenticeship Program, your support helps young people work towards a future free from poverty.



WHERE WE'RE WORKING

Paired with a 'trademaster' for three years, young apprentices are taught skills in areas such as dressmaking, hairdressing, masonry, welding, carpentry or mechanics. At the end of their apprenticeship, they're able to use small loans to start their own businesses.

Aimed at strengthening the skills and resilience of young people living in poverty, the program helps them become decision makers as well as income earners. Thanks to your support and their hard work, these apprentices can build futures free from poverty.

#### MEET ZINAB

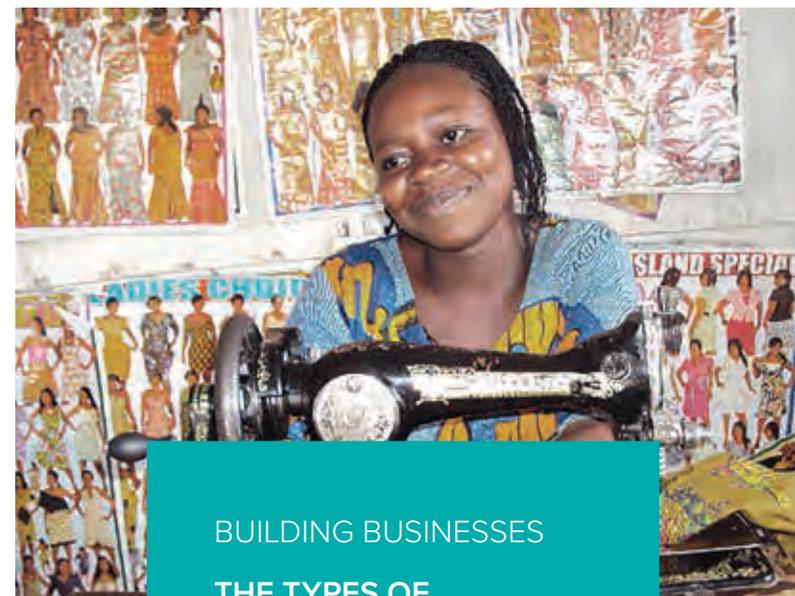
Growing up in the town of Obuasi in the poor district of Ashanti, Zinab didn't get the chance to receive an education. Her circumstances were so dire that she was unemployed and living with her sister, who she relied on to provide her with enough food to survive.

It was during this difficult time in her life that she heard about the Youth Apprenticeship Program. Zinab joined immediately and also enrolled in night classes in basic literacy. Training as a dressmaker, Zinab learned basic business skills as well as dressmaking through her 'trademaster'.

At the end of the three-year program, she took out a small loan to buy a sewing machine and materials for her very own dressmaking shop. Zinab's customers are mainly women from her local area. From her sales, she's able to make GHS 50 (A\$25) a day.

Now she has a stable income and can provide for herself, Zinab wants to start helping others in her community. Her dream is to become a 'trademaster' herself, so she can pass her skills onto other young people in need.

**Thank you for equipping young women like Zinab with the tools they need to work their way out of poverty.**



#### BUILDING BUSINESSES

#### THE TYPES OF BUSINESSES YOU'RE HELPING CREATE.



**DRESSMAKERS:** A small loan buys a sewing machine.



**HAIRDRESSERS:** A small loan buys equipment to start a salon.



**MASONRY:** A small loan buys tools such as a chisel and trowel.

# IMPACT ASSESSMENT: ENSURING THE EFFECTIVENESS OF YOUR SUPPORT

**Social Performance Management (SPM) is an innovative and rigorous way of measuring and assessing the impact that your support has on families living in poverty. It's about ensuring your support is reaching those most in need with the services they need to transform their lives.**

Starting with our program partners in India in 2008, Opportunity's SPM program has grown significantly across the Opportunity International Network and is today used in India, the Philippines and an expanding number of countries in Africa, Eastern Europe and Latin America.

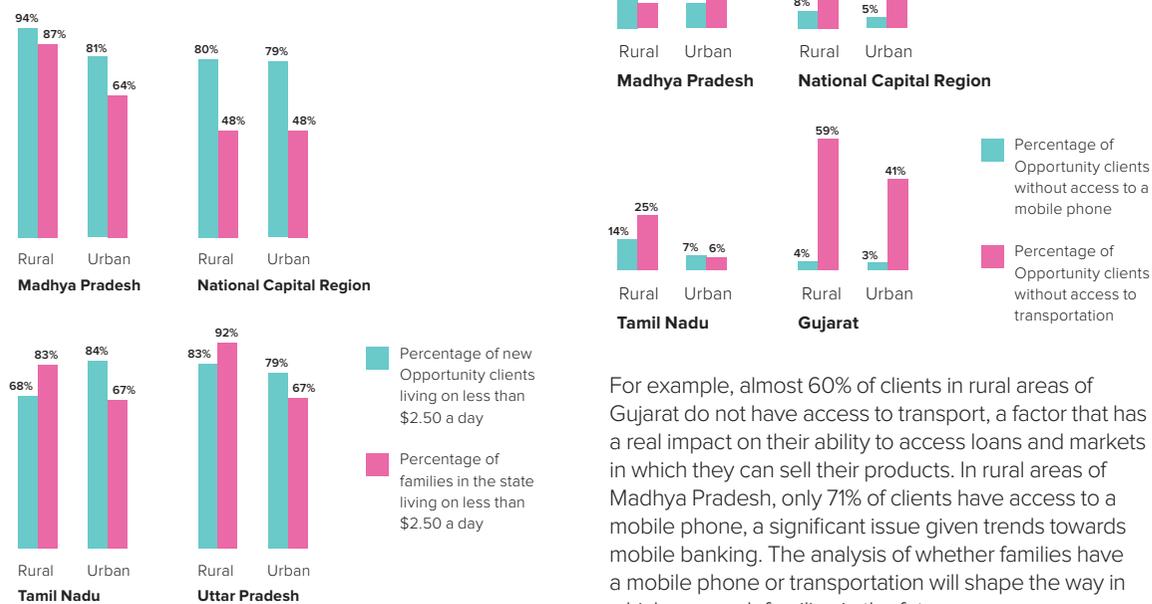
The Universal Standards for Social Performance Management – a set of best practices for microfinance institutions around the world – were launched in 2012 and Opportunity was one of the leading networks in developing and testing the standards. In 2013 we developed our first global *Social Performance Report*, which aims to share our vision of best practice in client-focused microfinance with our supporters, program partners and the microfinance sector as a whole. The report demonstrates how we are progressing in implementing best practices in day-to-day operations. You can read the report by scanning the QR code below.



Scan here to read the first global *Social Performance Report*.

## RESULTS

By measuring the poverty levels of the families we serve against average poverty levels in the areas we are working in, we can ensure that your support is reaching those who need it most. Below is a sample of results from studies in several areas of India. As poverty levels differ between rural and urban areas, we have separated the two results.



From the results in Madhya Pradesh and the National Capital Region, it is clear that your support is having a significant impact, reaching families that are most in need of a hand up in both rural and urban areas. In Tamil Nadu and Uttar Pradesh, our participating program partners are focused on serving families in urban areas and the results reflect this. As families build their businesses and work their way out of poverty, this kind of data will also help us to track their progress over time.

The SPM program collects data on a range of poverty indicators such as empowerment, education and access to water and sanitation. Focusing on individual indicators can help us better understand the specific challenges that families face, helping to design products and services to mitigate those challenges.

For example, almost 60% of clients in rural areas of Gujarat do not have access to transport, a factor that has a real impact on their ability to access loans and markets in which they can sell their products. In rural areas of Madhya Pradesh, only 71% of clients have access to a mobile phone, a significant issue given trends towards mobile banking. The analysis of whether families have a mobile phone or transportation will shape the way in which we reach families in the future.

In the rural areas of Orissa and Madhya Pradesh, sample results found that 75% and 85% of the families we serve do not own or have access to a toilet facility.



ORISSA



MADHYA PRADESH

Also in Orissa, 64% of families using small loans in urban areas don't have access to their own source of drinking water – instead, they are reliant on dirty waterways and public facilities.



ORISSA

This kind of data allows us to look at which products, in this case small loans for water and sanitation facilities, need to be prioritised in specific regions. It means that your support is going to help families in the areas of their lives where they need it most.

## TRANSFORMATION

As we continue to collect data, it will become easier to assess the changes in the lives of families over time. To look further at this transformation, Opportunity has piloted the Social Return on Investment (SROI) methodology in both India and the Philippines. SROI is a framework for measuring and accounting for the value added to the lives of the families we serve, looking

at social, environmental and economic benefits of microfinance and then quantifying the amount of change that has taken place.

In 2013, we analysed the impact of a small loan program on farmers in the Philippines like Shirley (pictured). The analysis found that the lives of the farmers were transformed in four areas:

- **Economic:** A small loan helps reduce stress and allows farmers to make more effective investment choices. With a stable income, they can then begin saving and looking to expand their business – ultimately becoming more financially secure.
- **Social:** The loan program brings farmers together in groups, which enables them to support each other. Trust within the groups strengthens over time and may also lead to improved decision making for the wider community.
- **Personal:** Receiving a small loan is not just a financial transaction – it's a significant personal moment where the farmers are trusted and feel valued.
- **Spiritual:** The farmers say they experience increased faith which develops into a desire to help others in their community.

## DEMONSTRATING THE CHANGE

Your support transforms lives; there is no doubt about that. And while the stories of mothers like Shirley help us know that we are making a difference, the SPM program demonstrates just how lives are being transformed – enabling us to improve what we do and effectively transform more lives in the future.

In 2014 we will continue to work to improve best practices in client-focused microfinance, helping program partners become certified by the SMART Campaign – an initiative that works to make sure that families living in poverty are the driving force of the microfinance industry. We believe this is exactly the way it should be.



*“I have been helped a lot so why not share with other people? I have children in the community who I help. I was able to help two children through high school and now they are in college... I see their life is hard and it really touches me because I didn't go to school.”*

Shirley and her daughter Isabel from the Philippines



## HOW YOUR GIFT IS MULTIPLIED TO HELP MORE FAMILIES



### A DONATION IS RECEIVED

Microfinance provides a sustainable solution to poverty. By giving small loans instead of hand-outs, Opportunity is able to best steward your donations. For each dollar you invest in our work with families living in poverty, more than one dollar will end up in the hands of those who need it most.



### FUNDS ARE LEVERAGED

Once received, funds are usually leveraged by our program partners. The funds you provide are used as an indication of financial strength – enabling our program partners to borrow more money from other lenders. These combined funds are then available to loan to a larger number of families, maximising the impact of your initial donation.



### RECYCLING TAKES PLACE

Loans are recycled, ensuring that your money is continually at work. Opportunity has a loan repayment rate of 97%, meaning that once a client repays their loan, it is re-lent to someone else. This next loan will also be repaid and so on. Recycling means that more clients are able to start businesses and begin to work their way out of poverty – using what are essentially the same funds.



### COSTS ARE REDUCED

Leveraging and recycling of loans mean that the one-off costs it takes for Opportunity to run our programs represents a continually diminishing proportion of your donation. For every \$1 that was received in 2013, only 10 cents was spent on fundraising and administration. As time goes on, the percentage of this initial cost gets less and less. There are no more costs, but your donation remains at work, increasing your impact.



### IMPACT IS INCREASED

As loan recipients create successful businesses, their profits will have a ripple effect. With an increased income, a family can begin to afford nutritious food, proper shelter, medical care and an education for their children. Plus, as clients use loans to expand their businesses, many go on to employ others – creating jobs for people in their community and boosting the local economy.



### A SUSTAINABLE SOLUTION TO POVERTY IS DEVELOPED

Underpinned by sound economics, microfinance is one of the few services for the poor that can be self-sustaining – creating a lasting and cost-effective solution to poverty. The power of your donations is magnified – helping more families work their way out of poverty and transform their lives. And for every new donation you make, more families in need are able to take their first step on the pathway out of poverty.

### YOUR DONATION HAS A SIGNIFICANT IMPACT

Thanks to leverage, every \$1,000 that is donated to Opportunity is enough to provide more than 14 small loans to families living in poverty so that they can start small businesses – in the first year alone! That's 14 families whose lives can begin to change with a regular income. Businesses range from wedding dress tailors to organic farmers. Your support can be used to invest in:



Seeds to start vegetable farms



Sewing machines to start tailoring businesses



Groceries to start kiosks



Equipment to start cooking stalls



Pigs to start pig farms.

And because these loans are repaid, the impact of this \$1,000 will continue year after year – helping far more than just the original 14 families.

## MOVING INTO 2014 AND BEYOND

Opportunity's mission is to empower people living in poverty to transform their lives, their children's futures and their communities. Our vision is a world in which all people have the opportunity to live a life free from poverty, with dignity and purpose. In order to make this vision a reality, we seek to help as many people as possible in as many areas of their lives as possible – the greatest good for the greatest number of people. Opportunity endeavours to do this in the most sustainable and effective way.

To achieve this mission, Opportunity's Leadership Team has developed a comprehensive organisational strategy that details the projects that will be undertaken and the outcomes expected. The following is our strategic plan, currently in progress. Success in meeting these outcomes is assessed regularly by our Board and team members.

### HORIZON 1

**Diversify income sources and build our fundraising capability to raise \$9 million through donations and government grants in 2014. Rebrand Opportunity so that we have a consistent global presence and continue to grow and strengthen programs and how they are evaluated.**

#### RAISE FUNDS

- Develop and run fundraising campaigns to drive coordinated fundraising
- Build a stronger connection between supporters and the families they are helping
- Increase the grants we receive from the Australian Government
- Grow our major gifts by growing our donor base
- Work with Opportunity support members to increase corporate giving
- Refresh our Ambassador Program.

#### REFRESH OPPORTUNITY'S BRAND

- Refresh our brand and visual identity to stay up to date and relevant in the marketplace and align with Opportunity's global identity.

#### GROW AND STRENGTHEN EXISTING PROGRAMS

- Implement approved structural changes in India and launch a new round of growth
- Develop and grow the operations of Opportunity International China
- Oversee the capitalisation of OK Bank in the Philippines and enable the distribution of savings and remittance products
- Continue to grow our program in Indonesia.

#### STRENGTHEN SOCIAL PERFORMANCE MANAGEMENT AND AUDIT AND RISK FUNCTIONS ACROSS GLOBAL PROGRAMS

- Build on pioneering work to understand program risk and impact.

### HORIZON 2

**Develop new strategies and technology systems that ensure change in all areas of clients' lives. Also work to develop new models for funding to increase impact in poor communities in India and Indonesia.**

#### DEVELOP COMPLEMENTARY SERVICES STRATEGY

- Develop plans for partnerships with organisations that can provide additional services to clients in areas such as water, sanitation, health and adult literacy.

#### DIVERSIFY OUR FUNDING BASE TO INCLUDE STRUCTURED CAPITAL

- Develop an Australian social debt fund to support our program partners.

#### DEVELOP INFORMATION TECHNOLOGY SYSTEMS AND CAPABILITY FOR SOCIAL PERFORMANCE MANAGEMENT

- Automate data management tasks to lower the barriers for program partners to adopt the Social Performance Management program.

#### DEFINING HORIZONS

The success enjoyed over the last few years has created a platform for us to manage Opportunity in a more sophisticated way. For this reason we have moved beyond goals and begun planning in terms of horizons.

**HORIZON 1** encompasses those things that are essential to everyday business and are the immediate focus.

**HORIZON 2** encompasses ideas that are in development and design and will, if successful within a year or two, become activities or areas where we operate.



## OUR SUPPORTERS

2013 saw passionate supporters around Australia raise money and awareness for families living in poverty in a variety of innovative ways. We are continually inspired by the efforts of the individuals, organisations and communities who invest their time and resources in making sure that mothers and fathers can put food on the table and send their children to school.

Here are some of the highlights from 2013.

# \$9.46 million

the total value of donations and government grants made.

# 7.8

the percentage of donations made by corporate supporters.

# 3,018

the total number of donors.

# 570

the number of members of the *Seeds of Opportunity* family, people who give monthly to have an ongoing impact.



# 4,980 metres

the height of the Ganda La Pass in the Himalayas in India, where a group of inspired women completed an epic trek. They raised more than \$31,550, enough to give a hand up to 552 families living in poverty.

# 5

the number of Western Australian photographers whose images were exhibited at a charity exhibition held by Access Analytic, raising much-needed funds to help families in need.

# 96

the number of media articles in publications such as *The Australian*, *The Sydney Morning Herald*, *The Daily Telegraph*, *The Age*, *Sky Business* and the *Australian Financial Review*, helping connect Australians with the impact they can have on families living in poverty overseas.

# \$10

the amount that primary-school-aged children are encouraged to use to start their own small 'businesses' through Projec10. The money they make by doing activities such as baking cupcakes or washing cars is then used to help provide small loans to families in need.

# \$338,483

the estimated savings thanks to pro bono support from organisations such as KPMG, Silver Chef, PwC, BlueChip Communication, Clifford Chance, Herbert Smith Freehills, Westpac, Allen & Overy, Salesforce, RogenSI, King & Wood Mallesons and Indicium.

# 6,963

the incredible number of hours of service from our gracious and dedicated volunteers and interns.



22

the number of people who travelled on an Insight Trip, meeting with families whose lives are being transformed thanks to their support. After visiting families in India, supporter Heather Thomson said, "We were hosted by a client named Rukmani in her one-bedroom house. She told us about the impact the first loans had on the women in her loan group – how running a business meant they are no longer dependent on their husbands for money.

One of the main takeaways from the trip was the importance of investment in education. Without exception, every client we met was investing the increased income from their business in their children's education."



20

the number of creative fundraising ideas orchestrated by Silver Chef staff, including bake sales, car washes, the production of a cookbook and even raffling a day off from work!

30

the number of teams that competed in the annual touch football competition, the Opportunity Cup in Brisbane, raising \$19,000 to give families a hand up.

5,897

the number of families that can be helped with a small loan thanks to the fundraising of Ambassadors in 2013.

24,195

the amount of video views on our YouTube page in 2013, as well as 1,760 friends on Facebook, 781 followers on Twitter and 343 followers on LinkedIn.

184

health leaders trained in India through the support of PwC, women who will be able to educate over 36,000 households in illness prevention, nutrition and basic health practices.

150 kilometres

the length that supporter Peter Onus walked from Orange to Katoomba in New South Wales, raising funds to help more than 108 families begin to leave poverty behind.



\$370,827

the total contributed from generous Australians through workplace giving programs.

16

the number of events or personal challenges held as part of our *Food for Thought* campaign in September, raising more than \$44,000 to help create a livelihood for organic farmers in the Philippines.

## GOVERNANCE

**To succeed in development, trust and accountability are key – and good governance is a means of staying accountable and remaining worthy of this trust. While our values (see page 2) illustrate the importance of accountability, our governance policies outline how this is maintained.**

Opportunity holds full accreditation with the Australian Government through the Department of Foreign Affairs and Trade. We are also a member of the Australian Council for International Development (ACFID) and a signatory to the ACFID Code of Conduct – a voluntary, self-regulated code of good practice that aims to improve international development outcomes and increase stakeholder trust by enhancing transparency and accountability. Opportunity is committed to adherence to this Code – information about how to make a complaint about possible breaches can be found at [www.acfid.asn.au](http://www.acfid.asn.au)

Opportunity also recognises, and aims to comply with, the Fundraising Institute of Australia's Principles and Standards of Fundraising Practice, including the Code of Ethics and Professional Conduct. These standards set out guidelines for ethical, accountable and transparent fundraising.

**In 2013, Opportunity was pleased to again be a finalist in the PwC Transparency Awards in the \$5 million to \$30 million revenue category. Opportunity has been a finalist since the introduction of this category in 2010, having won the award and been a runner-up.**

Opportunity has internal processes to ensure we fulfil our obligations to comply with various state and federal legislation and regulations and remain up to date with any amendments that impact our operations. Particular areas of focus include the Corporations Act, the Australian Charities and Not-for-profits Commission, privacy legislation, workplace health and safety regulations, various state and federal fundraising and charities legislation and employment law.

Taking into account the best interests of all our stakeholders – including supporters, clients, members, volunteers, employees and program partners – our Board of Directors' Charter and Directors' Code of Conduct can be found on our website.

In accordance with the ACFID Code of Conduct and consistent with principles of basic human rights, Opportunity places a high importance on the dignity, values, history, religion and culture of the people with whom we work. We are a not-for-profit organisation that exists to serve poor people and we aim to build creative and trusting relationships.

Opportunity is inspired by Jesus Christ's call to serve the poor. We assist people in poverty without regard to ethnicity, gender or religious affiliation. Funds are not used to promote a particular religious adherence. Funds and other resources designated for specific purposes will be used only for those purposes. We oppose, and will not be a knowing party to, wrongdoing, corruption, bribery or other financial impropriety in any of our activities.

Opportunity has a process for handling any complaints about our organisation. If you have a complaint, please direct it to our Company Secretary on (+61) 2 9270 3300 or [companysecretary@opportunity.org.au](mailto:companysecretary@opportunity.org.au)

## FUNCTIONS OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the governance of Opportunity including the oversight of the organisation, strategic planning, assessment of management capacity and input into (and approval of) policies. The Board has delegated the responsibility of management, operation and administration to the Leadership Team, with whom it has open access to discuss current and future business issues, risks and strategies.

The functions of the Board include the following:

- Input into, and approval of, corporate strategy
- Approving and monitoring financial and other reporting, including budgets and financial objectives
- Input into, and review of, performance objectives
- Approving and monitoring major capital expenditure, investments, loans and grants
- Appointing and removing Directors, the Chief Executive Officer and the Company Secretary
- Reviewing and monitoring internal control and accountability systems
- Reviewing codes of conduct and legal compliance
- Monitoring management's performance.

The Chair is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with management. The Chief Executive Officer, who is a Director, is responsible for implementing strategies and policies.

The Board regularly reviews its overall performance, as well as the performance of its committees, individual Directors and Chief Executive Officer. The Board has established an Appointments and Compensation Committee, an Audit and Risk Committee and a Revenue Committee as efficient mechanisms for the detailed examination of practices in these areas.

## RISK MANAGEMENT

Opportunity has implemented a formal risk identification and management process in order to minimise risk and ensure that key risks are being managed appropriately.

The Board is responsible for reviewing and overseeing systems of internal control and risk management. In identifying areas of significant operational or strategic risk and putting in place arrangements to manage those risks, the Board relies on the advice and expertise of the Audit and Risk Committee and the management Leadership Team.

Our Risk Management Policy provides a framework to ensure financial, operational and management systems support the identification and management of risks. These risks could challenge the achievement of Opportunity's, or our partner organisations', objectives. Opportunity carefully considers external country level risks – political, economic and social – as well as partner and project level risks before starting new work or continuing work in focus countries. Some identified risks in development work include the difficulty for partner organisations to source capital, governance and leadership succession issues, challenges of geographical isolation or environmental instability, regulatory uncertainty and social and political instability.

Risks are identified through examination of operations and activities by the Leadership Team. Risk exposure and control mechanisms are presented to the Board, together with mitigation and improvement strategies. Regular monitoring of risks and risk management is conducted by the Leadership Team and the Audit and Risk Committee.

## OUR POLICIES

Like any well-governed organisation, Opportunity places great emphasis on ensuring it has appropriate policies and procedures. Amongst the many we work by, Opportunity has the following policies and procedures in place:

- Privacy
- Anti-bribery and corruption
- Whistleblowing
- Investments, partnerships and program management
- Board Charter and Directors' Code of Conduct
- Conflict of interest
- Delegation of authority
- Employee handbook covering staff conduct, remuneration, training and development
- Travel and travel risk management
- Child protection
- Human rights.



Scan here to find out more about Opportunity's governance.

## BOARD OF DIRECTORS (As at April 2014)

**Opportunity's Directors generously offer their time, experience and expertise to help us reach out to families and communities in need. We are so grateful for their support and guidance.**

**EDWARD KERR** BA LLB  
Chair

*(Director since May 2006, Chair since November 2013)*

Edward Kerr is the Chair of Opportunity International Australia and was previously the Chief Executive Officer of The Australian Charities Fund, a not-for-profit organisation that partners with employers and charities to facilitate ongoing community impact through engaged employee giving. Prior to this he had a 32-year career as a lawyer. After working for Sly & Russell and the Commonwealth Bank of Australia, Ted was a partner in the Sydney office of Mallesons Stephen Jaques for 22 years, where he specialised in derivatives and consumer credit law.

**CHRIS SADLER** BCA, MBA  
Chair until November 2013

*(Director from May 2008 – November 2013)*

Chris Sadler was a member of the Opportunity International Network Board until his retirement as a Director of Opportunity International Australia. In the corporate sector, Chris is a non-executive Director of New Standard Energy and Gloria Jean's Coffees, as well as an advisor to Daniels Sharpsmart Group. Chris sits on the Board of Alpha International in London and various Alpha Boards in the Asia Pacific region, including China, India, Indonesia, Malaysia, the Philippines and Australia. He has 20 years' experience in the investment banking industry, having worked for J.P. Morgan, Deutsche Bank and Citigroup.

**JOANNA WHITE** B.Comm, MBA, GAICD  
Deputy Chair

*(Director since February 2011, Deputy Chair since August 2013)*

Joanna White is the Managing Director – Corporate and Commercial Finance at the Commonwealth Bank of Australia. Previously she held a number of roles at National Australia Bank, including General Manager Business Management – Business Banking and State General Manager SA/NT, as well as heading up the group's Corporate Responsibility function. Prior to that, Joanna was the Chief Executive Officer of The Australian Charities Fund, an organisation she founded with colleagues from Bain & Company, where she had been a strategy consultant. Joanna is a former Vice President of YWCA NSW and President of the Harvard Club of Australia.

**ROBERT DUNN** BA (Hons)  
Chief Executive Officer

*(Director since August 2008)*

Robert Dunn joined Opportunity International Australia in November 2006 as Chief Financial Officer, before becoming Chief Executive Officer and Director in 2008. He is also the Chairman of Opportunity's Indian subsidiary, Dia Vikas Capital, a member of the Institute of Chartered Accountants in Australia, a Member of the Institute of Company Directors and a Director of Sydney Ports Corporation and BaptistCare NSW & ACT. Prior to joining Opportunity, Robert was the Finance Director with Patrick Corporation.

**SUZANNE ARDAGH** BA, MBA, MAICD  
*(Director since January 2013)*

Suzanne Ardagh has been the International and WA Division Manager for the Australian Institute of Company Directors since 2007. Having started her career working with the Department of Foreign Affairs and Trade with postings to Vienna and Mexico City, she has also held positions with the WA-based conglomerate Wesfarmers and has worked in the tertiary education sector at RMIT International University Vietnam. Suzanne is on the Board of the Perth International Arts Festival. Previously she has been on the Board of the contemporary arts organisation IASKA, Musica Viva and Ready to Work – a not-for-profit organisation which helps disadvantaged women enter the workforce.

**VIV BENJAMIN**

*(Director since August 2013)*

Viv Benjamin is the Chief Executive Officer of Oaktree, Australia's first and largest youth-run organisation tackling global poverty, with over 100,000 members. Viv is Co-Chair of Make Poverty History, a coalition of more than 70 international aid and development organisations. As well as regular visits to the Philippines, Viv's work has taken her to the slums of India and Bangladesh, villages of Nepal and Rwanda, school projects in Cambodia and East Timor, urban settlements of Papua New Guinea and South Africa and beyond. Since 2008, Viv has been a Board Director of both the Oaktree Foundation and Mustard Leadership Australia.

**BENEDICT KENEALLY** BEc, LLB Hons1

*(Director from May 2010 – August 2013)*

Benedict Keneally is the Mayor of the City of Botany Bay and has worked in leadership and strategy roles in the public and private sector. Ben is also the Chief Executive Officer of Home Doctor Service, Australia's largest network of home visiting doctors. Prior to that, Ben's roles included nine years with the Boston Consulting Group and heading the Premier's Delivery Unit in the NSW Public Service. He has also served as a Director of Opportunity's Indian subsidiary, Dia Vikas Capital.

**BARBARA LUPIENT**

*(Director since November 2013)*

Barbara Lupient joined the Opportunity International Australia Board in November 2013 having already served on the Opportunity International United States and Nicaragua Boards. She first joined the organisation in 2006, resonating with our mission of empowering people living in poverty to transform their lives. Based in the United States, Barbara serves as Chairman of the Board of several family-held businesses. She has also served as a Board Director for a bank, hospital, university, several non-profits and community organisations as well as a Director on the General Motors Council.

**JOHN O'CONNOR** BSc Hons, FCA*(Director since April 2013)*

John O'Connor is a former partner of PricewaterhouseCoopers (PwC), where he spent 34 years, including 24 years as an audit partner. He retired from PwC in March 2013. During his time with PwC, John's roles included Managing Partner of PwC Perth and leading the Assurance practice in Perth. He has extensive global experience having worked with clients in Canada, India, the United States, South Africa, Zambia, the Philippines and Indonesia. John is a non-executive Director on the Board of Anglicare WA, a not-for-profit organisation based in Perth. John is a Fellow of the Institute of Chartered Accountants in Australia and also a Fellow of the Institute of Company Directors.

**SCOTT PARRY-JONES***(Director since February 2008)*

Scott Parry-Jones owns a software company which he founded in the early 1980s. In 2004, he was invited by David Bussau to co-found and direct a ground-breaking enterprise development program in the Democratic People's Republic of Korea (North Korea). Scott is also a Board member of Focus on the Family Australia, a Council member of his local church and an active mentor.

**CONNIE RIDLEY** MBA*(Director since February 2005)*

Connie Ridley has a consulting business which utilises her background in finance and securitisation. Connie gives much of her time to assist others – she is a Life Governor for the Royal Children's Hospital Melbourne, Chair of Emerge Women and the Children's Support Network. She also speaks nationally on behalf of women and the poor.

**MARGARET TOWERS** CA, GAICD*(Director from May 2010 – December 2013)*

Margaret Towers is a Chartered Accountant with over 25 years' experience in the Australian finance sector. Margaret was previously with Price Waterhouse and was an Executive Vice President at Bankers Trust Australia. She is currently a non-executive Director of Platinum Asset Management Ltd and IMB Ltd, as well as a Member of the Compliance Committee at Principal Global Investors (Australia) Ltd. Margaret also provides independent consulting services to a number of Australian financial institutions.

**SUZANNE WILLIAMS** BSc Hons, LLB, FAICD*(Director since May 2010)*

For the last 12 years, Suzanne Williams has been a Senior Client Partner with the international talent management solutions business Korn Ferry International. Prior to joining Korn Ferry, Suzanne was the General Counsel and Corporate Secretary for the Sydney Organising Committee for the Olympic Games for five years. Suzanne has also been a Partner in a national law firm and gained Board experience as a Director of the Football Federation of Australia and as Deputy President of Kambala School.

## FOUNDER

**DAVID BUSSAU** AM

David Bussau AM is a pioneer of microfinance, having co-founded the Opportunity International Network. He now provides consultancy services to governments, multinationals and other organisations. David was awarded the Ernst & Young Australian Entrepreneur of the Year in 2003, the ACFID Human Rights Award in 2006, the Beta Gamma Sigma Award for Entrepreneurship in 2007 and was also named Senior Australian of the Year 2008.



*“In 2013 I met with a group of onion farmers in the Philippines that have been able to form a cooperative. It was wonderful to chat with them so we could learn about their lives and their families. They are excited about the increased opportunities brought by the cooperative – it has meant a steady and secure income for the whole community. I saw how hard they work and they even taught me how to sort the onions. Their smiles and enthusiasm reminded me why I have been involved with Opportunity for 15 years.”*

Connie Ridley (pictured right), Opportunity Board Director



## COUNCIL (As at April 2014)

The Council is a small group of respected and influential Australians who share their wisdom and experience with Opportunity, advocating on our behalf and encouraging others to get involved. Known as leaders in business or public service, they enable us to increase our profile and fundraising efforts in order to help even more families leave poverty behind.

We are so grateful to all of these inspiring people for their valued partnership – thank you for all that you do.

### EDWARD KERR

Chairman

Please see list of Board of Directors on page 34.

### HON. JOHN ANDERSON AO

Former Deputy Prime Minister of Australia and leader of the National Party of Australia 1999-2005, Member for Gwydir NSW 1989-2005 and now farmer and grazier in north-western NSW.

### KEVIN BAILEY

Head of Philanthropic Services at Shadforth Financial Group, Certified Financial Planner and former Director of the Financial Planning Association where he now sits on the Conduct Review Commission and the Professional Conduct Committee. Trustee of the Kevin Bailey Charitable Trust.

### MALCOLM BROOMHEAD

Director of BHP Billiton and Chairman of Asciano. Former Managing Director and Chief Executive Officer of Orica, former Director of Coates Hire Group.

### PETER CADWALLADER

Executive Chairman of the Intercontinental Shipping and Investment Group, Chairman of Many Rivers Microfinance Ltd and former Director of Opportunity.

### ALLAN ENGLISH

Founder and Chairman of Silver Chef Ltd, Director of Karuna Hospice Ltd and Ernst & Young Entrepreneur of the Year (Northern Region) in 2006. Board member for School of Social Entrepreneurs and Director of the English Family Foundation.

### GREG HUTCHINSON AM

Senior advisor and former Partner and Director of Bain & Company, founding Chief Executive Officer and current Deputy Chairman of The Australian Charities Fund, Director of GoodStart Early Learning.

### MICHAEL KASPROWICZ

Current Director of Cricket Australia Board. Former Australian cricketer and President of Australian Cricketer's Association. Ambassador for Brisbane and Founder and Director of Venture India, a specialist consulting firm in Indian business relations.

### HON. KRISTINA KENEALLY

Former Premier of NSW 2009-2011 and former Member for Heffron NSW. Chief Executive Officer of Basketball Australia, Patron of the Stillbirth Foundation Australia and Director of Souths Cares.

### PAUL MCCLINTOCK AO

Chairman of Myer Holdings Ltd, Thales Australia, I-MED Australia and NSW Ports and Director of St Vincent's Health Australia. Secretary to Cabinet and Head of the Cabinet Policy Unit in the Australian Government 2000-2003.

### CHRIS SADLER

Please see list of Board of Directors on page 34.

### GEORGE SAVVIDES

Managing Director of Medibank Private, Chairman of World Vision Australia and Arrow Leadership Australia, Deputy Chairman of International Federation of Health Plans.

### ROSA STORELLI

Former Principal of a leading independent girls school and former Deputy Chancellor of the University of Melbourne. Currently an Adjunct Professor in Education at La Trobe University.

### ANDREW TYNDALE

Former Chairman of Opportunity, founder and Director of Grace Mutual, Chairman of Bupa Care Services, Director of Bupa Australia, Director of Gloria Jean's Coffees and former Director of several public companies including Chandler MacLeod Ltd, Golden Circle Ltd and Carnivale Ltd.

### LEIGH WARNICK

Barrister in Perth.

### TERRY WINTERS

Former Chairman of Opportunity, current Chairman of Converge Int'l Incorporating ResolutionsRTK, Intelledox and Seeing Machines Ltd and Director of Redflex Holdings Ltd, Australian Home Care Services and Australian Christian Lobby; formerly a Director of Optus and Multiple Sclerosis Ltd.



*"In north India I met Rajkumari, a woman who had been barely surviving – just subsisting really – on less than \$2 a day. She took a loan of about \$100, bought a sewing machine and built up a business.*

*With the profits from that she repaid the loan, has taken another one and bought a couple of cows. She now has been able to put her children through school and run her own business.*

*It's a really great story of how a tiny amount of money can make a huge difference. You can see through Rajkumari and all the other people we visited, the increase in self-esteem, pride and hope they have for the future."*

Malcolm Broomhead (pictured left), Opportunity Council Member

## LEADERSHIP TEAM (As at April 2014)

**Opportunity's team is a group of talented, experienced and dedicated individuals who are committed to transforming the lives of families living in poverty. The Leadership Team is as follows:**

### CHIEF EXECUTIVE OFFICER

Robert Dunn (joined in 2006)

*Please see the list of Board of Directors on page 34.*

### CHIEF FINANCIAL OFFICER

Karen Kandur (joined in 2007)

Karen became Chief Financial Officer in 2012, managing the Corporate Services team in finance, information technology, compliance, risk and human resources. Karen initiated and designed Opportunity's Intern and Volunteer program and has been a key driver of the organisation's performance management system. A qualified Chartered Accountant, Karen has previously worked with Pitcher Partners and BDO. She also holds a Masters in International Social Development.

### COMMUNICATIONS DIRECTOR

Rebekah Van Zyl (joined in 2007)

Rebekah leads the Communications team in a range of communications activities including direct mail, online, publications, brand, media relations and film. She previously held a number of editing, subediting and writing roles with various home, food and lifestyle magazines in the NewsLifeMedia and ACP Magazines stables.

### COMMUNITY DEVELOPMENT AND INDONESIA DIRECTOR

Simon Lynch (joined in 1996)

Simon oversees Opportunity's community development programs as well as directing expansion across Indonesia. He has 16 years' experience in development, having strengthened microfinance institutions throughout Asia. Simon is on the Board of Baptist World Aid and has previously worked for the Opportunity International Network as its Senior Technical Services Director as well as for Qantas.

### COMPANY SECRETARY

Kathleen Hill (joined in 2003)

In addition to being the Company Secretary, Kathleen serves as the Executive Assistant to the Chief Executive Officer. She has over 20 years of experience providing business advice, administrative support and project management across a range of industries. A key focus of her role is helping the Chief Executive Officer and Board of Directors increase their efficiency, effectiveness and productivity.

### DONOR RELATIONS DIRECTOR

Michelle Taylor (joined in 2007)

Michelle oversees Opportunity's Donor Relations and Donor Services departments as well as Opportunity's national Ambassador Program. With qualifications in information technology (IT) and accountancy, she has spent 20 years working in the areas of finance, health, energy, transport and IT. She has also held roles across the three tiers of government and has run her own consultancy.

### INDIA DIRECTOR

KC Ranjani (joined in 2007, based in India)

Ranjani leads Opportunity's programs in India. She is a financial services and development specialist with over 20 years' experience. While at the Small Industries Development Bank of India, Ranjani helped develop India's microfinance sector. Following that, Ranjani was the Senior Microfinance Specialist at MicroSave. She holds a postgraduate degree in Bank Management.

### INVESTMENT SERVICES DIRECTOR

Rebecca Parkinson (joined in 2005)

Rebecca supports the delivery of new and existing microfinance programs and investments, providing advice that enables mission-aligned deals and develops relationships. Working closely with Opportunity's country directors, she oversees our investment portfolio and risk management, as well as assessing and reporting on portfolio health. Having previously worked with Citigroup Investment Bank and Qantas, Rebecca is a qualified Certified Practising Accountant and holds a Masters in Development Studies.

### PHILIPPINES DIRECTOR

Mark Daniels (joined in 1998, based in the Philippines)

Mark is responsible for managing programs in the Philippines, which includes Board representation, resource allocation, oversight of technical assistance delivery plus project monitoring and evaluation activities. He has also undertaken consulting work for some large multinationals, integrating microfinance into their community development programs. Mark is a Certified Practising Accountant and previously worked for PricewaterhouseCoopers.

### PROGRAM IMPACT DIRECTOR

Calum Scott (joined in 2007)

Calum supports Opportunity's program partners through the development of a Social Performance Management strategy, helping us better measure and improve outreach and increase the positive impact we're having on families living in poverty. Having previously worked as an economist for the Scottish Government and the National Health Service, he holds a BAcc in Accounting and Political Economy.

### PROGRAMS DIRECTOR ASIA

Chris Murdoch (joined in 2006)

Chris oversees the design and management of Opportunity's programs in India, the Philippines, Indonesia and China. Having helped establish Opportunity's program in India, he now also leads our work around mobile banking and the distribution of health, education, water and energy services to clients. Previously, Chris was an Associate Partner of PricewaterhouseCoopers' Global Business Services.

## OUR PEOPLE

**The Opportunity team is made up of supporters like you, as well as staff, volunteers, interns and Ambassadors – all working together to make a difference in the lives of families in need.**

As well as our invaluable supporters, at the end of 2013, the Opportunity team consisted of:

- 21 full-time staff in Australia, 3 in the Philippines and the Dia Vikas team
- 6 part-time staff
- 5 interns
- 5 volunteers
- 97 Ambassadors.

In all areas of work, Opportunity's staff strive to embody the organisation's six core values:

- Commitment to the poor
- Humility
- Integrity
- Respect
- Stewardship
- Transformation.

Staff are supported through training and professional development, which increases individual skills as well as the capability of Opportunity as a whole – helping to push the organisation forward and help give even more families in need a hand up.

In 2013 – as always – we were touched and inspired by the stories of the families we serve. Jessica Carter, Opportunity's Proposal and Programs Coordinator, met with some of the families in Delhi whose lives are changing thanks to your support.



*"I'm pictured with Kanta, standing on the rooftop of her family's home in one of Delhi's slums. She's pretty incredible. She studied hard at school to get a place at a government university, and by doing that, she became the first woman – also the first person – in her family to finish school and go on to further study. Kanta's inspiration is her beautiful mum Kanthidi, who supported her daughter to follow her dreams.*

*My mum has been such an inspiration in my own life too, and meeting Kanta and Kanthidi reminded me of how important it is to have someone who believes in us. Someone believed in Kanthidi when they gave her a hand up through a small loan, and she believed in her daughter Kanta by saving money over the years to send her to school and now university."*

**Jessica Carter** (pictured left), Opportunity's Proposal and Programs Coordinator

### VOLUNTEERS AND INTERNS

Volunteers and interns play a huge role in the day-to-day operations of Opportunity. In 2013, they contributed more than 6,963 hours, providing vital skills and expertise in a range of areas across the organisation. Interns work in four-month cycles, while volunteers stay with Opportunity for longer periods of time, usually working one day a week.

We are so grateful for the commitment of our volunteers and interns – our work would not be possible without them.



### AMBASSADORS

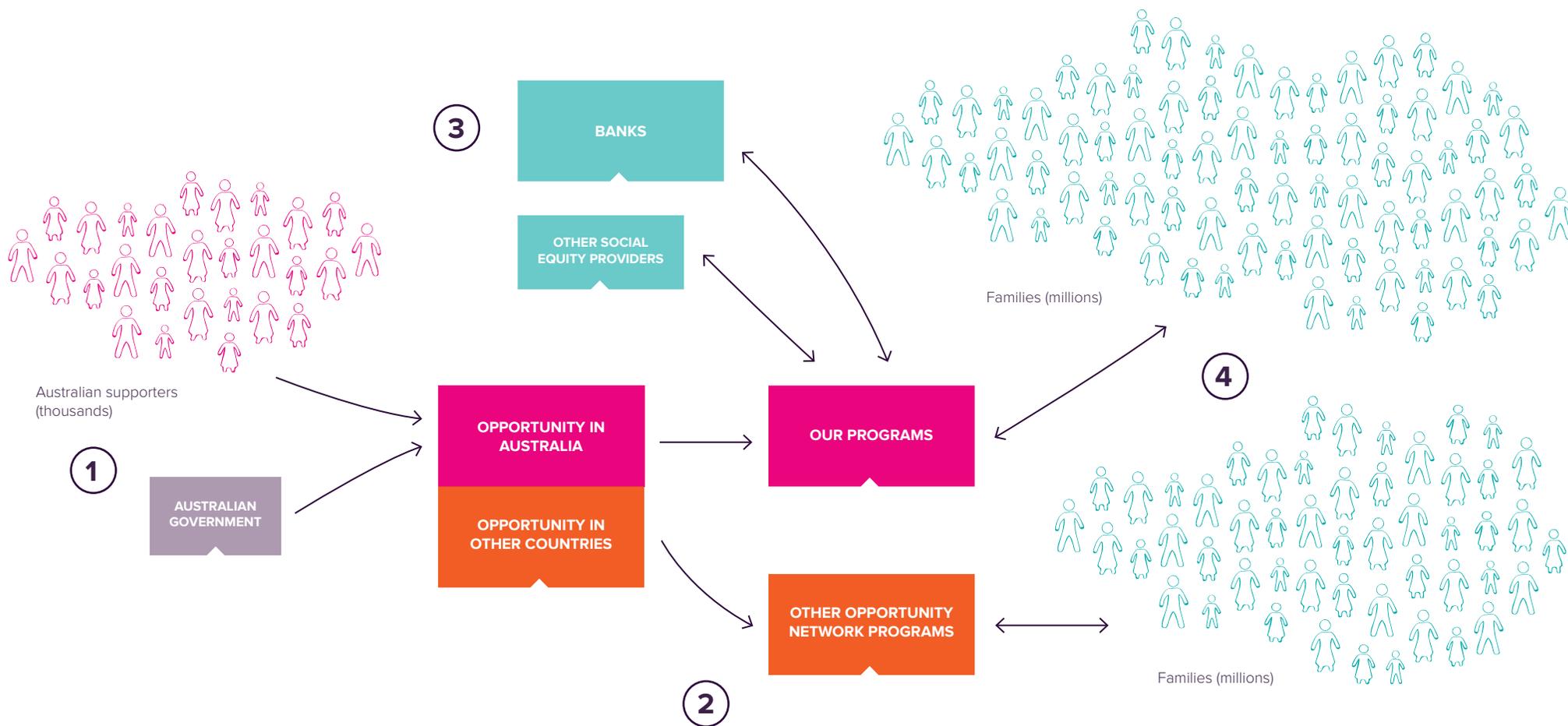
Ambassadors use their influence and expertise to support Opportunity's work by advocating and fundraising on behalf of families in need. From organising treks in India to putting together gala dinners, our 97 Ambassadors across Australia raised \$336,981 in 2013 – enough to provide 5,897 families living in poverty with a hand up! We thank our Ambassadors for their passion and assistance.



Scan here to find out more about our internship program.



# OUR WIDER IMPACT



① Opportunity International Australia acts as the bridge between generous Australian supporters and the communities and families they seek to reach out to through microfinance and community development programs. As well as the donations provided to us by our supporters, Opportunity receives some funding from the Australian Government to support our programs.

② The other support members of the Opportunity International Network (located in the United States, United Kingdom, Canada, Germany, Singapore and Hong Kong) also contribute to the programs we oversee in India, Indonesia, the Philippines and China. Similarly, Opportunity International Australia provides funding for other programs in the network, such as Ghana.

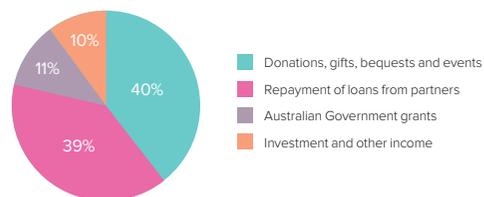
③ In addition, Opportunity works to secure further funding for these programs from other global sources, such as social debt and equity investors. Examples of these are bank debt, the equity secured for our India Program from Dutch social fund, Cordaid, and the equity also invested into our programs in India by the Small Industries Development Bank of India.

④ Through this leverage, we are able to multiply the total funds available for our programs, helping more families and communities leave poverty behind.

# REVIEW OF OPERATIONS

- Total cash received was \$18,648,000 (\$19,840,000 in 2012) – this included loan repayments from partners of \$7,277,000 (\$8,157,000 in 2012).
- Total revenue from ordinary activities increased to \$15,712,000 (\$11,685,000 in 2012). This increase was largely due to the donation of shares in Opportunity International China valued at \$4,322,000.
- Operating expenses (including grants to international programs and excluding foreign exchange gains/ losses, finance charges and impairment expenses) were \$7,432,000 (\$7,607,000 in 2012).
- The operating surplus for the year was \$6,926,000 (\$4,217,000 in 2012). The increased surplus was largely due to the donation of shares in Opportunity International China; partly offset by impairments of investments and loans of \$1,901,000.

## WHERE THE FUNDS COME FROM



*Definition: Illustrates the source of cash received as a percentage of total cash received.*

**Analysis:** Cash inflows for the year from donations, gifts, bequests and events remained stable at \$7,394,000 (\$7,692,000 in 2012). Similarly, all other cash inflows remained consistent with the prior year.

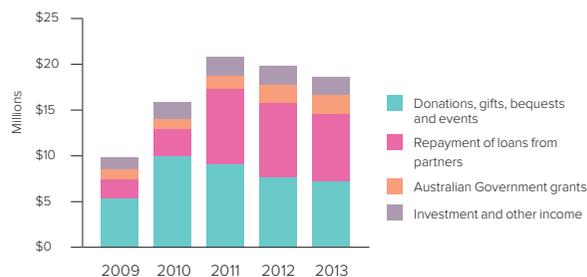
## HOW FUNDS ARE PUT TO USE



*Definition: Illustrates where cash was spent as a percentage of total cash expenditure.*

**Analysis:** In 2013, \$11,981,000 (\$15,672,000 in 2012) or 88% of cash outflow was spent on our programs including funds to international programs, loans issued, program support costs and community education activities.

## TOTAL CASH INFLOWS

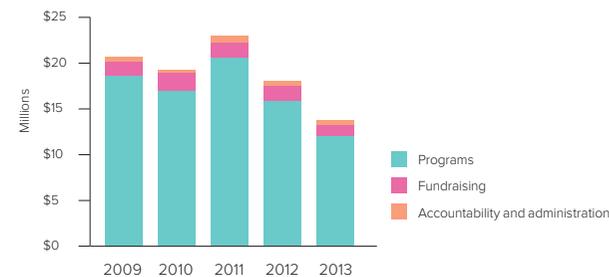


*Definition: Illustrates the source of cash inflows over the past five years.*

**Analysis:** Total cash inflows in 2013 decreased by 6% over 2012 (\$1,194,000). A reduction in loans issued to partners resulted in a decrease in loan repayments and interest income.

Revenue from Australian Government grants increased 9% in 2013 to \$2,081,000 (\$1,911,000 in 2012).

## TOTAL CASH OUTFLOWS



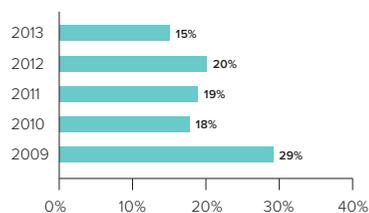
*Definition: Illustrates where cash has been spent over the past five years.*

**Analysis:** Programs expenditure includes debt and equity issued. In 2013 cash expenditure decreased 24% due to delayed disbursements for our India program. At the end of the year we had \$10,200,000 available for our microfinance program in India. These funds are expected to be disbursed to our programs in 2014.

Accountability and administration costs remained consistent with the prior year. However, fundraising expenses decreased 25% due to reduced employment costs.



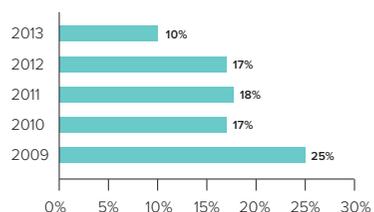
## FUNDRAISING RATIO



*Definition: Fundraising ratio is the ratio of expenses associated with fundraising appeals to monetary fundraising revenue.*

**Analysis:** Fundraising costs decreased by 25% in 2013 due to reduced employment costs. With stable fundraising revenue, this has resulted in the fundraising ratio decreasing by 5% from 2012.

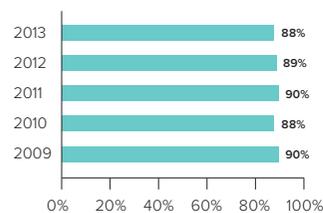
## FUNDRAISING AND ADMINISTRATIVE RATIO



*Definition: Fundraising and administrative ratio is the ratio of the sum of expenses associated with fundraising appeals and accountability and administration expenses to total revenue from ordinary activities. Previously total revenue had included share of profit from associates and finance income which are non-cash items. We have restated the fundraising and administrative ratio to include only revenue from ordinary activities for the years 2009-2012. This definitional change has not materially impacted prior year ratios.*

**Analysis:** To illustrate the level of non-program spend, Opportunity uses a fundraising and administrative ratio. In 2013 our administration costs remained steady which, alongside the reduction in fundraising costs and the increase in total revenue due to the donation of shares in Opportunity International China valued at \$4,322,000, resulted in this ratio decreasing by 7% from 2012.

## PROGRAMS OPERATIONS EFFICIENCY



*Definition: Programs operations efficiency is the ratio of the cost of services to total expenditure. Cost of services is derived from funds sent to, and technical assistance provided to, partners (whether as grants, loans or equity) and the cost of monitoring and evaluating such programs. Total expenditure represents costs of services plus all other operating expenses (excluding currency gains/losses).*

**Analysis:** The programs operations efficiency ratio shows how much of total expenditure is spent on programs in developing countries. We believe this provides an accurate reflection of the efficiency of our operations as it includes debt and equity disbursed.

## PROGRAMS EXPENDITURE

	2013 \$'000	2012 \$'000
Funds to international programs		
Grants and technical support	3,693	3,635
Loans issued	6,188	10,095
Total international programs expenditure	9,881	13,730
Program support costs	1,957	1,806
Community education	143	136
Total programs expenditure	11,981	15,672
Loans repaid	7,277	8,157
<b>Net programs expenditure</b>	<b>4,704</b>	7,515

## PROGRAMS DISBURSEMENTS BY COUNTRY

	2013 \$'000	2012 \$'000
India	6,619	11,401
Indonesia	1,568	655
Philippines	1,361	1,246
China	333	328
Ghana	-	100
<b>Total international programs expenditure</b>	<b>9,881</b>	13,730

## INCOME STATEMENT For the year ended 31 December 2013

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Revenue</b>				
Donations and gifts				
Monetary	7,366	7,585	7,366	7,585
Non-monetary	4,322	-	4,322	-
Bequests and legacies	10	101	10	101
Grants				
Australian Government	2,081	1,911	2,081	1,911
Other Australian	17	-	17	-
Investment income	1,893	2,054	143	211
Other income	23	34	18	30
<b>Total revenue from ordinary activities</b>	<b>15,712</b>	<b>11,685</b>	<b>13,957</b>	<b>9,838</b>
<b>Expenses</b>				
International programs				
Funds to international programs	3,693	3,635	2,576	2,674
Program support costs	1,957	1,806	1,949	1,787
Community education	143	136	143	136
Fundraising costs				
Public	1,117	1,499	1,117	1,499
Government, multilateral and private	55	55	55	53
Events expenses	23	24	21	22
Accountability and administration	444	452	444	447
Net (gain)/loss on foreign exchange	(53)	14	(53)	14
Impairment of investments and loans <sup>1</sup>	1,901	439	1,242	(1,761)
<b>Total expenses from ordinary activities</b>	<b>9,280</b>	<b>8,060</b>	<b>7,494</b>	<b>4,871</b>
<b>Surplus on ordinary activities</b>	<b>6,432</b>	<b>3,625</b>	<b>6,463</b>	<b>4,967</b>

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Share of profits from associates <sup>2</sup>	385	750	44	-
Finance income <sup>2</sup>	303	433	-	-
Finance charges <sup>3</sup>	(281)	(436)	-	-
<b>Surplus before tax</b>	<b>6,839</b>	<b>4,372</b>	<b>6,507</b>	<b>4,967</b>
Tax expense	(87)	155	-	-
<b>Net surplus for the year</b>	<b>6,926</b>	<b>4,217</b>	<b>6,507</b>	<b>4,967</b>
<b>Net surplus attributable to:</b>				
Non-controlling interests gain/(loss)	(42)	334	-	-
The Parent	6,968	3,883	6,507	4,967
<b>Net surplus for the year</b>	<b>6,926</b>	<b>4,217</b>	<b>6,507</b>	<b>4,967</b>

Opportunity had no transactions and therefore zero balances in the following categories: Revenue for international political or religious adherence promotion programs, international political or religious adherence promotion programs expenditure and domestic programs expenditure.

<sup>1</sup> Impairment of investments and loans relates to investments in and loans to microfinance partners.

<sup>2</sup> In prior years we included share of profit from associates and finance income in total revenue from ordinary activities. In 2013 we have excluded these two non-cash items from total revenue from ordinary activities to reflect the nature of these income items. The comparative figures have also been updated.

<sup>3</sup> In prior years we included finance expenses in total expenses from ordinary activities. In 2013 we have excluded this non-cash item from total expenses from ordinary activities to reflect the nature of this expense. The comparative figure has also been updated.

The statements on pages 44-48 comprise a Summarised Financial Report of Opportunity International Australia. A full financial report is available upon request.

## BALANCE SHEET As at 31 December 2013

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	13,594	8,663	2,949	4,523
Trade and other receivables	6,461	7,816	512	13
Other current assets	159	130	109	45
<b>Total current assets</b>	<b>20,214</b>	<b>16,609</b>	<b>3,570</b>	<b>4,581</b>
<b>Non-current assets</b>				
Trade and other receivables	10,626	10,323	1,127	-
Investments in subsidiaries	-	-	35,229	32,380
Investments in associates	12,522	7,865	4,366	-
Other financial assets	246	980	246	980
Property, plant and equipment	606	690	84	134
Deferred tax asset	1,134	756	-	-
<b>Total non-current assets</b>	<b>25,134</b>	<b>20,614</b>	<b>41,052</b>	<b>33,494</b>
<b>Total assets</b>	<b>45,348</b>	<b>37,223</b>	<b>44,622</b>	<b>38,075</b>

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	566	553	484	483
Provisions	168	102	85	47
<b>Total current liabilities</b>	<b>734</b>	<b>655</b>	<b>569</b>	<b>530</b>
<b>Non-current liabilities</b>				
Provisions	189	188	189	188
<b>Total non-current liabilities</b>	<b>189</b>	<b>188</b>	<b>189</b>	<b>188</b>
<b>Total liabilities</b>	<b>923</b>	<b>843</b>	<b>758</b>	<b>718</b>
<b>Net assets</b>	<b>44,425</b>	<b>36,380</b>	<b>43,864</b>	<b>37,357</b>
<b>Equity</b>				
Retained earnings	50,331	43,363	43,864	37,357
Reserves	(7,177)	(7,947)	-	-
Non-controlling interests	1,271	964	-	-
<b>Total equity</b>	<b>44,425</b>	<b>36,380</b>	<b>43,864</b>	<b>37,357</b>

Opportunity had no transactions and therefore zero balances in the following categories: Inventories, assets held for sale, investment property, intangibles, other non-current assets, borrowings, current tax liabilities and other financial liabilities.

## STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2013

	Translation reserve	Statutory reserve	Retained earnings	Total	Non-controlling interest	Total equity
<b>2013 Consolidated \$'000</b>						
Balance as at 1 January 2013	(7,978)	31	43,363	35,416	964	36,380
<b>Total comprehensive income</b>						
Surplus/(deficit)	-	-	6,968	6,968	(42)	6,926
<i>Other comprehensive income</i>						
Foreign currency translation differences	770	-	-	770	349	1,119
Total comprehensive income for the year	770	-	6,968	7,738	307	8,045
<b>Balance as at 31 December 2013</b>	<b>(7,208)</b>	<b>31</b>	<b>50,331</b>	<b>43,154</b>	<b>1,271</b>	<b>44,425</b>
<b>2012 Consolidated \$'000</b>						
Balance as at 1 January 2012	(7,471)	31	39,480	32,040	859	32,899
<b>Total comprehensive income</b>						
Surplus	-	-	3,883	3,883	334	4,217
<i>Other comprehensive income</i>						
Foreign currency translation differences	(507)	-	-	(507)	(229)	(736)
Total comprehensive income for the year	(507)	-	3,883	3,376	105	3,481
<b>Balance as at 31 December 2012</b>	<b>(7,978)</b>	<b>31</b>	<b>43,363</b>	<b>35,416</b>	<b>964</b>	<b>36,380</b>
<b>2013 Parent \$'000</b>						
Balance as at 1 January 2013	-	-	37,357	37,357	-	37,357
<b>Total comprehensive income</b>						
Surplus	-	-	6,507	6,507	-	6,507
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total comprehensive income for the year	-	-	6,507	6,507	-	6,507
<b>Balance as at 31 December 2013</b>	<b>-</b>	<b>-</b>	<b>43,864</b>	<b>43,864</b>	<b>-</b>	<b>43,864</b>
<b>2012 Parent \$'000</b>						
Balance as at 1 January 2012	-	-	32,390	32,390	-	32,390
<b>Total comprehensive income</b>						
Surplus	-	-	4,967	4,967	-	4,967
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total comprehensive income for the year	-	-	4,967	4,967	-	4,967
<b>Balance as at 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>37,357</b>	<b>37,357</b>	<b>-</b>	<b>37,357</b>

## STATEMENT OF CASH FLOWS For the year ended 31 December 2013

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Cash flows from operating activities</b>				
Receipts from donors and grantors	9,492	9,603	9,492	9,603
Payment for programs and employees	(7,506)	(7,716)	(6,516)	(6,442)
Interest received	1,873	2,052	123	210
Other income	4	28	-	24
<b>Net cash generated by operating activities</b>	<b>3,863</b>	<b>3,967</b>	<b>3,099</b>	<b>3,395</b>
<b>Cash flows from investing activities</b>				
Payment for plant and equipment	(23)	(95)	(10)	(66)
<b>Net cash used in investing activities</b>	<b>(23)</b>	<b>(95)</b>	<b>(10)</b>	<b>(66)</b>
<b>Cash flows from financing activities</b>				
Net investment in subsidiary	-	-	(3,357)	(3,155)
Loans to partners	(6,188)	(10,095)	(1,308)	-
Repayment of loans from partners	7,277	8,157	-	-
<b>Net cash used in financing activities</b>	<b>1,089</b>	<b>(1,938)</b>	<b>(4,665)</b>	<b>(3,155)</b>

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Net increase/(decrease) in cash held</b>	<b>4,929</b>	<b>1,934</b>	<b>(1,576)</b>	<b>174</b>
Cash at the beginning of financial year	8,663	6,729	4,523	4,349
Effects of exchange rate changes on balance of cash held in foreign currencies	2	-	2	-
<b>Cash at the end of financial year</b>	<b>13,594</b>	<b>8,663</b>	<b>2,949</b>	<b>4,523</b>

## NOTES TO THE SUMMARISED FINANCIAL REPORT

**Cash movements for specific purposes for the year ended 31 December 2013**

Movement of cash received or assets held for specific purposes that is 10% or more of total revenue for the year are as follows:

Specific purpose or appeal	Available at start of year \$'000	Raised during year \$'000	Disbursed during year \$'000	Available at end of year \$'000
<b>2013 Consolidated</b>				
Microfinance programs in India	6,452	13,202 <sup>1</sup>	9,454	10,200
TLM Growth Program	535	547	260	822
Philippines Reform Program	760	486	609	637
Total movements for specific purposes	7,747	14,235	10,323	11,659
Total for other purposes	916	4,413	3,394	1,935
<b>Total cash</b>	<b>8,663</b>	<b>18,648</b>	<b>13,717</b>	<b>13,594</b>
<b>2012 Consolidated</b>				
Microfinance programs in India	5,438	13,850	12,836	6,452
TLM Growth Program	547	842	854	535
Philippines Reform Program	488	404	132	760
Total movements for specific purposes	6,473	15,096	13,822	7,747
Total for other purposes	256	4,744	4,084	916
<b>Total cash</b>	<b>6,729</b>	<b>19,840</b>	<b>17,906</b>	<b>8,663</b>

<sup>1</sup> Includes net gain on foreign currency translation of \$51,000 (2012: Gain of \$1,000).



**Report of the independent auditor on the summary financial statements to the members of Opportunity International Australia Limited**

The accompanying summary financial statements, which comprises the summary balance sheet as at 31 December 2013, the summary income statement, summary statement of changes in equity and summary statement of cash flows for the year then ended, related notes and the directors' declaration, are derived from the audited financial report of Opportunity International Australia Limited for the year ended 31 December 2013. We expressed an unmodified auditor's opinion on that financial report in our report dated 15 April 2014.

The summary financial statements do not contain all the disclosures required by the Australian Auditing Standards Board applied in the preparation of the audited financial report of Opportunity International Australia Limited. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report of Opportunity International Australia Limited.

*Directors' responsibility for the summary financial statements*

The directors are responsible for the preparation of a summary of the audited financial report.

*Auditor's responsibility*

Our responsibility is to express an opinion on the summary financial statements derived from the audited financial report of Opportunity International Australia Limited based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

*Auditor's opinion*

In our opinion, the summary financial statements derived from the audited financial report of Opportunity International Australia Limited for the year ended 31 December 2013 are consistent, in all material respects, with that audited financial report.

KPMG

KPMG

*Madeleine Mattera*

Madeleine Mattera  
Partner

Sydney

15 April 2014

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.





Opportunity International Australia enables you to invest in a mother living in poverty so that she can use a small loan to buy an item like a sewing machine and start a small business. For a family who can't afford the basics, a loan as small as \$100 can be life changing. With this hand up, a mother can put food on the table, send her children to school and transform her family's future for generations. Mothers want what is best for their children, and as businesses become successful (97% of Opportunity's loans are repaid), your help means they can make their dreams for their children come true.



## PwC Transparency awards



**Top 10 Finalist 2013**  
\$5m to ≤ \$30m revenue category

Opportunity International Australia was pleased to be recognised as one of 10 finalists in the revenue \$5m to \$30m category in the 2013 PwC Transparency Awards for the quality and transparency of our reporting.

Opportunity International Australia (Opportunity) is committed to protecting your privacy and complies with Australian Privacy Laws including the Privacy Act 1988 (Cth) in regard to all personal information it collects, holds, uses or discloses. Opportunity's full Privacy Policy is available at [www.opportunity.org.au](http://www.opportunity.org.au) if you would like to know more or if you would like access to the information that Opportunity holds about you, please phone (02) 9270 3300 or toll free on 1800 812 164.

 [www.facebook.com/opportunityAUS](http://www.facebook.com/opportunityAUS)

 [www.twitter.com/opportunityAUS](http://www.twitter.com/opportunityAUS)

 [www.youtube.com/opportunityaustralia](http://www.youtube.com/opportunityaustralia)

Opportunity International Australia Limited  
ABN 83 003 805 043

Level 4, 220 George Street  
Sydney NSW Australia 2000

Tel: 1800 812 164 or +61 2 9270 3300

Fax: +61 2 9270 3399

[opin@opportunity.org.au](mailto:opin@opportunity.org.au)

[www.opportunity.org.au](http://www.opportunity.org.au)

