



*Thank you for  
making extraordinary  
stories happen...*



**Opportunity** International  
AUSTRALIA

**Annual Review 2012**

OPPORTUNITY INTERNATIONAL AUSTRALIA

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



## A note from the CEO and Chairman

*Thank you for making extraordinary stories happen*

Dear friends

The Annual Review is essentially a collection of stories – stories of hope, adversity and determination. Stories of pasts and futures; stories of mothers, fathers and children. Essentially, they are stories of how your generosity and compassion turn into stories of transformation. And in reading the words on the following pages, it becomes clear just how extraordinary these stories are. Because they're real.

### Extraordinary clients

At 66 and 69 years old, the couple pictured on the cover – Zdrak and Bendelina – have four children and five grandchildren. They live in a small house with five others in a poor village on the island of Sabu, Indonesia. With no savings and retirement not an option, Zdrak – a former school teacher – spends his days farming, while Bendelina uses a handloom to create beautiful weavings. Together, they work hard to keep providing food, water and shelter for their family.

Alongside four other farmers, Zdrak recently borrowed his first group loan of Rp.5,000,000 (A\$505) to buy seedlings and fertiliser to grow his farm. Investing his portion into watermelon, *kangkung* (a type of water spinach), tomato, corn and peanut crops, Zdrak is today on his 15th loan repayment and is earning between Rp.300,000-400,000 (A\$30-40) a week for his family.

*Right: Chris Sadler, Chairman.  
Far right: Robert Dunn, Chief Executive Officer.*

Water supply has always been an issue in Sabu. Ten years ago, Zdrak built a well for his family, but throughout the years, the stone walls deteriorated. From September to December, the water level would become very low, threatening to dry out completely.

As well as tending to his farm, Zdrak spent the last months of 2012 working with Opportunity's partner in West Timor to restore the well he built with his own hands over a decade ago. He wasn't just doing it for his family – he wanted the well to provide safe, clean water to his whole community throughout the year. For even when the well was old and dry, Zdrak and Bendelina would share their water.

Today the well provides water for drinking, cooking, washing and farming to 25 other families in his village. Despite having little, Zdrak is sharing much.

### Extraordinary programs

Poverty is a complicated issue, but thanks to Opportunity's incredible supporters, our programs are able to help give families like Zdrak's the tools they need to leave poverty behind. Whether it's through a small loan to help a parent start a business and earn an income, an apprenticeship that helps young people learn a trade or educational programs

that teach women about first aid and illness prevention, your support empowers people living in poverty to transform their own lives.

At the end of 2012, your support was helping reach more than two million people and counting. In 2013, we hope to be able to tell many more of these extraordinary stories.

### Extraordinary supporters

We're so inspired by Opportunity's supporters – generous and compassionate, your donations and fundraising help families break the cycle of poverty in their lives. And because you do these things, parents who previously worried about feeding their children can now watch them graduate from school – or even university.

You truly are making some extraordinary stories happen – thank you.

Warmly



**Chris Sadler**  
Chairman



**Robert Dunn**  
Chief Executive Officer



## About us

**Opportunity International Australia provides people living in poverty with the opportunity to transform their lives. Offering a hand up rather than a hand-out, we use a sustainable approach to solve poverty – empowering families through community development programs and loans as small as \$100 to help them grow their own small business. These services mean that families no longer have to struggle to afford food, water, healthcare and an education for their children. Inspired by Jesus Christ’s call to serve the poor, we seek to help people regardless of their gender, ethnicity or religious affiliation.**

*Our desire is to see families break free from poverty – for good.*

In partnership with the Opportunity International Network (with support members 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 pushed aside cross-cultural boundaries to show real and costly love to someone in desperate need. In the stories of Jesus’ life, we see the same character displayed.

### **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.

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.



## What is microfinance?

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

**Small loans** to help people start their own small business and earn a regular income

**Savings accounts** to help provide a safety net in times of need and help with planning for the future

**Microinsurance** to protect against emergencies

**Micropensions** to help provide security in old age

**Fund transfers** and remittance products to help families living far apart access their incomes

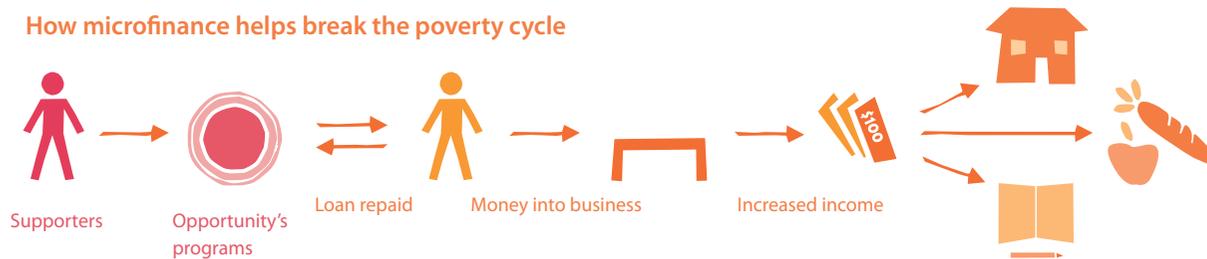
**Non-financial** services such as business and financial literacy training to empower families.

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 a regular income and provide for their family. 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 can feed a family, employ more people and eventually help empower a whole community.

Beyond this, access to these kinds of services helps empower families to become active participants in society, building self-confidence and dignity.



### How microfinance helps break the poverty cycle



### Investing for long-term change

Opportunity works through local partner organisations in developing countries. This ensures that we understand the needs of the people in the area and allows us to serve them effectively. In doing so, we support the organisation as a whole – helping them with capacity building and operations so that they can continue to grow and provide a range of effective services to the families who need them most.

## What are community development programs?

**Small loans help people start their own business so they can afford to provide for their family's daily needs. But when a community lacks access to clean water, education or adequate healthcare, it can be difficult to make the most of this new income.**

Community development programs – provided in partnership with specialist organisations – operate under the principle that poverty is not always due to a lack of financial access; it can also be the result of limited infrastructure or opportunity. For small loans to have the maximum impact possible, they must work hand-in-hand with development that offers sustainable improvements in areas such as clean water and sanitation, education, health and nutrition.

Scan here to find out more about how we choose our program partners.



## 2012 at a glance

### Objective 1: Programs

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

#### 2012 OUTCOMES

- Helped provide small loans and other services to more than two million families in India, the Philippines, Indonesia, Ghana and China, helping them start small businesses and leave poverty behind
- Distributed \$5,573,000 to our programs around the world
- Implemented Social Performance Management across a number of partners in India and introduced the program into the Philippines, effectively measuring the impact our programs are having
- Offered training programs to empower people living in poverty – including financial literacy training in the Philippines, a Youth Apprenticeship Program in Ghana and a Community Health Facilitators Program in India
- Supported our Indian partners as they offered micropensions to people living in poverty, helping them put aside money for their latter years
- Protected families from unexpected hardship through microinsurance products that provide a safety net in instances of ill health or natural disaster
- Provided families living in poverty with the means to save in small increments through initiatives such as mobile banking vans that travel and serve families in isolated communities

- Supported our partners as they helped restore infrastructure in poor communities, such as the rebuilding of bridges in the Philippines and the restoration of wells in Indonesia
- Supported our partners as they provided educational courses and scholarships to children of loan clients, helping empower them for the future and further break the cycle of poverty in their lives.

### Objective 2: Fundraising

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

#### 2012 OUTCOMES

- Raised a total of \$9,597,000 through fundraising and government grants
- Encouraged Australians to 'eat, drink and be generous' in support of families living in poverty as part of our *Food for Thought* campaign, held in recognition of the United Nations International Day for the Eradication of Poverty
- Had more than 100 Ambassadors advocating on our behalf across the country – hosting fundraising events and spreading the word
- Continued to receive support from the Opportunity Council, influential Australians who help tell the story of our work (read the full list of members on page 33)
- Travelled with supporters on five Insight Trips to India, Indonesia and the Philippines, showing them the impact of their donations and enabling them to meet with those they are helping face-to-face

- Held a number of events – including the Microfinance Masterclass – to tell the Opportunity story and inspire others to get involved
- Continued to demonstrate good stewardship with fundraising costs coming in at 20% of fundraising revenue
- Stewarded resources and reduced costs wherever possible, receiving a total of \$369,000 in pro bono support from generous individuals and organisations.



### Objective 3: Brand development

Develop and implement a targeted brand development program.

#### 2012 OUTCOMES

- Named the winner of the PwC Transparency Awards in the \$5m to \$30m revenue category, an accolade that recognises not-for-profit organisations for the quality and transparency of their reporting
- Refreshed our Brand DNA, a summary of who we are and what we do, as well as how and why we do it
- Created brand plans to strengthen and target our brand development activities, covering associations, events, media and communications
- Received media coverage in publications, television and radio across Australia, helping us tell the Opportunity story and raise much-needed funds for our work
- Supported Christian advocacy group Micah Challenge and its Voices for Justice gathering in Canberra, lobbying politicians in support of the Millennium Development Goals
- Hosted an Entrepreneurs Summit to encourage social entrepreneurship in Australia
- Conducted a donor survey to gain even greater insight into our supporters and to understand how we can further increase the impact we have together
- Ensured compliance with best practices of the Australian Council for International Development and the Fundraising Institute of Australia.

### Objective 4: People

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

#### 2012 OUTCOMES

- Introduced improved performance management processes, clarifying performance measures for all employees' roles
- Conducted fortnightly staff training sessions, increasing internal capability and cross functional participation
- Continued to work by our employee handbook and *The Opportunity Way*, a team-developed framework that outlines who we are and how we operate
- Received support from a dedicated team of volunteers and interns who donated 10,521 hours of service to our work in the areas of administration, communications, events, donor services, finance, programs, research and strategy
- Participated in the Westpac Organisational Mentoring Program in order to build organisational capacity and continually improve our effectiveness.

### Objective 5: The Network

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

#### 2012 OUTCOMES

- Worked closely with the Opportunity International Network on a range of activities including Social Performance Management, program development and implementation, strategy, audit and risk, fundraising and communications.



*“Before the loan, my family was very poor, we could not afford regular meals. I used my loans to purchase vegetables to set up my vegetable shop. Now we don't have to skip any meals – I can afford proper meals for our family two times a day and our children now go to school.”*

Sushila, Opportunity client from India

2012

*Thank you*

To all the donors, Ambassadors, volunteers, corporate supporters, staff, Board and Council members who so generously supported families living in poverty through Opportunity in 2012 – thank you for all that you do.

*You are making some extraordinary stories happen!*

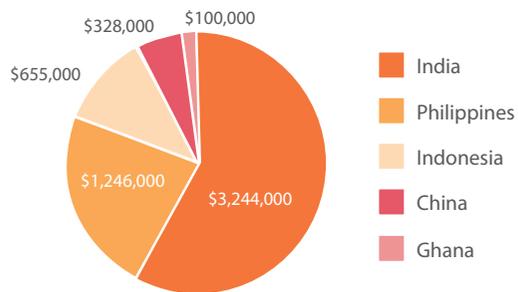
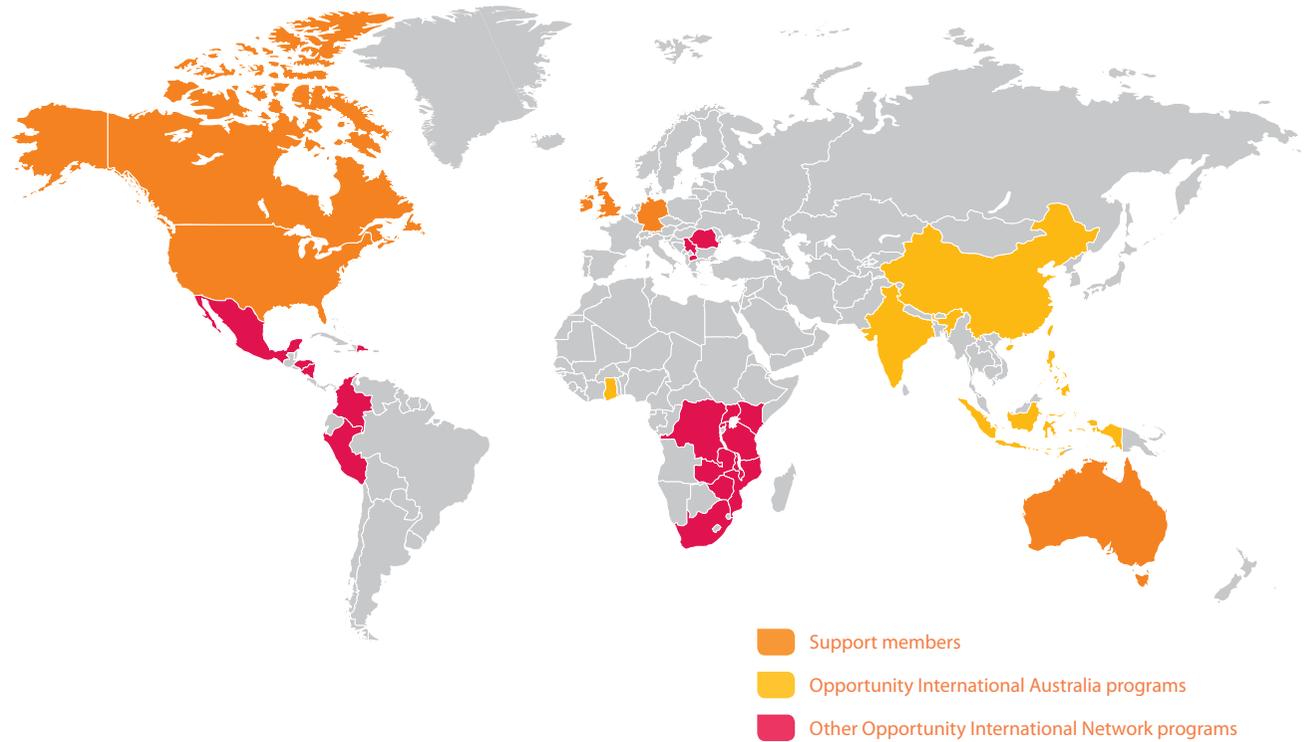
To the Australian Government (AusAID) and the Australian Council for International Development (ACFID), our sincerest thanks for your ongoing support and assistance, enabling us to continue to serve people living in poverty around the world.



# A global impact

Opportunity International Australia exists as part of the broader Opportunity International Network – a global network of support members who operate through local microfinance institutions in more than 20 countries around the world. Thanks to your support, we are able to help millions of families and whole communities make their way out of poverty.

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



## Opportunity International Australia program disbursements

Illustrates the total funds provided to projects in our focus countries in 2012. Funds to India are net of loan repayments from partners.

### Support members

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

### Programs

- Africa**
- DR Congo
- Ghana
- Kenya
- Malawi
- Mozambique
- Rwanda
- South Africa
- Tanzania
- Uganda
- Zambia
- Zimbabwe

- Asia**
- China
- India
- Indonesia
- Philippines

- Eastern Europe**
- Macedonia
- Romania
- Serbia

- Latin America**
- Colombia
- Dominican Rep.
- Honduras
- Mexico
- Nicaragua
- Peru



50

*50 per cent  
– the amount  
of profit Jag  
Roshani can  
make with each  
school bag sold.*



## Jag Roshani's story

**Before receiving a small loan, Jag Roshani and her husband Preedam feared for their four children's future, worrying about how they would be able to look after them. Living in Delhi in northern India, they wanted to provide their children with an education, something they never had.**

With a small loan of Rs.7,000 (A\$123), Jag Roshani and Preedam were able to purchase sewing machines to start a business making school bags. They sold each bag for Rs.150 (A\$2.65), making a 50% profit.

After paying back their first loan, the couple received a second loan of Rs.10,000 (A\$176). With it, they were able to increase the amount of materials they could buy and further expand their business. Soon demand grew to a point where they even needed to hire employees.

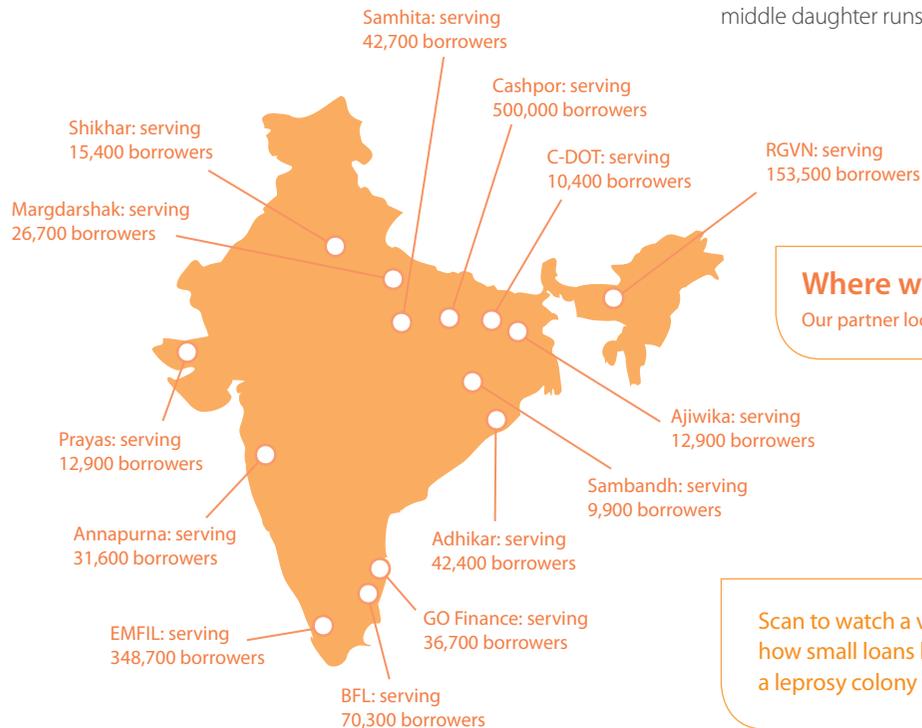
"Now we have four workers helping us and we are very happy," Jag Roshani says, "I wanted to use my savings for my children's education. I want my children to have a better life."

Due to the increased income and security that comes from their business, Jag Roshani and Preedam have been able to ensure their children do lead a better life – one free from poverty. Their eldest daughter is a school teacher, while their middle daughter runs her own embroidery business and

their youngest daughter is studying a Bachelor of Arts at college. Their son has just graduated with a Bachelor of Commerce.

Thanks to the generosity of supporters like you, the future has changed dramatically for Jag Roshani's family – and the families of her employees.

"Now I have nothing to fear," she says.



### Where we work in India

Our partner locations and outreach

Scan to watch a video about how small loans helped transform a leprosy colony in India.



## Impact in India

**India is a country of stark contrast. Despite continued economic growth in 2012, it continues to face immense challenges in areas such as illiteracy, malnutrition, sanitation and healthcare. These issues both stem from and cause widespread poverty. Millions of families are living in overpopulated urban slums, while in rural areas, families struggle to survive in remote, underdeveloped villages. But progress is being made – according to the World Bank, just over 68% of people in India live on less than US\$2 a day – in 2009, this figure was estimated to be as high as 75%.**

With your support, many more families like Jag Roshani's (read her story on the previous page) have been able to start small businesses and leave poverty behind. At the end of 2012, more than 1.3 million families in our program in India were using small loans to turn their lives around. A total of \$3,244,000 enabled us to further expand into underserved areas and increase the size of programs such as Community Health Facilitators.

*Making extraordinary stories happen*

### Microfinance – small loans, big changes

- Through 14 local partners, families in 176 districts across 17 states and two union territories were able to access small loans in 2012. Thanks to the support of people like you, more than 1.3 million families in India are now working towards a future free from poverty.

- At the end of 2012, several of our partners were operating through a business correspondent model. Banking regulations in India prohibit microfinance institutions from collecting savings deposits, but the business correspondent model enables our partners to deposit savings from clients into secure, interest-bearing accounts. Clients typically deposit the equivalent of a dollar or two at a time. These small amounts are their first steps towards a secure future.
- To improve the security of clients, several of our local partners offered micropension services, collecting payments and depositing them into government-approved pension funds which are matched by the government for the first five years. By the end of 2012, more than 202,700 clients had accessed this service, helping to increase their independence in their latter years.
- Social Performance Management (SPM) continued and expanded in 2012. Collaboration between the Macquarie Group Foundation and Opportunity enabled a new phase of the SPM capacity building project to start in July. In this phase, local partners developed processes and database systems that directly assess how small loans are transforming the lives of the families that your donations support.
- Throughout 2012, Opportunity engaged in a range of capacity building projects with our local partners in India, reviewing operational practices, installing new software and helping to develop staff, strategy and services to reach families living in poverty.
- Due to a shift in mission alignment and changes to its business objectives, we ended our partnership with People's Forum. All funds invested by Opportunity have been repaid, allowing us to further support our other local Indian partners.



### Training and development – going a step further

- To help clients increase their business skills and knowledge of financial services, our Indian partners have implemented financial literacy programs. For example, Samhita, a partner that operates out of Bhopal in Madhya Pradesh, has created an education program that helps loan clients make informed financial decisions and effectively plan for the future. In the second half of 2012, over 10,100 people received training on topics such as household budgeting, savings, insurance and debt management.
- According to the World Health Organisation, diarrhoeal disease – caused by poor sanitation and drinking contaminated water – is the second leading cause of death in children under five years old. Through three of our local Indian partners in 2012, families were able to use small loans to invest in basic facilities such as toilets, water connections, purifiers and tanks. At just one of our partners, more than 1,140 loans were provided to families for these purposes.
- Educational scholarships and loans were also offered to the children of clients over the course of 2012. Annapurna, a partner that works in Mumbai and Pune, provided families with educational loans, specifically targeting single mothers and their children with loans that range in size from Rs.1,500 (A\$26) for primary school, Rs.3,000 (A\$53) for middle school and Rs.5,000 (A\$88) for college.

### Community development programs – changing whole communities

- The Community Health Facilitators Program aims to significantly improve the health, sanitary and dietary habits and practices in poor communities in India. The program expanded from 46 community health leaders in 2011 to 226 leaders by the end of 2012. These leaders are trained in health practices such as illness prevention, nutrition and basic health treatment – empowering them to train others in their community. One leader is able to educate between 200-300 households within their first six months.
- Literacy is a crucial element in poverty alleviation. In 2012, Shikhar – a partner in Delhi – piloted a computer-based adult literacy program. The program uses multimedia such as animated graphics and audio to create 48 hours of creative learning. Currently in its initial stages, the program aims to reach disadvantaged women who have received small loans, helping them with a further hand up.

### Looking forward

- In 2013, we will continue to increase the range of financial products and services offered to families living in poverty, as well as further extending our outreach by moving into new communities in India. Innovative programs such as Community Health Facilitators will also be expanded, increasing the impact your donations are able to have on families living in poverty.



*“The loan has helped me because I can buy raw material in bulk, giving me a better price on these purchases. I can now afford a savings account and a gas connection for cooking in my home.”*

Nirmala, Opportunity client from India



150

*150 sacks of rice  
produced in  
Neria's last harvest  
on the farm.*



# Nenia's story

**Nenia and her husband Romulo live in the small village of Monic in the Philippines. Before receiving a loan a few years back, they struggled to support their four children – Rozaline, Ronald, Rudel and Marylyn.**

With a loan of Php.5000 (A\$116), Nenia purchased farming equipment so that she and Romulo could start a farm on a small plot of land. Today, the couple's farm has grown to house pigs, chickens, ducks, cows and rice crops. In their last harvest, 150 sacks of rice were produced and just recently, a new calf was born.

But it wasn't always easy. At first, Nenia was nervous about her budgeting skills. Coming from a poor family, she had little knowledge of how to run a business or manage money. She was grateful for the financial literacy training she was able to get alongside her small loan.

The family also applied for educational loans, low-cost loans that cover school expenses for families who cannot afford to send their children to school. Thanks to this support, all of Nenia and Romulo's children have been able to go to school (see one of their daughters holding up a picture taken at her graduation on the right).

Today, poverty is a thing of the past for Nenia's family. With the cycle broken in their lives, Nenia's daughter Marylyn is now a teacher and a mother to her own seven-month-old daughter, the first of the family's next generation who will not have to know the life of poverty that Nenia and Romulo once did.



**Where we work in the Philippines**  
Our partner locations and outreach

Scan to watch a video about how a small loan helped Ana from the Philippines leave life on a rubbish dump behind.



## Impact in the Philippines

**While the Philippines is identified as one of the world's emerging markets, close to 45 million of its people still live on less than US\$2 a day. These families are particularly vulnerable to illness, increases in food prices and natural disasters. In 2012, the country was hit by a number of typhoons that resulted in major loss of life, flooding and the destruction of property.**

As families continue to rebuild their lives, your generous giving offers them a hand up through small loans and community development programs. Small businesses are key to empowering families in the Philippines and, thanks to your support, \$1,246,000 was sent to our Philippines programs in 2012. At the end of the year, we were helping close to 550,900 people like Nenia (read her story on the previous page) provide for their family.

*Making extraordinary stories happen in 2012*

### Microfinance – small loans, big changes

- Your support meant 550,900 families across the Philippines were able to use small loans to begin to work their way out of poverty in 2012.
- Sadly, a number of typhoons caused significant damage to clients' homes and left many communities vulnerable to the spread of disease. In 2012, all of our partners offered microinsurance which helps families cope with these natural disasters and other unexpected financial shocks.

- 'Collection and Disbursement Points' (CDPs) have been developed in the areas where our partner ASKI operates. CDPs are smaller, special branches that service the collection and disbursement of loans, helping clients save time and money by not having to travel to distant branches. As well as making the process more efficient and effective for existing clients, the CDPs have enabled branches to reach even more people living in poverty, increasing their client base significantly.
- ASKI also completed a formal review of its client protection strategy at the start of 2012, surveying 190 clients in 24 focus groups to ensure they were satisfied with the microfinance services being offered and the performance of staff. The results were encouraging, with clients answering positively.
- To help whole communities identify and develop business opportunities, local partner TSKI set up a Community Enterprise Development Program in 2006. Through the program, communities are empowered to develop the necessary skills needed to start a joint enterprise, taking out loans and gaining access to market linkages. In 2012, 42 communities were able to benefit from the program, including an oyster farm established in the coastal community of Dacutan.
- A new Chief Executive Officer was appointed to our partner OK Bank in 2012. Agerico Agustin is leading the organisation to reach more families through new technologies and services. OK Bank currently offers financial services through 13 branches and 11 banking offices.
- Throughout 2012, Opportunity worked with our local partners to improve social performance reporting and business operations, focusing on product redevelopment, staff management and operational efficiency.



42

*42 villages empowered to start community enterprises in the Philippines, such as an oyster farm.*

### Training and development – going a step further

- Financial literacy training helps families living in poverty make informed financial decisions and better plan for the future. Opportunity launched a Financial Literacy Program that reached 2,000 clients across the Philippines in 2012. Delivered through a game show format to engage audiences, the program covers nine topics such as ‘Understanding Loans’ and ‘Navigating the Unexpected’. In 2013, the program will expand to help more families improve their financial capabilities.
- Education for children is a priority for parents around the world, but in countries like the Philippines, many families cannot afford to send their children to school. In 2012, TSKI began developing the Savings Linked Education Loan. Clients will be able to make small weekly deposits into secure interest-bearing accounts and, after three years of saving, can apply for a special education loan. The aim of the program is to lessen the stress of sending children to university by establishing long-term saving habits.
- Throughout the regions of Luzon and Mindanao, local partner TSPI assisted clients in developing their agricultural businesses, training 54 staff who will use their knowledge to help 5,000 small-scale farmers increase their yields and establish sustainable farming practices. In September 2012, TSPI began offering a post-harvest facility so that farmers can also safely store their harvest and machinery.

### Community development programs – changing whole communities

- Local partner ASKI is so committed to community development programs that staff can spend up to 12 months getting to know a community – living in the village for a period of time, understanding their needs and building relationships. Working with the community, staff are able to identify issues that may be inhibiting families from working their way out of poverty. For example, in 2012 it helped the remote community of Palale improve access to markets, healthcare and schools, installing a hanging bridge that will help over 2,000 people reach other regions – significantly increasing business opportunities. To help ensure long-term change and further security, ASKI has established a relationship between cassava farmers in the region and the food and beverage company San Miguel Corporation.
- In November 2012, ASKI was awarded the European Microfinance Award for Innovation in Food Security. Providing business training and assistance, ASKI has linked groups of small-scale farming clients with large businesses such as the restaurant chain Jollibee Food Corporation. By assisting and encouraging farmers to work together, ASKI has strengthened their position in the market, helping empower a whole community.
- Female empowerment is a key part of our work. In early 2012 in a village in Iloilo, TSKI held a seminar on anti-violence against women and children. The seminar was attended by 109 community residents, empowering them to better understand their rights.



### Looking forward

- Over the coming years, our local partners in the Philippines will continue to grow the products and initiatives they offer to families living in poverty, expanding into new services such as mobile and electronic banking in order to offer greater efficiency and flexibility to families in need. By doing so, your support will be able to reach even more people and change even more lives.



50

*50 cents a day  
– the money  
Albertina puts aside  
for her daughter's  
education.*



## Albertina's story

**Albertina and her 14-year-old daughter Fina live in Kupang, the capital city of the East Nusa Tenggara province – one of the poorest and most underserved areas in Indonesia. Albertina has worked in a small family shop for the last 14 years, but when her husband died through a complication from diabetes, she found it difficult to manage the business alone and support her daughter.**

"I struggle hard every day," she says.

With a small loan, Albertina was able to invest in more products for her shop, buying corn feed for chickens and empty drums to store water and petrol. With the new items, her income is growing dramatically. She now earns Rp.200,000 (A\$20) a day, enough to support Fina and provide her with an education. Recently, Albertina paid Fina's tuition fees and bought her books and a uniform.

"I wish that my daughter can go to senior high school and then university. Every day I save Rp.5,000 (A\$0.50) for her in a savings account," she says.

While 50 cents a day may not seem like much, for Albertina it is enough to help give Fina a future free from poverty. But without the generosity of people like you, Albertina would not have been given the tools she needed to care for her daughter. Now the future generations of her family can look forward with hope.

### Where we work in Indonesia

Our partner location and outreach



Tanaoba Lais Manekat (TLM): serving 30,000 borrowers



## Impact in Indonesia

**Indonesia is home to some of the most beautiful yet devastatingly poor areas in the world. More than half the population lives in rural communities on its islands, often struggling for months at a time without daily essentials such as safe drinking water or food. In these areas, access to financial services such as credit, savings accounts and insurance is very rare.**

For this reason, Opportunity has in recent years focused its attention on rural eastern Indonesia, where the majority of the population struggles to earn enough just to survive. With a small loan, people like Albertina (read her story on the previous page) have been able to start their own business, increase their income and provide for their family. In 2012, your support meant we were able to send \$655,000 to Indonesia, moving into new communities and reaching more families in need. Thanks to small loans and community development programs, 30,000 families are now being given the chance to leave poverty behind.

*Making extraordinary stories happen*

### Microfinance – small loans, big changes

- Through small loans, a total of 30,000 families were receiving a hand up out of poverty at the end of 2012. Thanks to your support, these families have the opportunity to start small businesses and earn regular incomes.
- Three new branches were opened in remote areas of Indonesia in 2012 – Sikka and Lembata in the district of Flores, and Lewa on Sumba Island. By opening in isolated communities, these new branches empower families who previously have been unable to access any kind of financial services.

- Without access to traditional banks, many poor families keep what little money they do have hidden or invested in unreliable assets. To service people living in the most rural areas of East Nusa Tenggara, two mobile banking vans travel to unserved communities, providing access to much-needed savings accounts. In 2012, the vans extended their reach to over 1,900 clients, with the average size of a savings account being A\$50 – enough to enable clients to better prepare for the future.
- During 2012, our local partner TLM investigated Electronic Delivery Channels (similar to EFTPOS machines) that will allow loan officers to quickly capture data and immediately upload it to head office – reducing operational costs and increasing client security. The pilot for this program will begin in 2013 and, if successful, will be extended to all branches by the end of the year.
- Throughout 2012, Opportunity worked with TLM on a range of different capacity building projects such as staff training and the implementation of the Progress out of Poverty Index which helps monitor a client's journey out of poverty over time.

*“since my mother started her business, she can now pay my school fees and my brother's. she is also able to buy books and stationery for us. I want to be a teacher one day – they teach kids to be smart. if I were a teacher, I will teach children not only at school but also children who are not at school so they would be able to read and write.”*

Flaviana, the 12-year-old daughter of Theresia, one of Opportunity's clients in Indonesia



**Training and development – going a step further**

- Business development training helps clients get the most out of their small loans. Throughout 2012, more than 4,370 clients took part in this training which is held in village offices, local churches or nearby schools. The training ensures that clients have access to information that will help them build stronger and more resilient businesses, focusing on the importance of saving and managing money.
- The Village Partnership Program was initiated to enhance the capacity of villages to develop a long-term and sustainable source of income for the whole community. To date, the project has been introduced in four districts: Timor Tengah Selatan, Sumba, Sabu and Rote. A ‘transformation facilitator’ lives in each community for more than two years, gaining an understanding of the village’s economic potential and delivering the relevant training and loans to a group of clients. In Sabu, projects have included brick production, tomato sauce production and weaving.
- School enrolment in East Nusa Tenggara is significantly lower than Indonesia’s average. At the end of 2012, more than 40 children of loan clients in both elementary and junior high school had received scholarships that cover educational costs such as school uniforms, books and pencils.

**Community development programs – changing whole communities**

- On the island of Sabu, many of the villages’ water wells are inadequately lined, meaning that in the dry season, families can be left without clean water for months at a time. To increase water security in vulnerable areas such as Sabu, well restoration projects have been undertaken. In 2012, 28 wells were rehabilitated, ensuring that villagers have a constant supply of clean water. An average of 50-75 people are able to reach each well (read more about Zadrak’s well restoration on page 1).
- TLM works with local authorities to encourage and facilitate doctors and nurses working in remote areas. In the Gulung community on Flores Island for example, 280 community members received medical consultations over the course of the year. The consultations also mean that data can be gathered and the health-related issues that villages face can be better understood. From this, it is possible to develop appropriate measures to help stop preventable diseases from occurring.

**Looking forward**

- In 2013, Opportunity will continue to serve in the remote eastern regions of Indonesia but will also significantly increase our outreach in other areas. At present we are investigating several potential new partners, ensuring that they share our social mission and are committed to serving families living in poverty. By the end of 2013, we aim to be reaching approximately 200,000 families across Indonesia – families who, thanks to your generosity, will be able to leave poverty behind.



## Ghana

In 2012, Opportunity supported Sinapi Aba Trust (SAT), an organisation operating in Ghana on the west coast of Africa. Over 53% of the Ghanaian population lives in poverty, surviving on less than US\$2 a day. Education and skills training is a major issue, and unemployment sits at 11%. For the 12 million Ghanaians living in rural areas, employment opportunities are particularly limited, as many adults have not been able to complete their education. Through SAT, 2012 saw 140,000 people in more than 570 communities across the country access small loans and the opportunity to build a small business and provide for their family.

One of SAT's most innovative programs is the Youth Apprenticeship Program, an initiative that pairs young people with a 'tradesmaster' for three years in order for them to learn a trade. The tradesmaster acts as a mentor, taking the apprentice on full-time, training them and teaching them how to run a business. The apprentices also receive education on life planning and HIV/AIDS. At the end of the apprenticeship, the students are eligible to take out a small loan and start their own business. They also receive government accreditation for the completion of their course. At the end of 2012, 859 young people had graduated from the Youth Apprenticeship Program, people like Nafisatu (pictured) who is a hairdresser. Now she runs her own business, can provide for her son Blaise and is a 'tradesmaster' herself.

With your support, even more youth in Ghana can be given a hand up out of poverty in 2013.



*"I believe I would still be a poor labourer in the village with no secured future had it not been for this opportunity."*

Kwaku, Opportunity client from Ghana

## China

Back in 2003, Australian donors funded an implementing partner based in China. While the country continues to emerge as an influential economy, hundreds of millions of people still live in extreme poverty. Opportunity International China operates in Hefei in Anhui province and Suqian and Huai'an in Jiangsu province, reaching families through loans that help start and sustain income-generating enterprises. In 2012, Opportunity International China was awarded a US\$3 million grant from the Caterpillar Foundation. This will support expansion into some of the most impoverished areas in northern Jiangsu, helping families who are currently struggling to earn an income due to very limited job opportunities.

At the end of 2012, more than 34,000 families had benefitted from loans to small-medium businesses that create job opportunities for the marginalised and unemployed. As well as loans to grow businesses, Opportunity International China also offers insurance and training. Through financial literacy programs, clients are taught about the importance of financial management, focusing on how to effectively manage credit to establish and improve a business. The program also includes training on how to effectively work with employees and implement safe working practices.

# Impact assessment: measuring the effectiveness of programs

**Social Performance Management (SPM) is an innovative way of measuring and assessing the effect that your support has on families living in poverty through our programs. In 2012, our SPM program continued to grow and be rolled out across the Opportunity Network.**

Starting with some of our partners in India in 2008, our SPM program has grown significantly and is now used by a range of partners in India, the Philippines and an expanding number of countries in Africa. The program enables us to measure who is being reached through certain initiatives as well as track their progress out of poverty over time. This allows us to refine our programs and further increase our impact, as well as demonstrate the changes that take place thanks to your giving towards small loans and community development programs.

Using answers to questions such as ‘What are your house’s outer walls made up of?’ or ‘What kind of toilet facility does your family have?’, it is possible to gauge the relative income level and poverty status of a family and help ensure they are receiving benefits from interventions in all areas of their life. In 2012, Shikhar, a local partner operating in Delhi in India, assessed its outreach. The study found that while 31% of Delhi’s population lives on less than US\$2 a day, 56% of loan applicants were currently earning less than US\$2 a day. From these results, we can conclude that Shikhar’s services are reaching the most vulnerable families in their local area, helping empower them with small loans.

In 2012, a dashboard of indicators was developed that outlines the seven key areas that SPM focuses on, providing common goals for local partners and guiding their efforts (see far right).

## Adding it up

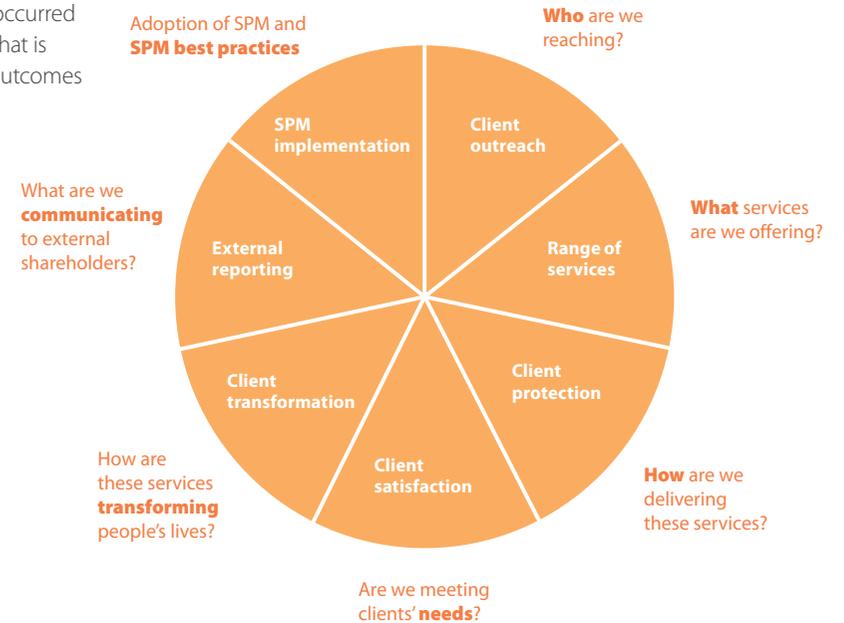
In a similar effort to better understand the impact of our programs, 2012 also saw us work with EMFIL, a local partner based in Kerala in India, to assess its Social Return on Investment (SROI). Based on a framework developed to promote effective investment in the development sector, the SROI project used one-on-one interviews with loan recipients to analyse their journey out of poverty over time. The study at EMFIL looked at the changes that had occurred in a client’s life, taking into account the social value that is created with a small loan by looking at 11 different outcomes for clients such as:

- Increased self-confidence
- Increased contribution to their household
- Increased income
- Improved living standards.



*14 partners are now using Social Performance Management to measure how your support changes the lives of people living in poverty.*

A monetary value is used to represent these outcomes where possible, similar to a cost/benefit analysis that a commercial business would use to assess effectiveness. At EMFIL, it was concluded that for every \$1 invested, the average client experienced a benefit of \$3.19. Measuring outcomes in this manner helps ensure that change is occurring in the lives of families living in poverty.



## Social performance dashboard

Scan here to find out more about how we measure the impact our programs are having.



97

*97% of Opportunity's loans to people living in poverty are repaid. With successful small businesses, families are able to earn regular incomes and leave poverty behind.*



# Poverty: the people you can help

**In many regions around the world, it's not uncommon for people to have less to live on than US\$2 a day. That's less money than we would spend on a cup of coffee without even a second thought. Yet for many, it's all they have to provide for the needs of their whole family.**

Families living in this kind of poverty struggle to afford even the most basic of items. They are unable to afford adequate meals, clean water or an education. They go without proper shelter, transport and even medicine when they're sick.

Each of the statistics on this page represent real people – mothers, fathers and children who should not have to live with such injustice.

Your donations help give a voice to these families – empowering them to break the cycle of poverty in their lives. That's an extraordinary story to be part of.



Diarrhoeal disease kills 760,000 children every year. It is the second largest cause of death in children under five years old, yet it is both preventable and treatable.



Giving birth should be a joyous experience, but developing countries are home to almost 99% of all maternal deaths.



More than 1.2 billion people lack access to electricity and modern forms of energy. Every year, fumes and smoke from open cooking fires kill approximately 1.5 million people – mostly women and children – through respiratory disease.



## Philippines

In the Philippines, one in every five children suffers from malnutrition.



## Ghana

For every 100 people who live in cities in Ghana, 40 of them call a slum home.



## India

52.2% of females in India are illiterate. Many cannot even spell their own name.



## Indonesia

26% of people living in rural areas of Indonesia have no access to a safe water source.

## How your donation – and impact – is multiplied

### A donation is received

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



### Your donation has a significant impact

Thanks to leverage, every \$1000 that is donated to Opportunity is the equivalent of providing close to 18 loans to people living in poverty – in the first year alone. Assuming an average family size of five, that's 90 women, men and children whose lives you can help change. Plus, because loans are repaid, the impact continues, year after year.

As well as small loans, your donations can help support the...

- provision of **business and skills training**, helping people grow successful enterprises
- training of community **health** leaders who share their knowledge in illness prevention, nutrition and first aid with their village
- expansion of our programs to reach families in **remote and isolated communities**
- development of **agricultural** community enterprises
- provision of **youth apprenticeship** and trade development projects
- education and care of **children** through scholarship programs and day-care initiatives run by our partners.

### Want to know our costs?

For every \$1 that was received in 2012, only 15 cents was spent on fundraising and administration. The funds we send to our programs are further increased in the countries where we work as they are leveraged with other funds and then recycled as loans are repaid and re-lent. It's a sustainable way to invest your donations.

## Moving into 2013 and beyond

**Opportunity's mission is to provide opportunities for people living in poverty to transform their lives. 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.**

In order to achieve this mission, Opportunity's leadership team develops a comprehensive organisational strategy detailing the specific activities that will be undertaken and the outcomes expected. The following is our three-year strategic plan for 2012-14 – currently in progress. Progress is tracked regularly.

### 2012-2014 strategic plan

#### 1 Programs

Help existing and new partners develop tailored programs that are growing, sustainable and impactful. In 2013, our goal is to grow from serving 2 million people to serving 2.6 million people.

- a** Develop our market participation in our countries of focus
- b** Develop broader, client-focused product suites for all partners
- c** Strengthen our partners' capability and improve their sustainability so they can provide more cost-effective delivery of microfinance services.

#### 2 Fundraising

Grow revenue, diversify income sources and build our fundraising capability. In 2013, our goal is to raise \$9.5 million through donations and government grants.

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

#### 3 Brand development

Develop and implement a targeted brand development program.

- a** Ensure a targeted approach to brand development
- b** Implement the brand plan.

#### 4 People

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

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

#### 5 The Network

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

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



## Our supporters

2012 saw people around Australia raise much-needed funds and awareness for families living in poverty. We continue to be inspired and encouraged by the compassion of individuals, organisations and communities who do what they can to reach out to people in need.

*Here are just some of their extraordinary stories...*

### Highlights of 2012

**\$7,686,064**

the total value of donations made.

**3,656**

the total number of donors.

**675**

**hours** – the pro bono contribution of the Westpac Organisational Mentoring Program which shares its expertise with us, helping to build capacity and improve effectiveness.

**\$5**

the donation customers chose to give to Opportunity's programs when booking trips through online travel agency Jetabroad, raising over **\$100,000**.

**281**

the number of activities undertaken by our incredible Ambassadors in 2012.

**8**



**8 years old** – the age of one of Opportunity's youngest supporters – Lachlan – who set up his own small business selling mulberries from his yard, successfully raising **\$230**.

**\$56,297**

the funds raised through our *Food for Thought* campaign which encouraged supporters to 'eat, drink and be generous' to raise funds for families in India.



**\$26,017**

the funds raised through the *Business Icon University and Individual 48-hour Challenges*, which saw people get creative with time-sensitive fundraising campaigns.

**10,521**



the total hours of service generously donated by our dedicated volunteers and interns.

**129**

the number of media articles that helped tell the Opportunity story, including coverage in the Australian Financial Review, BRW, Sky Business and The Sydney Magazine.

**\$369,000**

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

10



**10 kilometres** – the length of the track competitors in the *Riders Against Poverty* bike-riding team in South Australia raced around in their 24-hour, 12-hour or 6-hour challenges, bringing in a total of **\$5,204**.

**440** the number of tries scored at the second annual *Opportunity Cup* in Queensland, raising **\$24,098** for families living in poverty on Lembata Island, eastern Indonesia.

**9,679** the total video views on our YouTube page in 2012, as well as **1,207** friends on Facebook and **593** followers on Twitter.

**\$1 a day** – the funds donated for every active consultant that is employed by 4impact, a Brisbane-based consulting services company. In 2012, 4impact's growth resulted in contributions of over **\$30,000** to help families leave poverty behind.

**\$5 million to \$30 million** – the revenue category in which Opportunity was named the winner of the 2011 PwC Transparency Awards (in April 2012) for the quality and transparency of our reporting.

<sup>PwC</sup>  
**Transparency awards**



**\$236,818** the total contributed from generous Australians through workplace giving programs.

**4** the number of panellists at the Entrepreneurs Summit hosted by Opportunity. Former NSW Premier Kristina Keneally, founder of Silver Chef Allan English, Partner of Right Click Capital Ben Chong and CEO of the School of Social Entrepreneurs Celia Hodson discussed what can be done to encourage social entrepreneurship in Australia.

**16%** the percentage of donations made by corporate supporters in 2012.



[Scan here to see a list of our corporate supporters.](#)

33



the number of people who visited clients on one of Opportunity's Insight Trips. After returning from Indonesia, supporter Olivia Northcott said: "The moment that will always stay with me was the visit to a family whose mother had been lent some money to get her salt-bagging business going. Her husband stood up and expressed his gratitude for the way the loan had helped improve their lives."



13

the number of women who put their hiking boots on to trek through the beautiful Cradle Mountain National Park in Tasmania, raising **\$20,604** for families living in poverty.

## 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 Policy outlines how this is maintained.**

Opportunity holds full accreditation with AusAID, the Australian Government's overseas aid agency, and was reviewed and re-accredited for a further five years during 2012. We are also a member of the Australian Council for International Development (ACFID) and a signatory to the ACFID Code of Conduct – a voluntary, self-regulatory code of good practice that defines standards of governance, management, financial control and reporting with which development organisations should comply. Opportunity also recognises, and aims to comply with, the Fundraising Institute of Australia's Principles and Standards of Fundraising Practice, including the Code of Ethics and Professional Conduct. These standards help us assess and maintain our performance.

2012 also saw the official launch of the Australian Charities and Not-for-profits Commission. Opportunity welcomes the introduction of an independent national regulator that will help drive transparency in the sector, alongside initiatives such as the PwC Transparency Awards, in which Opportunity was named the 2011 winner of the \$5 million to \$30 million revenue category.

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, workplace health and safety regulations, various state and federal fundraising and charities legislation and employment law.



Taking into account the best interests of all our stakeholders – including donors, clients, members, volunteers, employees and implementing partners – our full Governance Policy and Directors' Code of Conduct can be found on our website.

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 [companysecretary@opportunity.org.au](mailto:companysecretary@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 about possible breaches can be found at [www.acfid.asn.au](http://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.

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



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

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

The functions of the Board include the following:

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

The 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 the Chief Executive Officer. 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

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

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

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

succession issues, challenges of geographical isolation or environmental instability, regulatory uncertainty and social and political instability.

Risks are identified 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
- Board Charter and Directors' Code of Conduct
- Delegation of authority
- Anti-bribery and corruption
- Child protection
- Human rights.

## Board of Directors

**We are so grateful to our Board of Directors who generously offer their time, experience and expertise to help us reach out to families and communities in need.**

**Chris Sadler BCA, MBA**  
Chairman  
*(Director since May 2008)*

Chris Sadler is a member of the Opportunity International Network Board. In the corporate sector, Chris is a non-executive Director of New Standard Energy and Gloria Jean's Coffees, as well as an advisor to Daniels Sharpsmart Group. Chris 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 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 Sydney Ports Corporation and Baptist Community Services – NSW & ACT. Prior to joining Opportunity, Robert was the Finance Director with Patrick Corporation.

**Suzanne Ardagh BA, MBA, MAICD**  
*(Director since January 2013)*

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

**Benedict Keneally BEc, LLB Hons1**  
*(Director since May 2010)*

Ben Keneally is a Director of Opportunity's Indian subsidiary, Dia Vikas Capital. Ben is the Mayor of the City of Botany Bay and has worked in leadership and strategy roles in the public and private sector. Until March 2013, he was Head of Marketing and Strategy for Better Place Australia, a start-up business focused on supporting the adoption of renewable energy powered electric cars. Prior to that, Ben's roles included nine years with The Boston Consulting Group and heading the Premier's Delivery Unit in the NSW Public Service.

**Edward Kerr BA LLB**  
*(Director since May 2006)*

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



**Scott Parry-Jones**  
(Director since February 2008)

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

**Connie Ridley MBA**  
(Director since February 2005)

Connie Ridley has a consulting business which utilises her background in finance and securitisation. Connie gives much of her time to assist others – she is a Life Governor for the Royal Children's Hospital Melbourne, Chair of Emerge Women and the Children's Support Network 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, as well as a Member of the Compliance Committee at Principal Global Investors (Australia) Ltd. Margaret also provides independent consulting services to a number of Australian financial institutions.

**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 Chief Executive Officer of Australian Charities Fund, an organisation she founded with colleagues from Bain & Company, where she had been a strategy consultant. Joanna is a former Vice President of YWCA NSW and President of the Harvard Club of Australia.

**Suzanne Williams BSc Hons, LLB, FAICD**  
(Director since May 2010)

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

**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.



*"PwC is passionate about working with organisations to create a sustainable future. Opportunity International Australia provides our staff with the opportunity to provide individuals with the chance to reach their aspirations, and have a positive ripple effect on their community. As the winner of the PwC Transparency Awards, Opportunity provides robust reporting and gives us the confidence that our partnership is truly effective."*

Mark Reading, Corporate Responsibility Partner, PwC



## The Council

The Council is a small group of respected and influential Australians who share their wisdom and experience with Opportunity, advocating on our behalf and encouraging others to get involved.

Known as leaders in business or public service, 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.

We are grateful to all of these inspiring people for their valued partnership – thank you for helping us tell these extraordinary stories.

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

### Kevin Bailey

Head of Philanthropic Services at Shadforth Financial Group, Certified Financial Planner and former Director of the Financial Planning Association (FPA). Sits on the Conduct Review Commission and the Professional Conduct Committee for the FPA. Trustee of the Kevin Bailey Charitable Trust.

### Malcolm Broomhead

Director of BHP Billiton and Coates Group Holdings, Chairman of Asciano and former 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. Board member for School of Social Entrepreneurs and Director of the English Family Foundation.

### Greg Hutchinson

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

### Hon. Kristina Keneally

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

### Paul McClintock AO

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

### George Savvides

Managing Director of Medibank Private, Chairman of World Vision Australia and 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

Barrister, Perth.

### Terry Winters

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

*Opportunity would like to thank and acknowledge past Council members, which in 2012 included John Kinghorn.*

*"As a foundation, we get many grant applications. I developed a grant making philosophy called 'depth and span' to filter quality projects. Depth refers to the degree of transformation for an individual or a family or a community. Span refers to the number of times this can be repeated for the one grant or another way of saying 'bang for your buck'. Opportunity International Australia is rated at a 10 which is our highest ranking and, accordingly, is our largest grant recipient."*

Allan English, founder and Chairman of Silver Chef and Director of the English Family Foundation

## Our people

**Driven by a passion to help the poor, Opportunity works hard to ensure your support has the greatest impact possible on families living in poverty.**

The Opportunity team is made up of supporters like you as well as staff, volunteers, interns and Ambassadors – all working together to alleviate poverty and make a difference.

As well as our invaluable supporters, at the end of 2012, the Opportunity team consisted of:

- 24 full-time staff in Australia, 2 in the Philippines, plus the Dia Vikas team in India
- 6 part-time staff
- 8 interns
- 4 volunteers
- 147 Ambassadors.

Staff members are empowered with performance agreements specific to their role as well as training and professional development, all of which increase individual capability as well as that of Opportunity as a whole. In all aspects of our work, we strive to embody the organisation's six core values: commitment to the poor, humility, integrity, respect, stewardship and transformation. These values are outlined in our employee handbook and the team-developed framework, *The Opportunity Way*, a document that outlines who we are and how we operate. We believe it is these values that lead to long-term relationships not just in the developing countries where we work, but also with our staff and supporters.

As of 2012, 15 members of our team have been working at Opportunity for over five years, including six people who celebrated their fifth year at the organisation. We would like to congratulate and thank Karen Kandur (Chief Financial Officer), Sarah Hornby (Donor Relations Manager), Sandra Rodiger (Project Manager), Michelle Taylor (Donor Relations

Director), Rebekah Van Zyl (Communications Director) and Calum Scott (Program Impact Director) on reaching this milestone.

Our staff members are continually inspired by the extraordinary stories of our clients. In 2012, Karen Kandur (pictured) travelled to India and met with families whose lives have been transformed thanks to small loans.

"In November I had the privilege to travel to Bihar, one of the poorest places in India, and meet an amazing group of women. I remember listening to their stories and as I heard them speak I realised that we are not really different at all. I share their dreams and hopes for my own family, health and happiness and for a better world. They had so little materially, but they taught me about humility, generosity and hope. They are empowered women and I am blessed to have met them," she said.

### Volunteers and interns

At the end of 2012, Opportunity was being supported by four volunteers and eight interns. Throughout the year, volunteers and interns contributed a total of 10,521 hours of service in the areas of administration, communications, events, donor services, finance, programs, research and strategy. Interns work in four-month cycles, while volunteers stay with Opportunity for longer periods of time, usually working one day a week.

The hard work and expertise of our volunteers and interns enable us to have greater outreach in the communities where we work. We are grateful for their service and all that they bring to the team – our work would not be possible without them.

### Opportunity Ambassadors

Ambassadors are representatives of Opportunity who are committed to changing the lives of families in need. By advocating and fundraising on our behalf, they champion Opportunity's cause in their workplaces, networks and social circles. Throughout 2012, 147 Ambassadors participated in a range of different activities, raising over \$677,000 and providing a hand up to almost 12,000 families living in poverty. We thank our Ambassadors for their significant contribution and dedication to serving poor communities.



Scan here to find out more about our internship program.



## Leadership team *(as at 2013)*

**The Opportunity team is full of passionate, talented and dedicated individuals who work hard to see extraordinary stories happen thanks to your donations.**

### Chief Executive Officer

**Robert Dunn** *(joined in 2006)*

Please see Board of Directors on page 30.

### Chief Financial Officer

**Karen Kandur** *(joined in 2007)*

Karen joined Opportunity in 2007 as an Accountant, before becoming Chief Financial Officer in 2012. Leading the Corporate Services team, she oversees Opportunity's finance, IT, risk, compliance and HR functions. A qualified Chartered Accountant, Karen previously worked with Pitcher Partners and BDO. She holds a Masters in International Social Development.

### Communications Director

**Rebekah Van Zyl** *(joined in 2007)*

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

### Community Development and Indonesia Director

**Simon Lynch** *(joined in 1996)*

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

### Company Secretary

**Kathleen Hill** *(joined in 2003)*

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

### Donor Relations Director

**Michelle Taylor** *(joined in 2007)*

Michelle oversees Opportunity's Donor Relations and Donor Services departments as well as our national Ambassador program. With qualifications in IT and accountancy, she has spent 20 years working in finance, health, energy, transport and IT. She has also held roles across the three tiers of government and has 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. 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.

### Investment Services Director

**Rebecca Parkinson** *(joined in 2005)*

Rebecca's role involves supporting the delivery of new and existing microfinance programs, providing advice on new partnerships and repeat investments. Working closely with Opportunity's country directors, she assesses and reports on portfolio health. Having previously worked with Citigroup Investment Bank and Qantas, Rebecca is a qualified CPA and holds a Masters in Development Studies.

### Program Impact Director

**Calum Scott** *(joined in 2007)*

Calum supports Opportunity's partners through the development of a Social Performance Management (SPM) strategy, helping them better measure and improve their outreach and increase the positive impact they are having on families living in poverty. Having previously worked as an economist for the UK Government and NHS, he holds a BAcc in Accounting and Political Economy.

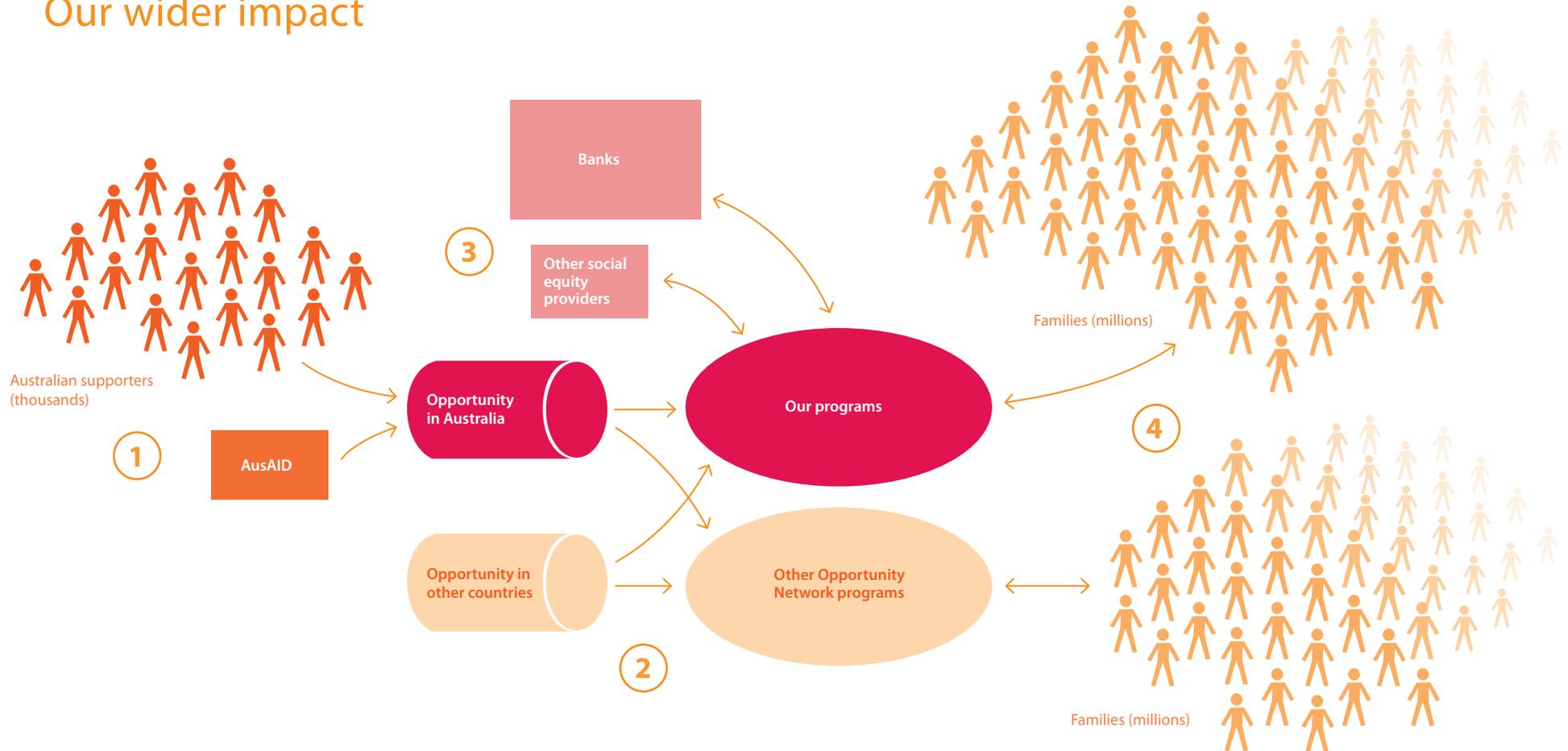
### Strategic Services Director

**Chris Murdoch** *(joined in 2006)*

Chris provides strategic advice on program design to Opportunity's partners globally, having designed our program in India. He has recently moved back to Australia from India after spending three years building alliances with development partners who provide services that complement the provision of microfinance. Previously, Chris was an Associate Partner of PricewaterhouseCoopers' Global Business Services.



# Our wider impact



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

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

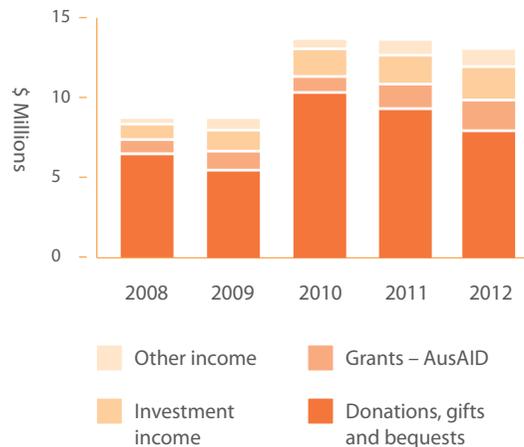
**3** In addition, Opportunity works to secure further funding for these programs from other global sources, such as social debt and equity investors. Examples of these are bank debt, the equity secured for our India Program from Dutch social fund, Cordaid, and the equity also invested into our programs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

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

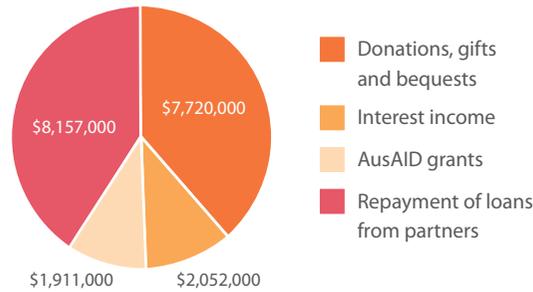
# Review of operations

- Revenue was steady at \$12,868,000 (2011 revenue was \$13,351,000)
- Total cash received was \$19,840,000 (\$20,865,000 in 2011) – this included loan repayments from partners of \$8,157,000 (\$8,368,000 in 2011)
- Operating expenses (including grants to international programs and excluding foreign exchange losses, finance charges and impairment expense) were \$7,607,000 in 2012 (increase from \$7,083,000 in 2011)
- The operating surplus for the year was \$4,217,000 (2011 surplus was \$3,672,000).

## Total revenue trend



## Where the funds come from

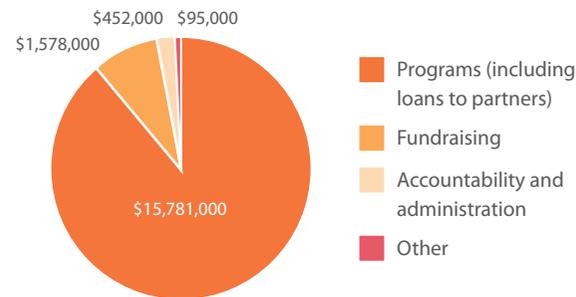


Definition: Illustrates the nature of cash received as a percentage of total cash received.

**Analysis:** Fundraising revenue decreased by 15% in 2012 (\$1,402,000) due to an increasingly difficult fundraising environment, particularly with regard to major gifts.

Income from AusAID grants grew by 39% (\$535,000) due to additional funding received to continue to measure the impact our programs are having on the lives of our clients. This is an important element of development, ensuring the activities we undertake are having a significant impact. Read more about impact measurement on page 21.

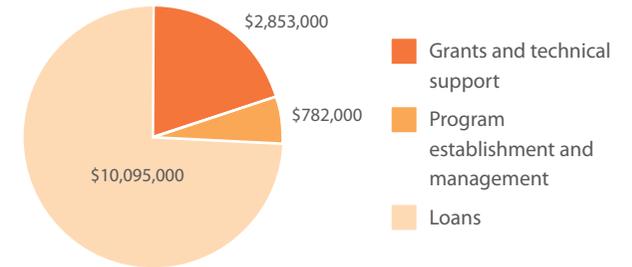
## How funds are put to use



Definition: Illustrates the nature of cash spent as a percentage of total cash expenditure.

**Analysis:** Cash expenditure comprising operating expenses excluding non-cash transactions (such as foreign exchange losses, impairment on investments and finance charges) plus debt disbursements made to our partners totalled \$17,906,000 in 2012 (\$22,563,000 in 2011).

## How overseas program funds are spent

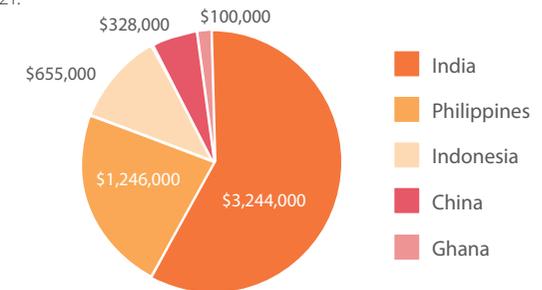


Definition: Illustrates how funding was provided to our overseas partners in support of our programs.

**Analysis:** Total funds spent on our overseas projects was \$13,730,000 in 2012. This included funds from repaid loans which were able to be reissued.

For more information about the work we do in our focus countries, see pages 9-20.

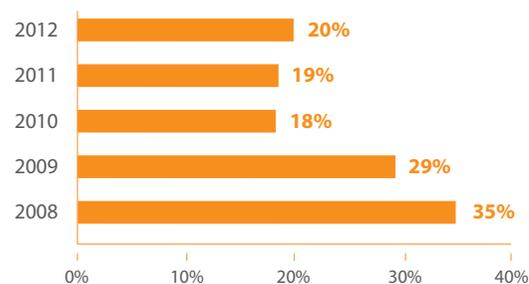
## Where overseas program funds are sent



Definition: Illustrates the total funds provided to projects in our focus countries in 2012. Funds to India are net of loan repayments from partners.

**Analysis:** The total funds disbursed to our India Program in 2012 was \$11,401,000 and loans repaid by our Indian partners during the year totalled \$8,157,000. This resulted in net cash funding provided of \$3,244,000 in 2012 for India.

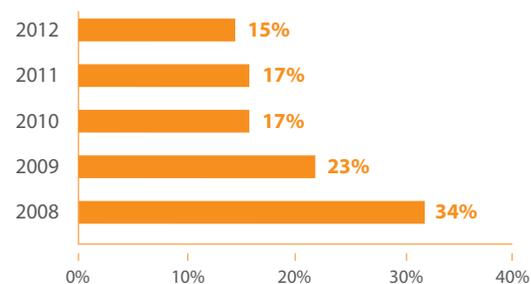
### Fundraising ratio



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

**Analysis:** The fundraising ratio represents how much of each dollar raised is spent in raising that dollar. In 2012, our fundraising costs decreased by 9%, however fundraising revenue was less than the prior year due to a difficult fundraising environment, resulting in the fundraising ratio remaining steady.

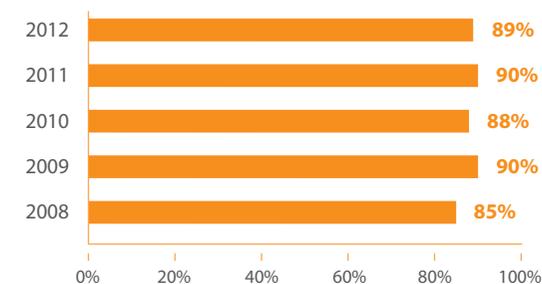
### Fundraising and administrative ratio



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

**Analysis:** 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 of revenue is spent on raising that dollar and on administration. In 2012, our administration costs decreased by 11% which, alongside the reduction in fundraising costs and the reduction in total revenue, resulted in this ratio continuing to remain steady.

### Programs operations efficiency



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

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

### Programs expenditure

	2012 \$'000	2011 \$'000
Grants	5,577	4,830
Loans issued	10,095	13,478
Equity issued	-	2,002
Gross to programs	15,672	20,310
Loans repaid	8,157	8,368
<b>Net to programs</b>	<b>7,515</b>	<b>11,942</b>

Opportunity was able to disburse \$15,672,000 into our programs in 2012. This comprised of \$8,157,000 from loans repaid by our sustainable microfinance partners and \$7,515,000 from our fundraising activities.

Grants included funds sent directly to our overseas partners, program support costs and funds spent on educating the Australian community about international development.

The India Program held \$4,140,000 in cash at year end. These funds are expected to be disbursed to our programs in 2013.



# Income statement

For the year ended 31 December 2012

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Revenue</b>				
Donations and gifts – monetary	7,585	9,088	7,585	9,088
Bequests and legacies	101	-	101	-
Grants – AusAID	1,911	1,376	1,911	1,376
Investment income	2,054	1,873	211	254
Other income	1,217	1,014	30	48
<b>Total revenue</b>	<b>12,868</b>	<b>13,351</b>	<b>9,838</b>	<b>10,766</b>
<b>Expenses</b>				
International programs				
Funds to international programs	3,635	3,284	2,674	2,113
Program support costs	1,806	1,498	1,787	1,498
Community education	136	48	136	48
Fundraising costs				
Public	1,499	1,647	1,499	1,647
Technical grants	55	54	53	54
Events expenses	24	43	22	40
Accountability and administration	452	509	447	509
Net (gain)/loss on foreign exchange	14	301	14	301
Impairment on investments <sup>1</sup>	439	2,011	(1,761)	1,657
Finance charges	436	711	-	-
<b>Total expenditure</b>	<b>8,496</b>	<b>10,106</b>	<b>4,871</b>	<b>7,867</b>

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Excess/(shortfall) of revenue over expenditure</b>	<b>4,372</b>	3,245	<b>4,967</b>	2,899
Tax expense	155	(427)	-	-
<b>Net surplus/(deficit)</b>	<b>4,217</b>	3,672	<b>4,967</b>	2,899
<b>Net surplus/(deficit) attributable to:</b>				
Non-controlling interests gain/(loss)	334	(241)	-	-
The Parent	3,883	3,913	4,967	2,899
<b>Net surplus/(deficit) for the year</b>	<b>4,217</b>	3,672	<b>4,967</b>	2,899

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

<sup>1</sup> Impairment on investments relates to investments in microfinance partners.

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 2012

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	8,663	6,729	4,523	4,349
Trade and other receivables	7,816	8,676	13	63
Other current assets	130	47	45	30
<b>Total current assets</b>	<b>16,609</b>	15,452	<b>4,581</b>	4,442
<b>Non-current assets</b>				
Trade and other receivables	10,323	8,555	-	-
Investments in subsidiaries	-	-	32,380	27,373
Investments in associates	7,865	7,217	-	-
Other financial assets	980	1,073	980	1,072
Property, plant and equipment	690	748	134	137
Deferred tax asset	756	618	-	-
<b>Total non-current assets</b>	<b>20,614</b>	18,211	<b>33,494</b>	28,582
<b>Total assets</b>	<b>37,223</b>	33,663	<b>38,075</b>	33,024

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 2012 \$'000	Consolidated 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	553	548	483	451
Provisions	102	97	47	63
<b>Total current liabilities</b>	<b>655</b>	645	<b>530</b>	514
<b>Non-current liabilities</b>				
Provisions	188	119	188	119
<b>Total non-current liabilities</b>	<b>188</b>	119	<b>188</b>	119
<b>Total liabilities</b>	<b>843</b>	764	<b>718</b>	633
<b>Net assets</b>	<b>36,380</b>	32,899	<b>37,357</b>	32,391
<b>Equity</b>				
Accumulated funds	43,363	39,480	37,357	32,391
Reserves	(7,947)	(7,440)	-	-
Non-controlling interests	964	859	-	-
<b>Total equity</b>	<b>36,380</b>	32,899	<b>37,357</b>	32,391

# Statement of changes in equity

For the year ended 31 December 2012

2012 Consolidated \$'000	Translation reserve	Statutory reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2012	(7,471)	31	39,480	32,040	859	32,899
<b>Total comprehensive income</b>						
Profit or loss	-	-	3,883	3,883	334	4,217
<i>Other comprehensive income</i>						
Foreign currency translation differences	(507)	-	-	(507)	(229)	(736)
<b>Total comprehensive income for the year</b>	<b>(507)</b>	<b>-</b>	<b>3,883</b>	<b>3,376</b>	<b>105</b>	<b>3,481</b>
<i>Changes in ownership interests in subsidiaries that do not result in a loss of control</i>						
Acquisition of non-controlling interest	-	-	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 December 2012</b>	<b>(7,978)</b>	<b>31</b>	<b>43,363</b>	<b>35,416</b>	<b>964</b>	<b>36,380</b>
<b>2011 Consolidated \$'000</b>						
Balance as at 1 January 2011	(3,760)	31	35,567	31,838	2,448	34,286
<b>Total comprehensive income</b>						
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)
<b>Total comprehensive income for the year</b>	<b>(3,711)</b>	<b>-</b>	<b>3,913</b>	<b>202</b>	<b>(1,703)</b>	<b>(1,501)</b>
<i>Changes in ownership interests in subsidiaries that do not result in a loss of control</i>						
Acquisition of non-controlling interest	-	-	-	-	114	114
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>114</b>
<b>Balance as at 31 December 2011</b>	<b>(7,471)</b>	<b>31</b>	<b>39,480</b>	<b>32,040</b>	<b>859</b>	<b>32,899</b>
<b>2012 Parent \$'000</b>						
Balance as at 1 January 2012	-	-	32,390	32,390	-	32,390
<b>Total comprehensive income</b>						
Profit or loss	-	-	4,967	4,967	-	4,967
<i>Other comprehensive income</i>						
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,967</b>	<b>4,967</b>	<b>-</b>	<b>4,967</b>
<b>Balance as at 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>37,357</b>	<b>37,357</b>	<b>-</b>	<b>37,357</b>
<b>2011 Parent \$'000</b>						
Balance as at 1 January 2011	-	-	29,491	29,491	-	29,491
<b>Total comprehensive income</b>						
Profit or loss	-	-	2,899	2,899	-	2,899
<i>Other comprehensive income</i>						
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,899</b>	<b>2,899</b>	<b>-</b>	<b>2,899</b>
<b>Balance as at 31 December 2011</b>	<b>-</b>	<b>-</b>	<b>32,390</b>	<b>32,390</b>	<b>-</b>	<b>32,390</b>

# Statement of cash flows

For the year ended 31 December 2012

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Cash flows from operating activities</b>				
Receipts from donors and grantors	9,603	10,500	9,603	10,500
Payment for programs and employees	(7,716)	(7,378)	(6,442)	(5,695)
Interest received	2,052	1,871	210	252
Other income	28	16	24	12
<b>Net cash generated by operating activities</b>	<b>3,967</b>	<b>5,009</b>	<b>3,395</b>	<b>5,069</b>
<b>Cash flows from investing activities</b>				
Investment in subsidiary	-	-	(3,155)	(5,379)
Investment in associates	-	(2,002)	-	-
Payment for plant and equipment	(95)	(66)	(66)	(46)
<b>Net cash used in investing activities</b>	<b>(95)</b>	<b>(2,068)</b>	<b>(3,221)</b>	<b>(5,425)</b>

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares	-	110	-	-
Loans to implementing partners	(10,095)	(13,478)	-	-
Repayment of loans from implementing partners	8,157	8,368	-	-
<b>Net cash used in financing activities</b>	<b>(1,938)</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash held	1,934	(2,059)	174	(356)
Cash at the beginning of financial year	6,729	8,824	4,349	4,741
Effects of exchange rate changes on balance of cash held in foreign currencies	-	(36)	-	(36)
<b>Cash at the end of financial year</b>	<b>8,663</b>	<b>6,729</b>	<b>4,523</b>	<b>4,349</b>

## Notes to the summarised financial report

### Cash movements for specific purposes for the year ended 31 December 2012

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

Specific purpose or appeal	Available at start of year \$'000	Raised during year \$'000	Disbursed during year \$'000	Available at end of year \$'000
<b>2012 Consolidated</b>				
Microfinance programs in India	5,438	13,850	12,836 <sup>1</sup>	6,452
TLM Growth Program	547	842	854	535
Philippines Reform Program	488	404	132	760
Total movements for specific purposes	6,473	15,096	13,822	7,747
Total for other purposes	256	4,744	4,084	916
<b>Total cash</b>	<b>6,729</b>	<b>19,840</b>	<b>17,906</b>	<b>8,663</b>
<b>2011 Consolidated</b>				
Microfinance programs in India	3,000	15,054	12,616	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
<b>Total cash</b>	<b>8,824</b>	<b>20,865</b>	<b>22,960</b>	<b>6,729</b>

<sup>1</sup> Includes net gain on foreign currency translation of \$1,000 (2011: gain of \$36,000).

## Notes to the summarised financial report

### Information and declarations to be furnished under the Charitable Fundraising Act 1991 for the year ended 31 December 2012

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Details of aggregate gross income and total expenses of fundraising appeals:</b>				
Gross proceeds from fundraising appeals	7,692	9,124	7,692	9,124
Less expenses associated with fundraising appeals				
Public	1,499	1,647	1,499	1,647
Events expense	24	43	22	40
Gross expenses associated with fundraising appeals	1,523	1,690	1,521	1,687
<b>Net proceeds from fundraising appeals</b>	<b>6,169</b>	<b>7,434</b>	<b>6,171</b>	<b>7,437</b>
<b>Statement outlining the manner in which the net surplus was applied:</b>				
Funds spent on the delivery of overseas projects	1,806	1,498	1,787	1,498
Funds spent on administration	452	509	447	509
Funds sent, or committed to send, direct to partners	3,911	5,427	3,937	5,430
<b>Application of net proceeds from fundraising appeals</b>	<b>6,169</b>	<b>7,434</b>	<b>6,171</b>	<b>7,437</b>

Appeals conducted during 2012 were for projects in India, Indonesia, the Philippines, China and Ghana. 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 2012	Consolidated 2011
Gross expenses associated with fundraising appeals divided by gross proceeds from fundraising appeals	20%	19%
Net proceeds from fundraising appeals divided by gross proceeds from fundraising appeals	80%	81%
Total costs of services divided by total expense from ordinary activities	64%	47%
Total costs of services divided by total revenue from ordinary activities	42%	36%

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. These ratios are calculated in accordance with NSW Charitable Fundraising Act definitions which exclude funds sent to programs in the form of loans or equity in the 'total cost of services'. A more meaningful assessment of Opportunity's program efficiency includes funds sent as loans, equity and grants. The programs operations efficiency ratio on page 39 better represents how much of total expenditure is spent on programs in developing countries.



### 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 2012, 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 2012. We expressed an unmodified auditor's opinion on that financial report in our report dated 10 April 2013.

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

#### Directors' responsibility for the summary financial statements

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

#### Auditor's responsibility

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

#### Auditor's opinion

In our opinion, the summary financial statements derived from the audited financial report of Opportunity International Australia Limited for the year ended 31 December 2012 are consistent, in all material respects, with that audited financial report.

KPMG

KPMG

Madeleine Matterna  
Partner

Sydney

10 April 2013

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Opportunity International Australia provides people living in poverty with the opportunity to transform their lives. Offering a hand up rather than a hand-out, we use a sustainable approach to solve poverty – empowering families through community development programs and loans as small as \$100 to help them grow their own small business. These services mean that families no longer have to struggle to afford food, water, healthcare and an education for their children. Inspired by Jesus Christ's call to serve the poor, we seek to help people regardless of their gender, ethnicity or religious affiliation. Our desire is to see families break free from poverty – for good.



## 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.

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