



One by one

OPPORTUNITY INTERNATIONAL AUSTRALIA

Annual Review 2011



Opportunity International
AUSTRALIA

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One by one: a note from the CEO and Chairman

Dear friends

Sometimes in our work we're asked if what we do can really change anything when there is so much need out there. There's so much poverty in the world – why bother? Can anything we do really make a difference?

Perhaps the only answer to that question is this: it makes a difference to the one. It made a difference to Melba from the Philippines, who is pictured on this year's cover with her five-year-old daughter Renalyn. A small loan has enabled Melba to start a cooking business, and the income she is earning means that Renalyn is now in school.

It made a difference to Ana, who, at nine months pregnant, was foraging for scraps to eat on a rubbish dump. And it made a difference to Babuli, a basket weaver, and Wilhelmina, a vegetable grower, who have been able to use their small businesses to earn regular incomes and provide for their families (read their stories on the following pages).

Thanks to the generosity of people like you, each day sees more and more people empowered and given an opportunity to leave poverty behind. With small businesses and new incomes, children can go to school, families no longer go to bed hungry and water that was once dirty and dangerous is clean and safe to drink. One by one, hope is restored to these families.

And it's happening all the time – right now millions of families are being given a hand up through microfinance. Thanks to our donors, we were able to raise more than \$9.1

million in 2011, helping more families like Ana's, Babuli's and Wilhelmina's leave poverty behind. Considering the nature of microfinance – where each small loan is repaid and lent out again to help someone else – this is a significant impact.

2011 saw us mark 40 years of the Opportunity International Network – four decades of great challenges and lessons but even greater victories. The anniversary coincided with us being awarded runner-up in the \$5m to \$20m revenue category of the PwC Transparency Awards (for 2010), an accolade that recognises organisations for the quality and transparency of their reporting. Now in 2012, we have been awarded the winner in the \$5m to \$30m revenue category of the PwC Transparency Awards (for 2011). As a steward of donated funds, we place the utmost importance on accountability and transparency, and are so grateful for this honour.

We want to end this letter by thanking all of you – our donors – who, in seeing the needs of the families we serve, do what you can to help end the pain and suffering of poverty. Each and every one of you is making a difference, and it makes us so proud to walk alongside you. On behalf of all of the families you've helped in 2011 – thank you.

Warmly



Chris Sadler
Chairman

Robert Dunn
Chief Executive Officer

PwC
Transparency
awards



Winner 2011
\$5m to ≤ \$30m revenue category



Top: Robert Dunn, Chief Executive Officer.

Below: Chris Sadler, Chairman.

About us

Who we are

Opportunity International Australia is a non-profit organisation that uses a business approach to solve the problem of poverty. Rather than a hand-out, we provide people living in poverty with a loan as small as \$100 to help them start or grow their own small business. This enables them to earn a regular income so they no longer have to struggle to afford food, clean water, proper shelter or an education for their children.



With more than 40 years' experience working with the poor, Opportunity is a leading provider and pioneer of microfinance and enterprise and community development services.

In partnership with the Opportunity International Network (with support partners in the United States, United Kingdom, Canada, Germany, Singapore and Hong Kong), we are 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 a 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 pushes 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. Jesus mixed with some of the most despised people of his time – prostitutes, tax collectors and other outcasts. He helps and believes in all people – religion, race and gender don't come into it.

In our work with the poor, we come across a number of people who demonstrate 'Christ-like' behaviour every day. Some of these people are Christians, some are not. Some are the leaders and staff of our partner microfinance institutions who work in the most isolated, difficult areas imaginable; some are our staff who labour tirelessly to give a voice to the voiceless. Some are our clients who, despite their own circumstances, walk alongside others in their

neighbourhoods to help them grow successful businesses, too. Together, we work to reach out to people in need – religion, race and gender don't come into it.

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: "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 mission

Our mission is to provide opportunities for people living in poverty to transform their lives.

Our vision

Our vision is to see millions of people lifted out of poverty permanently.

Our inspiration

Opportunity is inspired by Jesus Christ's call to love all people. We assist people in poverty without regard to gender, ethnicity or religious affiliation.

Our values

- Commitment to the poor
- Humility
- Integrity
- Respect for our clients and partners
- Stewardship
- Transformation

What is microfinance?

Small loans are core to microfinance – giving people a tool to start a business and work their way out of poverty. But microfinance is about more than just credit. It involves providing access to all kinds of financial services, including savings accounts, money transfers, insurance and pensions, often alongside non-financial services such as business training.

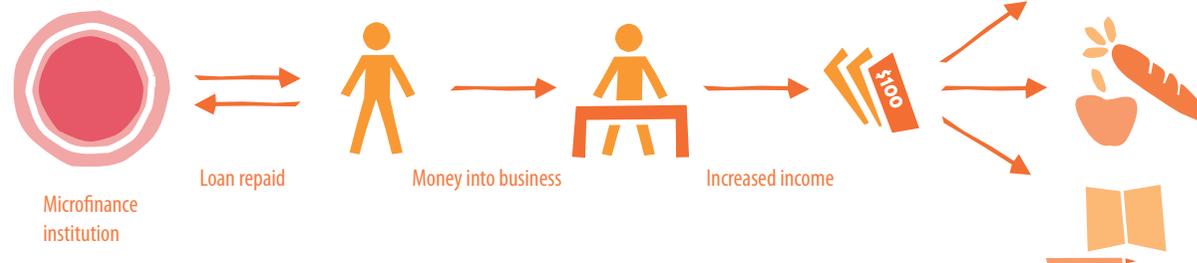
Microfinance empowers people who wouldn't usually qualify for regular banking services because they have no form of collateral, formal identification or regular income.

By helping a mother buy a sewing machine to start a tailoring business or a father to buy seeds to plant a vegetable garden, microfinance enables people living in poverty to earn an income and provide for their families. As each business grows, loans are repaid and lent out again. And with 97% of loans paid back, the cycle continues, year after year. Each successful business feeds a family, employs more people and eventually helps to empower a whole community.

Our methodology

Opportunity works through local microfinance institutions in developing countries. This ensures that we understand the needs of the people living in poverty in the area and allows us to serve them effectively.

How microfinance helps break the poverty cycle



More than loans

While our financial support is key, we don't simply fund the loan portfolio of our microfinance partners. We support the organisation as a whole – helping them with capacity building and the technical aspects of their programs so that they can provide a range of effective financial products and services. In addition, many of our partners offer community development services, reaching out to microfinance clients with interventions involving healthcare, education, infrastructure and so on. Opportunity understands that microloans on their own are not always enough to lift a person out of poverty and we are committed to helping our partners provide a range of flexible financial and non-financial services to help people leave poverty behind for good.

In regions where poverty is entrenched, the establishment and success of a microfinance institution presents immense challenges. Our technical support allows our partners to refine their operations and reach out to more and more people living in poverty. Without this non-financial support alongside funding, microfinance institutions may struggle to grow or effectively meet the needs of the poor in their area.



2011 at a glance



Objective

Increase our program outreach and develop the depth of our program interventions.

We will continue to develop our programs and interventions to ensure they are having the greatest impact possible.

2011 OUTCOMES

- Continued to fund and work with our partners as they reach out to people living in poverty, particularly in India, Indonesia and the Philippines
- Continued with our impact assessment program, helping us measure the effect our programs are having in the lives of people in poverty (focusing on client protection, outreach and transformation – see more detail on page 23).

India *(see more detail on page 10)*

- Helped more than 1,232,200 families in India use microfinance to grow small businesses and provide for their children
- Formed a new partnership with microfinance institution BFL and amicably ended partnerships with Arth, Kaveri and Shalom due to mission shifts
- Distributed \$16,882,000 to our programs
- Continued to walk alongside our Indian partners throughout a challenging operating environment. With bank funding down across the country, we worked to strengthen their operations in order for them to move forward with their social mission

- Supported our partners as they offered complementary community development programs alongside microfinance, empowering families with improved healthcare, childcare, education and pension programs.

Philippines *(see more detail on page 14)*

- Helped provide microfinance to more than 791,100 families in the Philippines
- Distributed \$1,125,000 to our programs
- Continued to help our Filipino partners develop their programs and products to ensure they effectively meet the needs of the people they serve
- Assisted our partners as they offered skills training, financial literacy training, educational loans and emergency relief to clients.

Indonesia *(see more detail on page 18)*

- Helped more than 29,900 families in Indonesia gain access to microfinance
- Distributed \$439,000 to our programs
- Assisted our partner TLM as it introduced a mobile banking initiative and opened new branches to reach families living in isolated communities
- Supported TLM as it offered business and skills training, clean water initiatives and educational scholarships to families in need
- Investigated options to further expand our programs to other areas of the country where poverty is rife and microfinance services are scarce.

Objective

Grow our resources.

We will continue to grow our resources to ensure we can continue to reach out to more people in need.

2011 OUTCOMES

- Raised a total of \$10,500,000 through fundraising, events and grants
- Introduced The Council, a small group of respected and influential people who share their wisdom with us as well as advocate on our behalf (read more and see the full list of Council members on page 34)
- Had 147 Ambassadors advocating on our behalf – hosting various fundraising and information events to help us grow our resources and increase our impact. These included food fairs, football games, bike rides, fundraising walks, breakfasts, lunches and dinners
- Launched the inaugural *Food for Thought* campaign (to coincide with the UN International Day for the Eradication of Poverty in October), which saw supporters host a number of special meals around the country to raise funds and awareness – encouraging guests to ‘eat, drink and be generous’
- Developed *The Purse Project* in March in conjunction with a coalition of other organisations to raise awareness of the needs of women in developing countries on UN International Women’s Day

- Travelled with supporters on five Insight Trips, showing them our work with people living in poverty first-hand – including one trip with Ambassador Kristina Keneally to India in November
- Hosted a number of boardroom lunches with John Anderson and Peter Costello as guest speakers
- Joined with Freehills, Minter Ellison Lawyers and staff of BHP Billiton to present three *Put Yourself In Her Shoes* events in Brisbane, Perth and Singapore, raising more than \$200,000.



Objective

Improve organisational performance.

We will conduct our operations in a way that reflects our values, demonstrating accountability and transparency in all that we do.

2011 OUTCOMES

- Demonstrated good stewardship with fundraising costs coming in at 19% of fundraising revenue in 2011 and undesignated revenue covering all undesignated costs
- Received runner-up in the \$5m to \$20m revenue category of the PwC Transparency Awards (for 2010), an accolade that recognises organisations for the quality and transparency of their reporting. In 2012, we have since been awarded the winner in the \$5m to \$30m revenue category of the PwC Transparency Awards (for 2011).
- Maintained good governance within the organisation, with one new Director joining the Board in February (welcome Joanna White!)
- Continued to reduce costs wherever possible, with pro bono support from supporter organisations increasing to an estimated \$440,000 – helping us steward our resources
- Were supported by a team of volunteers and interns who donated more than 10,760 hours to our cause
- Participated in the Westpac Organisational Mentoring Program in order to review and refine our internal processes and operations
- Continued to work by our formal policies and procedures and *The Opportunity Way*, a team-developed framework outlining who we are and how we operate.

Thank you

Our sincerest thanks go out to all the donors, Ambassadors, volunteers, corporate supporters, Board and Council members who so generously offer their finances, time and resources to reach out to people in need through the work of Opportunity. Your contribution is so valued.

To the Australian Government (AusAID) and the Australian Council for International Development (ACFID), we thank you for your significant support and assistance, and to all of our staff, thank you for the tireless effort and commitment you bring to our cause day after day. Together we are making a difference.

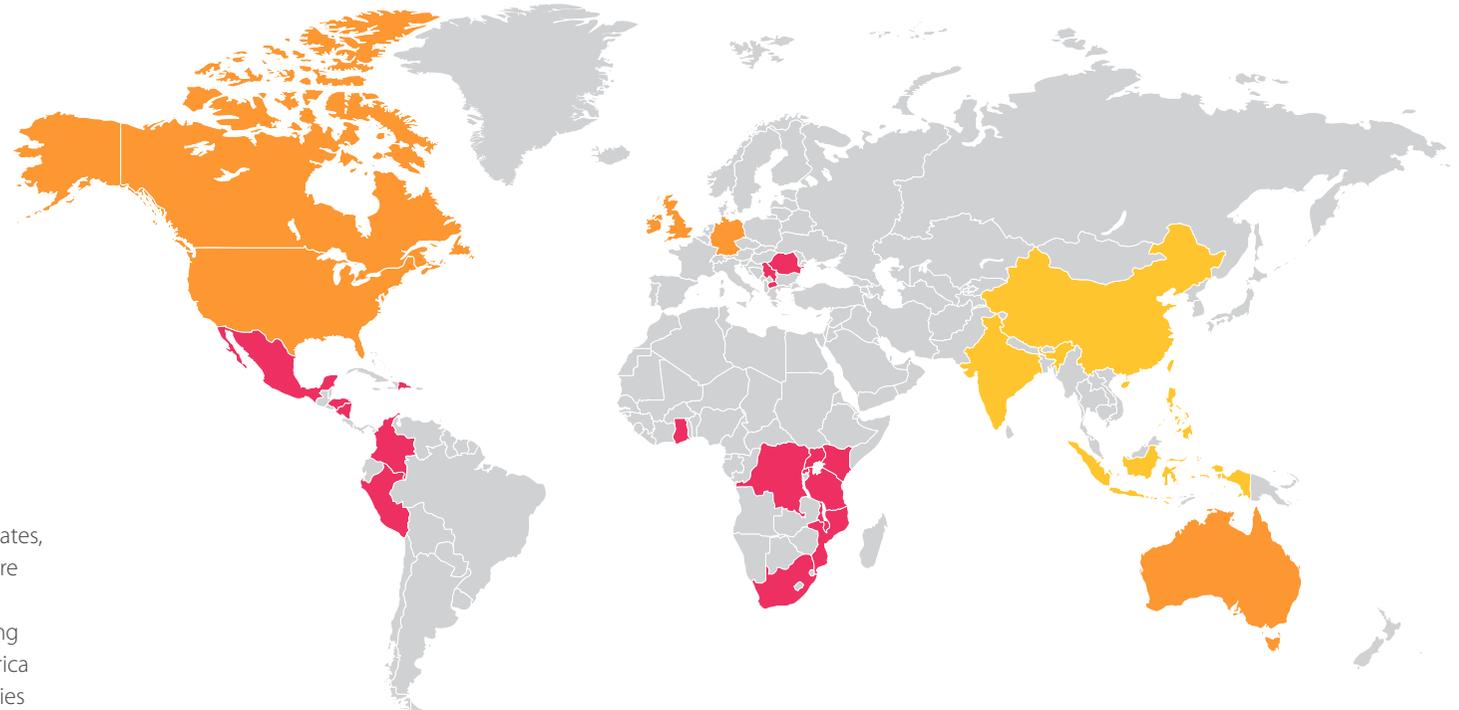


One by one: our global impact

Opportunity International Australia operates as part of the broader Opportunity International Network – a global network of partners who support microfinance institutions around the world.

These support partners exist in the United States, United Kingdom, Canada, Germany, Singapore and Hong Kong, as well as here in Australia. Together we work in more than 20 developing countries throughout Asia, Africa, Latin America and Eastern Europe, helping millions of families make their way out of poverty.

Opportunity International Australia principally (but not exclusively) supports programs in Asia, currently focusing on work in India, Indonesia and the Philippines, and also China.



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



Program disbursements



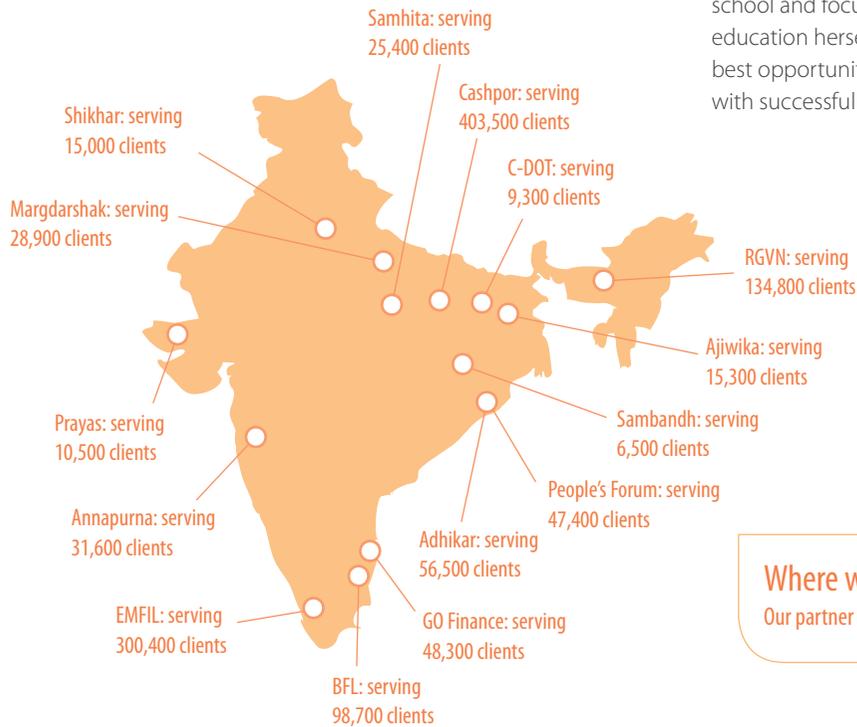
Babuli's story

At 6am each morning, Babuli and her husband Vasuda begin weaving baskets. This skill, passed down from Vasuda's parents, has proven invaluable for Babuli and her family. Until late in the evening, Babuli's fingers thread and plait the strong cane into place to create beautiful baskets that she can sell in her village.

Babuli and her family live in a remote area of Orissa, a coastal region of eastern India. Living in a small hut in the centre of their village, Babuli and her husband struggled to afford even the most basic of items for their family. To keep food on the table, Babuli took her sons, Bapina and Biplab, out of school so that they could find work.

It wasn't until Babuli received a small loan of Rs.5,000 (A\$100) that life started to improve. Using the capital to expand her basket-weaving business, Babuli was able to purchase raw materials in bulk. As her business grew, it attracted wholesalers as well as individual customers.

Now on her fourth loan of Rs.15,000 (A\$300), her earnings have increased to Rs.5,000-6,000 (A\$100-125) a month. The extra income meant that her sons could return to school and focus on their studies. Despite not having an education herself, Babuli has been able to give them the best opportunity for the future. Today her sons are adults with successful small businesses of their own.



Where we work in India
Our partner locations and outreach

Our impact in India

As India's economic growth makes headlines around the world, hundreds of millions of Indians face a life of grinding poverty. With a population of over 1.1 billion people, close to 76% of the population struggle to survive on less than US\$2 a day. India is also home to the largest number of hungry people in the world – a staggering 200 million. A lack of adequate sanitation, homelessness and disease add to the burden, while malnutrition and poor maternal and child health take thousands of lives every year.

At the end of 2011, we were helping more than 1.2 million families in India leave poverty behind – people like Babuli (read her story on the previous page). With your generous giving, we were able to send \$16,882,000 to fund our socially focused programs in India, reaching out to some of the most marginalised people in the country.

2011 HIGHLIGHTS

Strengthening our outreach

- By the end of 2011, we were helping more than 1,232,200 people in India out of poverty, allowing them to start their own businesses, earn regular incomes and provide for their families.
- We continued with our Social Performance Management (SPM) program amongst a number of our Indian partners – assessing client protection, outreach and transformation (read more about SPM on page 23).
- 2011 saw us form a new partnership with BFL, a microfinance institution working in the southern states of Tamil Nadu and the Andaman and Nicobar islands. In 2004, the islands were devastated by the Boxing Day Tsunami, taking lives and severely affecting the local economy which was previously dependent on farming and fishing. Microfinance is continuing to play a significant role in rehabilitating the economy and generating sustainable livelihoods.
- Due to a shift in mission alignment and changes to their business objectives, we ended our partnerships with Kaveri, Arth and Shalom. All funds invested by Opportunity in these partners were repaid, allowing us to further support our other Indian partners and expand their outreach.

Overcoming challenges with a social focus

- Throughout 2011, Opportunity demonstrated its commitment to families living in poverty in India by continuing to fund our Indian partners while they struggled to obtain bank finance. The whole sector suffered a liquidity squeeze due to concerns over the behaviour of commercial players in the sector (in contrast to our partners' socially focused operations). Previously, banks in India provided a fairly reliable source of funds for microfinance institutions, but in late 2010 and early 2011, this funding dropped dramatically for both commercial and socially focused microfinance providers. This has significantly hampered the provision of microfinance to clients in need and, as a result, Opportunity's donor funding has been more crucial than ever.
- In early December, the Reserve Bank of India formally announced that recommended regulations for the Indian microfinance sector had been accepted. It is expected that the regulations will cause funding limitations to ease throughout 2012, with some of our larger partners already receiving additional funds. Though it has been a period of great challenges for the sector, Opportunity welcomes the regulations which help ensure that clients are protected from unfair, commercially driven lending practices.
- With the challenges particularly concentrated in the state of Andhra Pradesh (AP), the operations of our AP partners, Saadhana and Sharada, were drastically affected. Late 2010 saw the AP government place restrictions on the collection of loan repayments within the state. In addition, bank funding to microfinance providers in AP has dried up and is only now beginning to resume. Opportunity has been working with both partners, offering business advice and support to determine best practice moving forward, although we are concerned that without external funding, the viability of both entities is at risk (read more about risk in development on page 29).

More than loans: healthcare, childcare and education

- A number of partners also ran community development programs alongside their microfinance services. For example:
 - Recognising that urban slums in India can often be unsafe – with children exposed to high levels of violence – Annapurna, our partner in Mumbai and Pune, identified a need for childcare services to give children a safe place to stay while their parents work. Offering low-cost day care centres for its clients, Annapurna currently looks after 350 children across 15 centres in Pune. Children are taught poems, take part in educational games and get plenty of exercise. The average cost is Rs.400 (A\$8) a month and Annapurna plans to expand the service into Mumbai in 2012.
 - A lack of education on basic health principles means that preventable diseases are common in isolated communities across India. The Healing Fields Foundation has developed a health education program to address this issue, and Opportunity is connecting our partners

"I got a loan to purchase livestock and a cotton-processing machine. Now I can afford a better education for my children and make some savings out of the income for our bad times."

Kamti, Opportunity client from India

with the program in order for them to expand the initiative across our microfinance operations. The program trains local microfinance clients in basic health knowledge and skills. These 'Community Health Facilitators', as they're known, then run local community health sessions, educating people on the prevention and treatment of common diseases and empowering families to take responsibility for their own health and wellbeing.

- Eight of our partners joined a network of organisations committed to improving the financial literacy of women living in poverty. The Citi Centre for Financial Literacy provides organisations with financial literacy materials and training opportunities for clients. Using films and skits, the programs are able to reach people of limited literacy levels and include topics such as savings and credit, insurance and investment, personal finance and planning for the future.
- Like many developing countries, India lacks a universal social security system to support its elderly population. To begin to address this, the Indian government launched a contribution-based pension scheme and several of Opportunity's partners in India are beginning to implement the program with their clients. Participating microfinance institutions collect a minimum annual pension premium from their members and deposit it in government-approved pension funds. The government then provides an annual co-contribution for the first three years and the money is invested in low-risk investments. When the client turns 58, they are able to start receiving a regular pension, helping them be financially self-sufficient in their latter years.





Ana's story

For 20 years, Ana's survival relied on what she could salvage from the garbage at the Payatas dumpsite in Quezon, Philippines. The enormous mound of waste stretches for more than 50 acres and is home to thousands of scavengers, trying to stay alive by scrounging for food and items they can sell.



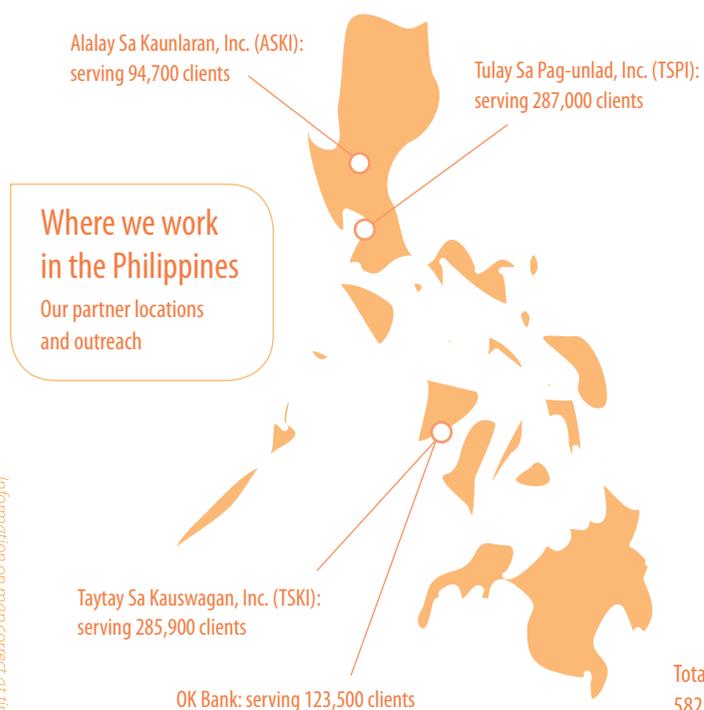
For Ana, living was a struggle – scavenging to survive meant digging through all types of waste – even dead dogs. When she did find food, she would hurriedly eat but was often sick, vomiting after ingesting the dirty food. She was even forced to scavenge whilst nine months pregnant.

Ana was determined to change her life. Thanks to the help of a small loan of Php.4,000 (A\$91), Ana was able to set up a small *sari sari* (grocery) shop. She used her loan to buy biscuits, lollies, shampoo and noodles, selling them for a profit. She saved half of her earnings, investing the money back into her business to make it grow.

Now 33, Ana lives in a house at the back of her store with her husband and four children. She has been able to afford nutritious food, medicine and an education for her children, so that they don't have to know the life of poverty she once did. When street children pass her shop, she calls them in, feeds them and gives them clean water to drink.



Total client outreach for the Philippines is 791,100, consisting of 582,500 borrowers and 208,600 savings account holders without loans.



Our impact in the Philippines

Poverty in the Philippines is particularly entrenched in rural areas, with the gap between urban and rural living standards increasing in recent years. People in rural areas typically have less access to basic services, lower levels of education and larger families to support. But poverty is by no means isolated to rural areas – in the cities, families are crammed into urban slums where makeshift shelter, inadequate sanitation and illness are a part of everyday life. It's estimated that 43.7% of people living in cities live in slums.

Almost half the population of the Philippines – 45% of people – struggle to survive on less than US\$2 a day. Frequent natural disasters, high population growth and increasing costs of food and oil have made it difficult for people in the Philippines to get ahead. In 2011, your donations helped us send \$1,125,000 to the Philippines to reach out to some of the poorest families in the country – people like Ana (read her story on the previous page).

2011 HIGHLIGHTS

Meeting needs with microfinance

- Through the four partners we work most closely with in the Philippines, we were helping provide microfinance to more than 791,100 families at the end of 2011.
- To combat the remoteness of the country, one partner, Alalay Sa Kaunlaran, Inc. (ASKI) established 17 Collection and Disbursement Point (CDP) offices to serve people who live far from existing branches. Clients are able to manage their loan repayments and make collections at the CDP offices, saving them from having to spend their hard-earned income on travelling to distant branches.
- All partners continued rolling out their improved loan products across the country, designed to better meet the needs of poor families. ASKI's 'Ok Ka' loan enables clients with great entrepreneurial capability to access increased capital in order to expand their business and significantly increase their income. Clients under the 'Ok Ka' program grew from 700 in June 2011 to 4,162 in December 2011. Both Taytay Sa Kauswagan, Inc. (TSKI) and Tulay Sa Pag-unlad, Inc. (TSPI) also successfully rolled out their new loan products across all branches – 'PKK2' and the 'Maunlad Progressive Program' respectively – offering clients loan sizes, terms and repayment schedules that suit the needs of their businesses.
- 2011 also saw ASKI and TSPI receive the Seal of Transparency from MFTransparency – recognising them for their fair and transparent pricing. ASKI was also awarded Most Outstanding Non-Government Organisation in the Philippines by the National Livelihood Development Corporation (NLDC), donating the prize money to victims of Typhoons Nesat and Nalgaem which hit the country several weeks prior.



- The 2011 Citi Micro-Entrepreneur of the Year Awards saw two awards go to two TSPI clients. Corazon Bautista, who runs a clothing business which has become a leading corporate-wear manufacturer with 17 employees, and Jocelyn De Guzman, who makes slippers and sandals and employs 29 people, were both recognised for their efforts, receiving grants to attend an entrepreneur management course.
- A microfinance-orientated 'thrift bank', OK Bank continued to refine its strategy and operations and offer financial services to clients through its 13 branches and 11 banking offices. With a focus on providing savings accounts where clients can earn interest, OK Bank also offered individual loans, insurance and larger loans for small-medium enterprises.
- ASKI implemented a Social Performance Management (SPM) program – using the 'Progress out of Poverty Index' to assess the impact microfinance is having in its clients' lives (read more about SPM on page 23).

Training for the future

- To help people learn new skills that will provide them with a livelihood, our partners in the Philippines also offered training to clients. Soap-making, hog-raising, cooking and bookkeeping workshops were offered alongside financial literacy, business and marketing courses that teach clients how to grow their businesses, market their products and make wise financial decisions.
- Financial literacy training was a core focus for three Filipino microfinance institutions, with a suite of multimedia educational resources developed to empower poor households to effectively budget and save their incomes. Currently in its pilot phase, the project uses short videos in a 'game show' format alongside comic strips and other resources to engage and educate clients. The pilot phase aims to reach over 18,000 people with the view to share the training throughout the country.
- Recognising the importance of education, ASKI and TSKI also offered an educational loan to clients who lack the funds to send their children to school or college. ASKI's low-cost loan is currently helping 260 children receive an education, while TSPI offered a childcare and learning centre for children aged three to six years.

"With my business, I can afford to buy enough milk and even toys for my daughter."

Myrna, Opportunity client from the Philippines

- TSKI continued with its Farmers Integrated Assistance Program (FIDA), an intervention that recognises that often the poorest families live in rural areas, working as small-scale farmers. Poor infrastructure and a lack of access to processing facilities leads to many farming families producing crops of low quality, providing a meagre, unstable income. As well as providing training and financial services such as loans and crop insurance, FIDA offers farmers access to equipment and machinery, improved irrigation and product development (such as training on how to mill rice). Clients are also taught how to get a good price for their product at market.
- Reflecting the high proportion of its clients who are female, ASKI held a Gender Forum in March 2011, aiming to improve awareness of reproductive health, responsible parenthood and gender equality.

Responding to emergencies

- 2011 saw a number of typhoons and tropical storms hit the Philippines. Many of Opportunity's clients were affected and disaster relief was offered to help families cope with the emergency. Food, blankets, mats and clothing were all provided and loan repayment schedules were suspended until clients could recover from the disaster.
- As natural disasters are common in the Philippines, our partners also offered a range of services such as insurance and savings to help clients develop 'safety nets' for their families. Each lending program at TSKI includes a savings component to help families plan for the future, while ASKI, recognising the extreme weather conditions many clients face, offered an agricultural insurance product to rural households, protecting them against crop losses caused by adverse weather.





Wilhelmina's story

Every day, Wilhelmina and her husband Faris tend to the crops on their 12 plots of rented land. The farmland is flourishing, brimming to life with vegetables.

Wilhelmina's farm didn't always flourish. A few years ago she rented four plots of land but couldn't afford to purchase the items that could improve the quality of her crops, like fertiliser. This meant she was only able to harvest her sparse crops once a week – making the family's weekly income a meagre Rp.50,000-70,000 (A\$5.50-7.75).

With so little money, Wilhelmina and Faris struggled to afford food, clothing and other basics for their children – Oki Risma (16), Richard (nine) and Arif (four). Their home was made of palm branches and had a dirt floor. Relying solely on their produce for income, Wilhelmina knew that if she wanted her children to go to school, she would need to improve the business.

Taking out a small loan, Wilhelmina purchased fertiliser and seedlings of water spinach, mustard greens and cabbage to plant. As her crops grew, she was able to triple her income to Rp.150,000-200,000 (A\$16.60-22.15) a week and expand the farm into another eight plots.

Today, Wilhelmina and her husband are able to harvest their crop twice a week. With their new income, what once seemed like an impossible dream for Wilhelmina and her family is now a reality – with her two eldest children now in high school.



Where we work in Indonesia

Our partner location and outreach

Total client outreach for Indonesia is 29,900, consisting of 26,600 borrowers and 3,300 savings account holders without loans.

Tanaoba Lais Manekat (TLM): serving 29,900 clients

Our impact in Indonesia

Indonesia is the world's largest archipelago. With more than 13,000 islands, it is home to many distinct ethnic and linguistic groups. With its tropical climate and rich culture, Indonesia has long been a favourite holiday destination for Australians. Yet beyond the tourist track, poverty and social conflicts span the country. Over half the population struggles to survive on less than US\$2 a day, with rural isolation and poverty leading to worrying levels of malnutrition, illiteracy and infant mortality.

Wilhelmina, whose story is on the previous page, was one of these people. Thanks to the donations of people like you, she and others like her are being given the opportunity to open their own small businesses, earn regular incomes and provide for their families. In 2011, your donations helped us send \$439,000 to expand our outreach and increase our impact in the region.

2011 HIGHLIGHTS

Expanding our outreach

- Through our closest partner in Indonesia – Tanaoba Lais Manekat (TLM) – we were serving 29,900 families with microfinance at the end of 2011, helping them leave poverty behind.
- In order to address the entrenched poverty and lack of services on the islands of Sumba and Flores, TLM expanded its outreach by opening three new branches. In Sumba, TLM opened the doors to the Waingapu branch in August and the Melolo branch in September. By the end of 2011, the two new branches were reaching out to 1,300 people. In Flores, where communities are dependent on small-scale farming for their livelihoods and are often reliant on seasonal rain, the new Ruteng branch was introduced to help people manage their cash flow during lean periods. Within a month of opening, it was serving 187 people, enabling them to provide for their families all year round.
- To combat the remoteness faced by many people in Indonesia, TLM introduced a mobile savings program that sees two mobile 'banking vans' travel to strategic locations (such as markets), offering access to savings and loans for people who live out of reach of standard branches. Offering Electronic Delivery Channels (similar to EFTPOS machines) so that locals can easily deposit and withdraw money, the vans also play educational videos, teaching the importance of savings and covering other local issues, such as agriculture. At the end of 2011, the vans were servicing 635 savings clients – people like Amos (pictured top).



- In order to ensure it is continually meeting the needs of the poor, TLM developed a client satisfaction survey which it conducted in April with 757 clients from 19 branches. The answers to the 14 questions enabled TLM to devise ways it could improve its products and services.
- 2011 also saw us investigate options to further expand our programs in Indonesia throughout other areas of the country where poverty is rife and microfinance services are scarce. This research will continue in 2012.

China

The Opportunity International Network has an implementing partner based in China that was initially funded by Australian donors in 2003. It helps transform lives by providing small businesses with loans, training and consulting that enable them to develop and sustain income-generating enterprises which, in turn, create jobs for the marginalised unemployed. Opportunity International China operates in Hefei in Anhui province and Suqian and Huai'an in Jiangsu province.

In 2011, Opportunity International China helped grow and sustain 784 businesses, providing loans of between US\$400 and \$30,000. 15% of clients are wholesalers and retailers, 30% run small workshops or work as manufacturers, 47% are agricultural clients and others are engaged in animal husbandry. More than 37,000 jobs were created and impacted by the loans Opportunity International China made in 2011.

Education and infrastructure

- Education and training programs covering business planning and financial awareness helped families learn how to best manage their income and create a brighter future for their children. Throughout 2011, TLM held 47 training sessions, educating more than 2,500 clients.
- 2011 also saw TLM introduce a Village Partnership Program, placing specially trained staff within communities to work alongside locals in order to accurately assess their needs, skills and resources, as well as the potential for a sustainable community enterprise. On the island of Sabu, for example, palm sugar is a major commodity. Although it has many uses, the Sabunese people only use the palm sugar to produce a sweet beverage. As part of the program, TLM staff were able to introduce the idea of manufacturing soy sauce from the palm sugar. A loan of Rp.900,700 (A\$100) allowed a group in the village to purchase palm sugar, soybeans, spices, bottles and labels for packaging. The 95 bottles of soy sauce that resulted sold out within months, enabling them to diversify and increase their income sources.
- A community development program focusing on water and sanitation in Sabu saw wells throughout the island reconstructed to enhance water security for community members who don't have access to safe drinking water for long periods throughout the year. An initial eight wells were rehabilitated.
- In order to bring new opportunities to the children of eastern Indonesia, TLM also offered a scholarship program, covering the cost of fees for primary school students and contributing towards the cost of fees for high school students. In 2011, 75 children received the scholarship.



"I am proud because since receiving the loan, my business is increasing... Now I don't have to worry about the costs of my family life and school fees of my children."

Serly, Opportunity client from Indonesia



Poverty: the facts

Throughout the world, 2.7 billion people live in poverty, struggling to survive on less than US\$2 a day.

This kind of poverty is not just about not having enough money, it affects every aspect of a family's life. The kind of food they eat, the type of shelter they call home, even where they go to the toilet. It means no medicine when their children get sick, no clean hospital to give birth in and no tap to drink safe water from when they get thirsty. Opportunity is working to help see an end to these kinds of statistics.



One in seven people around the world go to bed hungry each night.



One in five adults across the globe are not able to read or write.



India
69% of people have no access to toilets or latrines.



21,000 children globally die every day from preventable causes.



The Philippines
43.7% of people living in cities live in slums.



Indonesia
20% of the population has no safe drinking water.



How we multiply your money – and your impact

The nature of microfinance means that donations to Opportunity are continually at work.

A donation is received

Microfinance provides a business solution to the problem of poverty. By giving out loans instead of hand-outs, Opportunity stewards your donations, making sure that for each dollar you invest in our work with the poor, more than one dollar will end up in the hands of those who need it most.



Funds are leveraged

Once received, the funds we send to the field are usually leveraged by our partner microfinance institutions 2.5 times (or more, depending on the country they work in). The funds we provide (thanks to your donations) are used as an indication of financial strength and security – enabling our partners to borrow more money from local banks.

These combined funds are then available to loan to a larger number of clients, maximising the impact of your initial donation.



Recycling takes place

Loans are then 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 then re-lent to someone else. This next loan will also be repaid, re-lent and so on. This recycling effect means that more and more clients are able to start businesses and begin to work their way out of poverty – using what are essentially the same funds. In effect, your gift keeps on giving.



Costs are reduced

Leveraging and the 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. As time goes on, the percentage of the initial cost we used to manage the program and provide technical assistance, governance, advocacy, reporting and administration 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 business profits will have a ripple effect. With an increased income, a family can begin to afford better 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 others 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 anti-poverty mechanisms that can become self-sustaining – creating a lasting and cost-effective solution to poverty. Through the multiplier effect outlined here, the power of your donation is magnified, helping more people work their way out of poverty and transform their lives. And for every new donation you make, other people in need are able to take their first step on the pathway out of poverty.



"I am very happy because I was able to get a loan which helped me sustain my businesses. My income is such a great help to my family especially to the education of my children."

Nida, Opportunity client from the Philippines

Impact assessment: how we measure the effectiveness of our programs

Opportunity's Social Performance Management (SPM) program continued in 2011, enabling our partners to assess, measure and refine our programs to ensure that your donations are making the greatest impact possible in the lives of people living in poverty.

In 2011, 12 of Opportunity's microfinance partners in India began or continued with the SPM program with the assistance of external experts. In 2012, another two partners will begin implementing SPM.

Our partners are focusing on three key components of SPM to deliver quality services that effectively reduce poverty for our clients: client protection, outreach and transformation. Opportunity is working with our partners to assess and improve their client protection measures and to ensure that they are reaching people living in poverty in underserved regions and transforming their lives.

SPM is a program of continually monitoring clients' circumstances and how they change over time, so that we can better understand the impact of our programs. The 'Progress out of Poverty Index' (PPI) scorecard is an innovative tool that helps us do just that, monitoring the

effects of microfinance on income levels. The scorecard includes simple questions related to the client's income level, including assets owned, fuel used for cooking and the condition of the home. We also ask additional questions about the client's quality of life, for example; can the client access healthcare? Does the client have access to safe drinking water? Depending on the answers to all of these questions, we are able to estimate the relative income levels and poverty status of our clients.

One partner in the Philippines, ASKI, has been accredited to use the PPI scorecard to measure client poverty levels independent of external support. With capable staff and strong social performance processes, ASKI uses this to develop more client-focused programs.

At the end of 2011, Opportunity piloted a new methodology – Social Return on Investment (SROI) – with one of our partners. This is a framework for understanding, measuring and reporting on the value that is created by an organisation, an activity or a service – in our case, microfinance. This concept of value includes social, economic and environmental costs and benefits created by the activity. SROI tells the story of how change is being created by measuring the outcomes and using monetary values to represent them. The data is collected through one-on-one interviews and focus groups with clients, enabling us to understand what they believe to be the major changes they have experienced as a result of our programs. SROI is a detailed study of transformation carried out at a single point in time – it complements the ongoing work on outreach, transformation and client protection that we are doing through our SPM program.

Both of these tools help us and our partners understand the effectiveness of our services. The information we collate over time will help us shape, refine and improve our programs and help increase our impact on the lives of people living in poverty.



More than anything, Opportunity wants to see people leave poverty behind. Impact assessment helps us to be more effective, reach more people and continually help them the best we can. Effectively, it's the translation of our social mission into practice.

Looking forward to 2012 and beyond

Opportunity's mission is to provide opportunities for people living in poverty to transform their lives, and our vision is to see millions of people lifted out of poverty permanently. We seek to help as many people as possible, as deeply as possible – the greatest good for the greatest number of people. Furthermore, we want all elements in the chain to be sustainable: the client and their business, the local partner reaching out to people in need, and us, as a supporting organisation. We have developed the following three-year strategic plan for 2012-14.

1. Programs

Help existing and new partners develop tailored programs that are growing, sustainable and impactful.

- 1a Enable more cost-effective delivery of microfinance services
- 1b Strengthen and diversify funding sources to provide security for existing programs and to enable the expansion of new programs

- 1c Develop broader, client-focused product suites for all partners
- 1d Increase program outreach in Indonesia and consider market participation in other Asian countries
- 1e Review our theory of change and model of intervention to inform our strategy in all program areas.

2. Fundraising

Grow revenue, diversify income sources and build our fundraising capability.

- 2a Create growth in the number and revenue of each channel of donors
- 2b See an increased majority of donors giving at the same level or higher, year on year
- 2c Provide opportunities that enable donors to contribute meaningfully and feel valued
- 2d Increase our fundraising capability through disciplined teamwork and a focus on best practice.

3. Brand development

Develop and implement a targeted brand development program.

- 3a Ensure a targeted approach to brand development
- 3b Implement the brand plan
- 3c Develop an advocacy program.

4. People

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

- 4a Ensure we live the Opportunity values
- 4b Train and develop our people
- 4c Ensure we have the right people to implement this plan
- 4d Improve performance management.

5. The Network

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

- 5a Be active in network governance, strategy and program structure so as to maximise program impact and outreach
- 5b Work with the network to increase capital for programs.

"My children are the priority in my life. If I could do one thing for them, I would support their education up to university. When I was a child I could not reach my dream, I want my children to be able to reach their dreams."

Adrianus, Opportunity client from Indonesia



Our supporters: highlights of 2011

Throughout 2011, people right around Australia supported our programs in a variety of ways – with their generous donations, advocacy, creativity and time. We are continually inspired by the compassion and kindness of Australians who have looked outside their own backyard and recognised the needs of our neighbours around the globe. One by one, you are enabling family after family to leave poverty behind.

\$9,088,000

the total value of donations made in 2011.

2,044

the total number of donors in 2011.

8%

the percentage of donations made in 2011 by corporate supporters. To learn more, visit www.opportunity.org.au

24

the number of people who attended Opportunity's five 2011 Insight Trips, meeting microfinance clients in countries such as India and seeing our work first-hand.

155

the number of guests who attended four boardroom lunches held across the country to hear from keynote speakers and supporters of Opportunity, John Anderson and Peter Costello.

32

meals registered around Australia in October as part of our inaugural *Food for Thought* campaign in honour of the UN International Day for the Eradication of Poverty. Events such as Sydney's 'Foodie Street', the 'Asian Food Fair' and the celebrity-chef filled 'Food for Thought SA' encouraged people to 'eat, drink and be generous' to the tune of more than \$90,000.



40

years – the anniversary celebrated by the Opportunity International Network in 2011.

147

the number of Ambassadors advocating for Opportunity at the end of 2011. Together they raised \$1.2 million for Opportunity's programs.



km – the distance of the Brisbane River Walk which, thanks to Queensland Ambassador Janet Yeo and team, raised more than \$36,000 for Opportunity's work with the poor.

151

the number of media articles published in Australia about Opportunity's work in 2011.

\$440,000

the estimated savings thanks to the pro bono support given to us by organisations such as Proquest, RogenSI, Clayton Utz, KPMG, Silver Chef, The Spectrum Group, Footprint Consulting, Interesting, BlueChip Communication, Freehills, King & Wood Mallesons and Indicum, helping us with everything from IT to office space.

100 years of UN International Women's Day – celebrated on 8 March 2011 at various events around the country, including one lunch at the NAB Academy that raised \$52,000 thanks to Melbourne Ambassadors Laura McKenzie, Karen Morley and Nicholas Barnett.

6 feet – the height of *The Purse Project's* giant purse set up by Opportunity and a coalition of development organisations in Sydney's Martin Place on UN International Women's Day, highlighting the issues facing women in developing countries.



10,760

the number of hours generously donated to us by our incredible team of volunteers and interns in 2011.



days – the time Opportunity Ambassador and former New South Wales Premier Kristina Keneally MP spent in India seeing microfinance at work, visiting slums and meeting clients and their families.

3 the number of *Put Yourself In Her Shoes* events held in 2011 in Brisbane, Perth and Singapore, generously supported by Minter Ellison Lawyers, Freehills and staff of BHP Billiton, raising more than \$200,000.

120 the number of kilometres the very fit *Riders Against Poverty* team rode in the 'grand slam' ride in May to raise funds for Opportunity's work.

10 the number of years law firm King & Wood Mallesons has supported Opportunity with workplace giving and pro bono contributions, totalling \$1 million.



the price of 220 ducklings in Opportunity's charity gift catalogue *Something Bigger*, helping us provide a hand up to families in need.

24 the number of corporate teams who swapped briefcases for footballs as part of the inaugural Opportunity Cup touch rugby league competition. Organised by Queensland Ambassador Adam Di Marco, the event raised more than \$17,000.



Governance

To succeed in our work, 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 Statement outlines how this is maintained.

Opportunity is fully accredited by the Australian Government (AusAID) and is a member of the Australian Council for International Development (ACFID). We are also a signatory to the ACFID Code of Conduct – a voluntary, self-regulatory code of good practice that defines standards of governance, management, financial control and reporting with which development organisations should comply. These standards help us assess and maintain our performance.

In addition, 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, privacy legislation, occupational health and safety regulations, various state fundraising and charities legislation and employment law.

Taking into account the best interests of all our stakeholders – including donors, clients, members, volunteers, employees and implementing partners – our full Governance Statement can be found on our website at www.opportunity.org.au

Opportunity has a process for handling any complaints about our organisation. If you have a complaint, please direct it to our Company Secretary on 02 9270 3300 or opinfo@opportunity.org.au

Code of Conduct

The ACFID Code of Conduct identifies mechanisms to ensure accountability in use of public monies and aims to maintain and enhance standards within the industry. Opportunity is committed to adherence to this code – information about how to make a complaint can be found at www.acfid.asn.au

In accordance with the code 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.

Functions of the Board

Ultimate responsibility for the governance of Opportunity rests with the Board. The Board is responsible for the oversight of the organisation, including input into, and approval of, policies, strategic planning and assessment of management capacity. 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 Chairman 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 key executives. The Board has established an Appointments and Compensation Committee and an Audit and Risk Committee as an efficient mechanism for the detailed examination of practices in these areas.

Risk management

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 by 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
- Travel and travel risk management
- Investments, partnerships and program management
- Employee Handbook covering staff conduct, remuneration, training and development
- Conflict of interest.

"since my father get loan, he can now afford to buy a new schoolbag for me."

Siki, the son of an Opportunity client from Indonesia



Choosing our partners

With a mission to provide opportunities for people living in poverty to transform their lives, Opportunity only partners with microfinance institutions that are socially focused. We seek out local partners that are offering effective, innovative and transparent programs in our focus countries – often in areas where no other, or very few other, organisations are working. When choosing our partners, we consider:

Social mission alignment

Our partners must share our values and social objectives, and be unlikely to 'sell out' the poor in order to satisfy the financial requirements of fund providers. We look for partners...

- with a primary objective to help people work their way out of poverty
- that work in the poorest, largely unserved regions
- with a market that exhibits a relevant 'gap', with conditions that are favourable for microfinance
- with sound future strategies, showing continued intent to help people out of poverty (this avoids a potential 'mission-drift')
- that demonstrate commitment to client satisfaction and impact.

Performance and leadership credentials

In order to properly exercise stewardship, we need to see that our partners can operate sustainable businesses. We look for partners with...

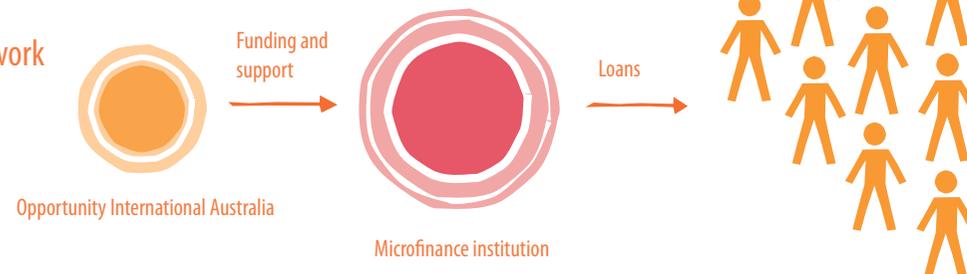
- excellent, inspiring leadership
- strong risk management and governance
- a solid operating platform and capable staff
- good financial performance and an ability to manage significant growth
- comprehensive business plans and projections underpinning a sound future
- a history of financial self-sufficiency or, for start-ups, a forecast to be so within two years.

THE PARTNERSHIP PROCESS

1. Initial partner assessment

If we assess likely mission alignment, we will fund a formal business planning exercise, a step that forms a key input for the next phase of the partnership process – due diligence. In some cases, information obtained in this phase has led to a decision not to proceed with a relationship.

How we work



2. Detailed partner assessment

A due diligence exercise is conducted around mission alignment, performance and leadership credentials, together with an assessment of environmental risks. Our Disbursement Committee then reviews new partnership recommendations and proposals for ongoing support of existing partners, either passing a proposal on to our Board or making a decision not to proceed.

3. Partnership agreements

If Board approval is obtained, normal transaction execution processes are undertaken in the form of alliance, debt and equity agreements (as applicable).

4. Ongoing relationship management

This includes attendance at partner Board meetings, meetings between partners and their relationship managers and regular reporting by partners of financial and operational performance.

Board of Directors 2011

Opportunity is sincerely grateful to our Board of Directors who generously offer their time, experience and expertise to help us with our mission and vision to help people out of poverty permanently.

Chris Sadler *BCA, MBA* **Chairman**

(Director since May 2008)

Chris Sadler is a Director of Opportunity's Indian subsidiary, Dia Vikas Capital, and a member of the Opportunity International Network Board. He is a non-executive Director of a number of listed and private companies in Australia. Chris also 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 JP Morgan, Deutsche Bank and Citigroup.

Robert Dunn *BA (Hons)* **Chief Executive Officer**

(Director since August 2008)

Robert Dunn joined Opportunity in November 2006 as Chief Financial Officer, before taking up the position of 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 and a Director of Baptist Community Services – NSW & ACT. Prior to joining Opportunity, Robert was the Finance Director with Patrick Corporation.

Benedict Keneally *BEC, LLB Hons1*

(Director since May 2010)

Ben Keneally works as Head of Marketing and Strategy for Better Place Australia, a start-up business focused on supporting the adoption of renewable energy powered electric cars. Ben has worked in leadership and strategy roles in the public and private sector including spending nine years with The Boston Consulting Group and heading the Premier's Delivery Unit in the NSW Public Service.

Edward Kerr *BA LLB*

(Director since May 2006)

Ted Kerr is the CEO 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.

Graham Leishman

(Director between May 2006 – November 2011)

Graham Leishman is a Director of a number of companies that provide public transport services to the Western Australian and South Australian governments. He also operates a number of retirement villages in south-east Queensland. Graham has been a Director on the Board of Ormiston College for close to 20 years and has served on a number of charitable Boards including Scripture Union Queensland and Youth for Christ Australia.

Scott Parry-Jones

(Director since February 2008)

Scott 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 and the manager of the Brighton Baptist Student Hostel. Connie also speaks nationally on behalf of women and the poor.

Margaret Towers CA, GAICD

(Director since May 2010)

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. Margaret also provides independent consulting services to a number of Australian financial institutions.

Joanna White B.Comm, MBA, GAICD

(Director since February 2011)

Joanna White is the State General Manager SA/NT at National Australia Bank (NAB). Joanna has had a number of roles at NAB, including heading up the group’s Corporate Responsibility function. Previously, Joanna was the CEO of Australian Charities Fund, an organisation she founded with colleagues from Bain & Company, where she had been a strategy consultant. Joanna is a Vice President of YWCA NSW and is also the Immediate Past President of the Harvard Club of Australia.

Suzanne Williams BSc Hons, LLB, FAICD

(Director since May 2010)

For the last 10 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 a Council member of Kambala School.

David Bussau AM

Founder

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.



The Council

In 2011, Opportunity introduced The Council – a small group of respected and influential Australians who are happy to share their wisdom and experience with us, as well as advocate on our behalf and encourage others to get involved.

Known as leaders in business or public service, members are invited to join The Opportunity Council by our Board. The Council enables us to increase our profile and fundraising in order to have an even bigger impact on the lives of families living in poverty.

Chris Sadler (Chairman)

Chairman of Opportunity, non-executive Director of a number of listed and private companies in Australia and also sits on various Alpha International Boards.

Hon. John Anderson AO

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

Malcolm Broomhead

Director of BHP Billiton and Coates Group Holdings, Chairman of Asciano and previously Managing Director and Chief Executive Officer of Orica.

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 2006.

Greg Hutchinson

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

Hon. Kristina Keneally MP

Former Premier of New South Wales 2009-2011, Member for Heffron NSW, Chair of Basketball Australia and Patron of the Stillbirth Foundation Australia.

John Kinghorn

Founder of Allco Finance Group, Rentworks Ltd Group and RAMS Home Loans Group; Chairman of Orbian Corporation Ltd, KV Aviation Ltd, Graphite Energy Ltd; Director of White Energy Company Ltd, Krispy Kreme Australia Ltd and L J Hooker Ltd; Trustee of The Kinghorn Foundation.

Paul McClintock AO

Chairman of Thales Australia, Medibank Private, I-MED Australia, the COAG Reform Council and the Institute of Virology. Director of Perpetual Ltd. Secretary to Cabinet and Head of the Cabinet Policy Unit in the Australian Government 2000-2003.

George Savvides

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

Andrew Tyndale

Former Chairman of Opportunity, founder and Director of Grace Mutual, Chairman of Bupa Care Services, 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

Partner in the Perth firm of Lavan Legal.

Terry Winters

Former Chairman of Opportunity, current Chairman of Australian Home Care Services, Converge International, Intelledox and Seeing Machines. Director of Australian Christian Lobby, formerly a Director of Optus and Multiple Sclerosis Ltd.

We are grateful to all of these inspiring people for their valued partnership.

Leadership team (as at 2012)

Opportunity is grateful for our experienced and committed leadership team.

Chief Executive Officer

Robert Dunn *(joined in 2006)*

Robert joined Opportunity 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 and a Director of Baptist Community Services – NSW & ACT. Prior to joining Opportunity, Robert was the Finance Director with Patrick Corporation.

Chief Financial Officer

Stephen Penny *(joined in 2007)*

Stephen is responsible for finance, administration, risk and investments. A chartered accountant, he worked for PricewaterhouseCoopers for seven years before spending eight years in various audit, operational and fraud senior management positions at NAB and Westpac. He holds a BSc in Accounting and Business Economics and is also Opportunity's Investment Partnerships Director.

Company Secretary

Kathleen Hill *(joined in 2003)*

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

Donor Relations Director

Michelle Taylor *(joined in 2007)*

Michelle oversees the Donor Relations and Donor Services departments as well as our national Ambassador program. With qualifications in information technology and accountancy, Michelle has spent 20 years working in finance, health, energy, transport and IT. She has held roles across the three tiers of government, was the Business Development Manager for an IT firm and has also run her own consultancy.

East Asia Director

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

Mark is responsible for managing programs in the East Asia region, overseeing project monitoring and evaluation activities. Mark has also undertaken consulting work for some large multinationals, integrating microfinance into their community development programs. Mark is a CPA and has previously worked for Coopers & Lybrand.

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 in microfinance and the development sector. While at the Small Industries Development Bank of India, Ranjani helped develop India's microfinance sector. After that, Ranjani was the Senior Microfinance Specialist at MicroSave. She holds a postgraduate degree in Bank Management.

Marketing & Communications Director

Helen Merrick *(joined in 2006)*

Helen oversees a wide range of marketing and communications activities, specifically brand, donor communications, media relations and online activities. She has over 14 years' experience in marketing, sales, publishing and event management in Australia and the UK. A member of the Telstra Business Women's Network, she was a finalist in the 2010 Awards.

Philanthropy Director

Stephen Robertson *(joined in 2010)*

Stephen advises donors on Philanthropy. He has 20 years' experience in the Australian and global financial services sector, having worked with leading global investment managers such as Citibank, JP Morgan and Rothschild. Most recently, Steve was an Executive Director with Macquarie Bank where he was the Head of the Investment Lending Division.

Program Impact Director

Calum Scott *(joined in 2007)*

Calum works to support Opportunity's programs by providing research on topics such as Social Performance Management (SPM), health and education services. He also leads the implementation of SPM in Opportunity's partners globally. Calum previously worked for 10 years as an economist for the UK Government and Scottish NHS. He holds a BAcc in Accounting and Political Economy.

Strategic Services Director

Chris Murdoch *(joined in 2006, based in India)*

Chris is responsible for increasing impact by integrating other development organisations with Opportunity's programs. He was previously Associate Partner of PricewaterhouseCoopers' Global Business Services where he led its business strategy practice in Australia and New Zealand. He has over 10 years' experience in strategy development and implementation.

Our people

Opportunity is thankful for the passion and dedication of our staff, volunteers, interns and Ambassadors who continually go above and beyond the call of duty to allow us to have the greatest impact possible with our programs.

The Opportunity team is committed to the organisation's six core values: commitment to the poor, humility, integrity, respect, stewardship and transformation. We strive to demonstrate each of these values in our fundraising work here in Australia and in our programs with people living in poverty.

The Opportunity International Australia team currently consists of:

- 23 full-time staff in Australia, 3 overseas (2 in the Philippines and 1 in India), plus the Dia Vikas team
- 6 part-time staff
- 7 interns
- 4 volunteers
- 147 Ambassadors

In all aspects of our work, Opportunity values long-term relationships – this is certainly evident when it comes to our staff. In 2011, two team members celebrated long service milestones with us: Meredith Downey (pictured, right), Opportunity's Project Manager, reached her tenth

year of service, while Simon Lynch, Opportunity's Technical Director for Indonesia, marked his fifteenth year with the organisation. Meredith and Simon are highly valued members of our team and we congratulate them both on this achievement and thank them for all they have brought to our cause.

"I am inspired by the pride, dignity, drive and determination people have in creating an enterprise that sustains their families – despite the odds," says Meredith. "It's amazing to see the significant impact that a small loan can make. I want to play a part in realising people's potential."

Volunteers and interns

Volunteers and interns are an integral part of Opportunity. They help us steward our resources and provide us with vital skills and expertise. In 2011, Opportunity received more than 10,760 hours of donated time from our valuable volunteers and interns.

Formalised in 2011, the Opportunity internship program was established to provide support to Opportunity's programs and enable interns to gain practical experience in an international development organisation. Internships provide support in the following areas: administration, communications, events, database, donor services, finance and corporate services as well as research and strategy.

We are so thankful to all those who donate their time and skills to support our work. November 2011 saw us hold the inaugural Opportunity volunteer and intern alumni appreciation night to show our gratitude to the people who have given so much to our cause.

Hannah Birks joined Opportunity as the Donor Services intern in early 2011. "I gained new skills, learnt how to overcome challenges and met some truly inspirational



people," she says. "Interning at Opportunity grew my passion and desire to help people living in poverty." At the completion of her internship, Hannah came on staff as our Proposal & Report Writer.

Opportunity Ambassadors

Throughout 2011, Opportunity Ambassadors continued to use their influence and expertise to support Opportunity's programs. With 147 Ambassadors across Australia in 2011 hosting events, offering support and speaking and fundraising on our behalf, we are able to do so much more due to their commitment, passion and assistance.

Review of operations

During 2011, revenue was steady at \$13,351,000. Operating expenses (including grants to overseas projects and excluding foreign exchange losses, finance charges and impairment expense) were \$7,083,000 in 2011 (down from \$8,188,000 in 2010). The operating surplus for the year was \$3,672,000 (2010 surplus: \$4,600,000).

Inflows from donors, interest, loans repaid from our partners and other items totalled \$20,865,000. Outflows to our programs totalled \$18,764,000 comprising \$3,284,000 in grants and program management, \$13,478,000 in loans and \$2,002,000 in investments.

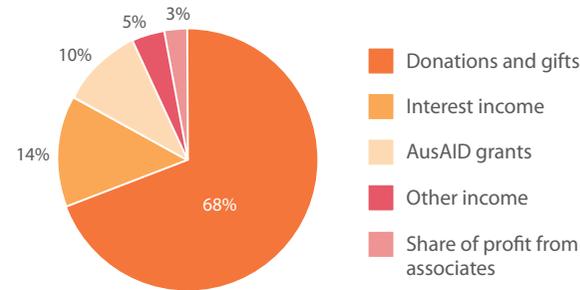
The ratio of fundraising expenses to gross proceeds from fundraising was 19% in 2011 (18% in 2010).

Income

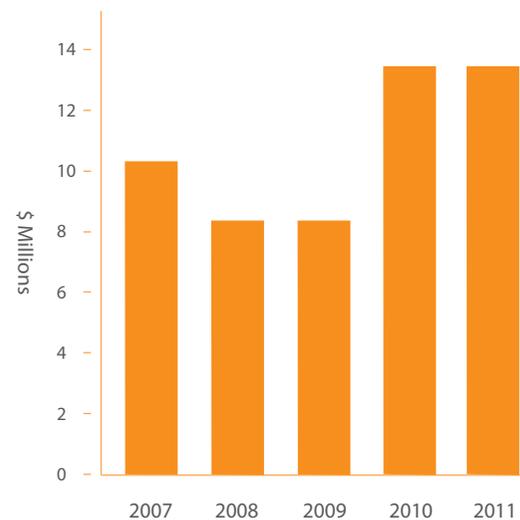
Total revenue for the year was \$13,351,000. This result was similar to the prior year, despite fundraising revenue being 10% less than 2010 due to a difficult fundraising environment.

Grant income grew by 30% (\$325,000). This was largely due to a grant received from the AusAID Innovations Fund, which was used to fund a pilot Financial Literacy Education program in the Philippines to help families better manage their finances and save for the future.

Source of revenue

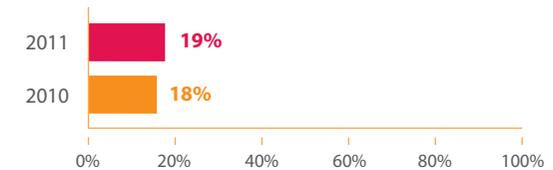


Total revenue trend



Fundraising ratio

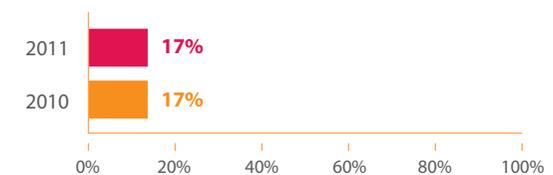
The fundraising ratio represents how much of each dollar raised is spent in raising that dollar. This ratio has been steady for the last two years.



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

Fundraising and administrative ratio

To provide a picture of the level of non-program spend, Opportunity uses a fundraising and administrative ratio. This identifies how much of each dollar raised is spent in administration and in raising that dollar. This ratio has also been steady and at satisfactory levels.



Definition: Fundraising and administrative ratio is the ratio of the sum of expenses associated with fundraising appeals and administrative expenses to total revenue.

Review of operations *(cont.)*

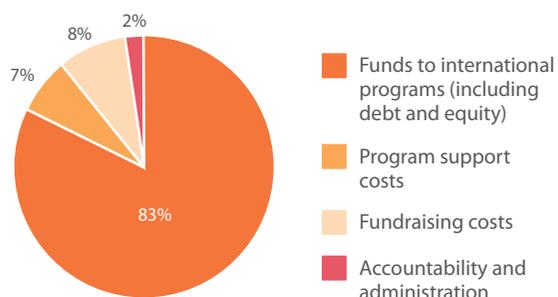
Expenditure

Opportunity was able to disburse \$20,310,000 into our programs in 2011, comprised of \$8,368,000 from loans repaid by our sustainable microfinance partners and \$11,942,000 from our fundraising activities.

	2011 \$'000	2010 \$'000	Mvmt \$'000	Mvmt %
Grants	4,830	5,917	(1,087)	(18%)
Loans issued	13,478	9,388	4,090	44%
Equity issued	2,002	883	1,119	127%
Gross to programs	20,310	16,188	4,122	25%
Loans repaid	8,368	2,897	5,471	189%
Net to programs	11,942	13,291	(1,349)	(10%)

How we use our funds

Cash expenditure, comprising operating expenses excluding non-cash transactions (such as foreign exchange losses, impairment on investments and finance charges) plus debt and equity disbursements made to our partners totalled \$22,563,000 in 2011.

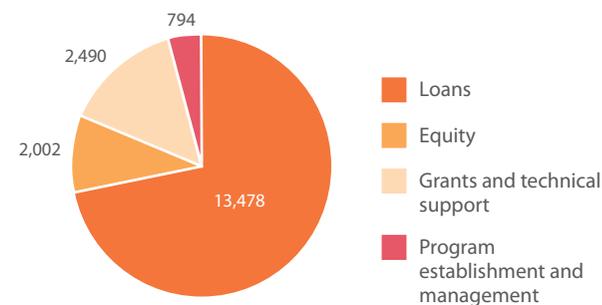


Program investments

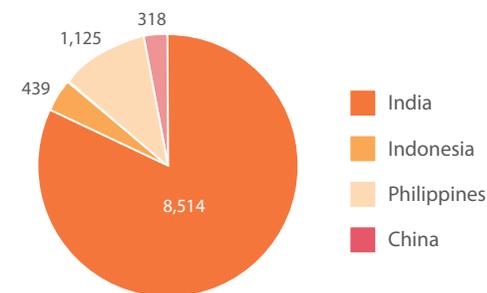
Funds to overseas projects grew 22% to \$18,764,000 in 2011.

The total funds disbursed to our Indian microfinance program in 2011 was \$16,882,000. Loans repaid by our Indian partners during the year totalled \$8,368,000, resulting in a net cash outflow of \$8,514,000 in 2011.

Nature of overseas disbursements (\$'000)

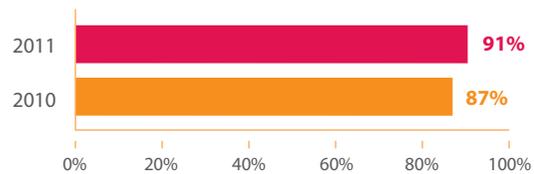


Destination of overseas disbursements (\$'000)



Program operations efficiency

This shows how much of total expenditure is spent on programs in developing countries. The results for 2011 and 2010 reflect our high level of funding for Indian programs.



Definition: Program operations efficiency is the ratio of the cost of services to total expenditure. Cost of services includes funds sent to, and technical assistance provided to, implementing partners (whether as grants, loans or equity). It also includes costs of monitoring and evaluating such programs. Total expenditure includes funds sent to implementing partners and other operating expenses (excluding currency losses).

An impairment provision of \$1,861,000 has been made against our equity investment in our Indian partner Sharada. Its program has been significantly impacted by state government restrictions on the collection of microfinance loan repayments (refer to page 10 for more information).

A finance charge of \$711,000 was incurred as a write down of loans made to our microfinance partners in India relating to discounting the future value of cash flows from the loans. This arose primarily where Opportunity lent to its partners at below market rates.

Reserves

The translation of foreign currency assets to Australian dollars resulted in a currency loss of \$3,711,000. The foreign currency translation reserve balance at 31 December 2011 was a deficit of \$6,883,000. This represents the revaluation of the net assets of our Indian subsidiary to Australian dollars at year end. Directors do not expect currency losses will be realised as Opportunity has no intention of repatriating funds to Australia.



Income statement For the year ended 31 December 2011

	Consolidated 2011 \$'000	Consolidated 2010 \$'000	Parent 2011 \$'000	Parent 2010 \$'000
Revenue				
Donations and gifts – monetary	9,088	9,986	9,088	9,986
Grants – AusAID	1,376	1,051	1,376	1,051
Investment income	1,873	1,680	254	223
Other income	1,014	670	48	77
Total revenue	13,351	13,387	10,766	11,337
Expenses				
International programs				
Funds to international programs	3,284	4,230	2,113	3,083
Program support costs	1,498	1,591	1,498	1,591
Community education	48	96	48	96
Fundraising costs				
Public	1,647	1,789	1,647	1,789
Technical grants	54	51	54	51
Events expenses	43	29	40	28
Accountability and administration	509	402	509	402
Net (gain)/loss on foreign exchange	301	104	301	104
Impairment on investments	2,011	86	1,657	3,871
Finance charges	711	341	-	-
Total expenditure	10,106	8,719	7,867	11,015

	Consolidated 2011 \$'000	Consolidated 2010 \$'000	Parent 2011 \$'000	Parent 2010 \$'000
Excess/(shortfall) of revenue over expenditure	3,245	4,668	2,899	322
Tax expense	(427)	68	-	-
Net surplus/(deficit)	3,672	4,600	2,899	322
Net surplus/(deficit) attributable to:				
Minority interests gain/(loss)	(241)	14	-	-
The Parent	3,913	4,586	2,899	322
Net surplus/(deficit) for the year	3,672	4,600	2,899	322

Opportunity had no transactions and therefore zero balances in the following categories: non-monetary donations and gifts, bequests and legacies, revenue for international welfare, political or religious proselytisation programs, non-monetary expenditure, expenditure for international welfare and domestic programs expenditure.

Net (gain)/loss on foreign exchange, impairment on investments and finance charges were recorded as non-monetary expenditure in the 2010 Annual Review. These expenses have now been recorded as separate categories in accordance with the requirements of the ACFID Code of Conduct.

The statements on pages 40-45 comprise a Summarised Financial Report of Opportunity International Australia. A full financial report is available upon request.

Balance sheet As at 31 December 2011

	Consolidated 2011 \$'000	Consolidated 2010 \$'000	Parent 2011 \$'000	Parent 2010 \$'000
Assets				
Current assets				
Cash and cash equivalents	6,729	8,824	4,349	4,741
Trade and other receivables	8,676	6,470	63	291
Other current assets	47	47	30	36
Total current assets	15,452	15,341	4,442	5,068
Non-current assets				
Trade and other receivables	8,555	9,402	-	-
Investments in subsidiaries	-	83	27,373	23,835
Investments in associates	7,217	8,174	-	-
Other financial assets	1,073	955	1,072	955
Property, plant and equipment	748	885	137	138
Deferred tax asset	618	-	-	-
Total non-current assets	18,211	19,499	28,582	24,928
Total assets	33,663	34,840	33,024	29,996

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

	Consolidated 2011 \$'000	Consolidated 2010 \$'000	Parent 2011 \$'000	Parent 2010 \$'000
Liabilities				
Current liabilities				
Trade and other payables	548	418	451	368
Provisions	97	43	63	43
Total current liabilities	645	461	514	411
Non-current liabilities				
Provisions	119	93	119	93
Total non-current liabilities	119	93	119	93
Total liabilities	764	554	633	504
Net assets	32,899	34,286	32,391	29,492
Equity				
Accumulated funds	39,484	35,568	32,391	29,492
Reserves	(6,853)	(3,142)	-	-
Minority interests	268	1,860	-	-
Total equity	32,899	34,286	32,391	29,492

Statement of changes in equity

For the year ended 31 December 2011

2011 Consolidated \$'000	Translation reserve	Statutory reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2011	(3,760)	31	35,567	31,838	2,448	34,286
Total comprehensive income						
Profit or loss			3,913	3,913	(241)	3,672
<i>Other comprehensive income</i>						
Foreign currency translation differences	(3,711)	-	-	(3,711)	(1,462)	(5,173)
Total comprehensive income for the year	(3,711)	-	3,913	202	(1,703)	(1,501)
<i>Changes in ownership interests in subsidiaries that do not result in a loss of control</i>						
Acquisition of non-controlling interest	-	-	-	-	114	114
Total transactions with owners	-	-	-	-	114	114
Balance as at 31 December 2011	(7,471)	31	39,480	32,040	859	32,899
2010 Consolidated \$'000						
Balance as at 1 January 2010	(2,172)	31	30,981	28,840	(261)	28,579
Total comprehensive income						
Profit or loss	-	-	4,586	4,586	14	4,600
<i>Other comprehensive income</i>						
Foreign currency translation differences	(1,588)	-	-	(1,588)	(867)	(2,455)
Total comprehensive income for the year	(1,588)	-	4,586	2,998	(853)	2,145
<i>Transactions with owners, recorded directly in equity</i>						
Transfer of profit to statutory reserve	-	-	-	-	3,562	3,562
Total contributions by and distributions to owners	-	-	-	-	3,562	3,562
Balance as at 31 December 2010	(3,760)	31	35,567	31,838	2,448	34,286
2011 Parent \$'000						
Balance as at 1 January 2011	-	-	29,492	29,492	-	29,492
Total comprehensive income						
Profit or loss	-	-	2,899	2,899	-	2,899
<i>Other comprehensive income</i>						
Total comprehensive income for the year	-	-	2,899	2,899	-	2,899
Balance as at 31 December 2011	-	-	32,391	32,391	-	32,391
2010 Parent \$'000						
Balance as at 1 January 2010	-	-	29,170	29,170	-	29,170
Total comprehensive income						
Profit or loss	-	-	322	322	-	322
<i>Other comprehensive income</i>						
Total comprehensive income for the year	-	-	322	322	-	322
Balance as at 31 December 2010	-	-	29,492	29,492	-	29,492

Statement of cash flows For the year ended 31 December 2011

	Consolidated 2011 \$'000	Consolidated 2010 \$'000	Parent 2011 \$'000	Parent 2010 \$'000
Cash flows from operating activities				
Receipts from donors and grantors	10,500	11,079	10,500	11,079
Payment for programs and employees	(7,378)	(8,089)	(5,695)	(5,951)
Interest received	1,871	1,680	252	223
Other income	16	118	12	35
Net cash generated by operating activities	5,009	4,788	5,069	5,386
Cash flows from investing activities				
Investment in subsidiary	-	-	(5,379)	(2,674)
Investment in associates	(2,002)	(883)	-	-
Payment for plant and equipment	(66)	(882)	(46)	(126)
Net cash used in investing activities	(2,068)	(1,765)	(5,425)	(2,800)

	Consolidated 2011 \$'000	Consolidated 2010 \$'000	Parent 2011 \$'000	Parent 2010 \$'000
Cash flows from financing activities				
Proceeds from issue of shares	110	3,563	-	-
Loans to implementing partners	(13,478)	(9,388)	-	-
Repayment of loans from implementing partners	8,368	2,897	-	98
Net cash used in financing activities	(5,000)	(2,928)	-	98
Net increase/(decrease) in cash held	(2,059)	95	(356)	2,684
Cash at the beginning of financial year	8,824	8,822	4,741	2,150
Effects of exchange rate changes on balance of cash held in foreign currencies	(36)	(93)	(36)	(93)
Cash at the end of financial year	6,729	8,824	4,349	4,741

Notes to the summarised financial report

Cash movements for specific purposes for the year ended 31 December 2011

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
2011 Consolidated				
Microfinance programs in India	3,000	15,054 ¹	12,616 ²	5,438
TLM Growth Program	291	913	657	547
Philippines Reform Program	345	592	449	488
Total movements for specific purposes	3,636	16,559	13,722	6,473
Total for other purposes	5,188	4,306	9,238	256
Total cash	8,824	20,865	22,960	6,729
2010 Consolidated				
Microfinance programs in India	5,929	10,364	13,293	3,000
TLM Growth Program	283	882	874	291
Philippines Reform Program	18	445	118	345
Total movements for specific purposes	6,230	11,691	14,285	3,636
Total for other purposes	2,592	7,646	5,050	5,188
Total cash	8,822	19,337	19,335	8,824

¹ Includes capital injection from Cordaid and Agni Trust.

² Includes net gain on foreign currency translation of \$36,000 (2010: loss of \$93,000).

Notes to the summarised financial report

Information and declarations to be furnished under the Charitable Fundraising Act 1991 for the year ended 31 December 2011

	Consolidated 2011 \$'000	Consolidated 2010 \$'000	Parent 2011 \$'000	Parent 2010 \$'000
Details of aggregate gross income and total expenses of fundraising appeals:				
Gross proceeds from fundraising appeals	9,124	10,028	9,124	10,028
Less expenses associated with fundraising appeals				
Public	1,647	1,789	1,647	1,789
Events expense	43	29	40	28
Gross expenses associated with fundraising appeals	1,690	1,818	1,687	1,817
Net proceeds from fundraising appeals	7,434	8,210	7,437	8,211
Statement outlining the manner in which the net surplus was applied:				
Funds spent on the delivery of overseas projects	1,498	1,591	1,498	1,591
Funds spent on administration	509	402	509	402
Funds sent, or committed to send, direct to partners	5,427	6,217	5,430	6,218
Application of net proceeds from fundraising appeals	7,434	8,210	7,437	8,211

Appeals conducted during 2011 were for projects in India, Indonesia and the Philippines. Proceeds from fundraising appeals do not include grants from AusAID or other Australian Government sources or other non-operating income.

Notes to the summarised financial report

	Consolidated 2011	Consolidated 2010
Gross expenses associated with fundraising appeals divided by gross proceeds from fundraising appeals	19%	18%
Net proceeds from fundraising appeals divided by gross proceeds from fundraising appeals	81%	82%
Total costs of services divided by total expense from ordinary activities	47%	67%
Total costs of services divided by total revenue from ordinary activities	36%	43%

Total costs of services is derived from funds sent to projects and the cost of delivering those projects. It does not include funds disbursed to implementing partners by way of debt or equity.



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 statement of financial position as at 31 December 2011, the summary statement of comprehensive income, 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 2011. We expressed an unmodified auditor's opinion on that financial report in our report dated 23 April 2012.

The summary financial statements do not contain all the disclosures required by Australian financial reporting framework 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 2011 are consistent, in all material respects that audited financial report.

KPMG

KPMG

Madeleine Mattera
Partner

Sydney
23 April 2012.



PwC Transparency awards



Winner 2011
\$5m to ≤ \$30m revenue category

Opportunity International Australia was pleased to be recognised as the winner in the \$5m to \$30m revenue category in the 2011 PwC Transparency Awards for the quality and transparency of our reporting.

Opportunity International Australia is committed to ethical practice and increasing transparency, accountability and sustainability. It is fully accredited by the Australian Government (AusAID). Donations over \$2 are tax-deductible. Opportunity International Australia is a member of the Australian Council for International Development (ACFID) and is a signatory to the ACFID Code of Conduct.

Opportunity International Australia exists to provide opportunities for people living in poverty to transform their lives. With over 40 years' experience in microfinance and support services, we use a business approach to solve poverty. Rather than a hand-out, we provide our clients with a loan as small as \$100 to help grow their small business. This enables them to earn an income and afford food, water, shelter and an education for their children. Motivated by Jesus Christ's call to serve the poor, we believe in the potential of people regardless of their gender, ethnicity or religious affiliation.

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