

# **MICROLOAN FOUNDATION**

(A company limited by guarantee)

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2011**

**Charity number 1104287**

**OSCR number SC041941**

**Company number 04828558**

## **MicroLoan Foundation**

### **Report of the Trustees for the year ended 31 December 2011**

The Trustees present their annual report with the financial statements of the company for the year to 31 December 2011

#### **Directors and Trustees**

The directors of the charitable company (the Charity) are its trustees for the purposes of Charity law and throughout this report are collectively referred to as the trustees.

The Trustees serving during the year, and since the year end, were as follows:

Mr David Young	(Chairman)
Mr Greg Delaney	
Mr Peter Ryan	
Mrs Caroline Ryan	
Mr Alex Tweedie	
Mrs Ida Levine	(appointed 26 January 2011)
Mr Alan Penson	(appointed 17 July 2012)
Miss Caroline Beck	(appointed 17 July 2012)
Mr Egmont Kock	(resigned 19 October 2011)
Mr Nick Ridge	(resigned 19 October 2011)
Mr Jeff Bennett	(resigned 25 May 2011)
Mr Iain Richardson	(resigned 1 March 2012)

#### **Structure, Governance and Management**

##### Governing Document

MicroLoan Foundation (the "Charity") is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 10 July 2003 as amended and updated on the Companies House Register. It is also registered as a Charity with the Charity Commission of England and Wales.

##### Appointment of Trustees

The Charity appoints new Trustees by carefully selecting the functional skills that are required for the development and governance of the MicroLoan Foundation. In 2011 this approach led to the identification of Ida Levine (International Commercial and Financial Services Lawyer). Alan Penson (Treasurer and Accountant) and Caroline Beck (Charity Secretary, Regulatory Expert and Accountant) were appointed similarly in 2012. The appointment of trustees is governed by the Memorandum and Articles of Association A new Trustee is proposed, seconded and voted in at trustee meetings.

The Charity bid farewell to two Founding Trustees, Nick Ridge and Jeff Bennett, who had served for over ten years, Iain Richardson who had served for six as Treasurer and Egmont Kock, who moved on to concentrate on an education charity and outside business interests. A rotational appointment of Trustees has been put in place with terms of

3 years, with a maximum period of service of two terms.

### Organisation

The Board of Trustees, which must have at least three members, provides governance and oversight of the Charity, and meets every two months (more frequently if required).

In addition, a Remuneration & Appointments Committee and an Audit Committee were formed in 2008. In 2011 the Remuneration & Appointments Committee comprised Alex Tweedie, Greg Delaney and Iain Richardson. The Audit Committee comprised David Young, Iain Richardson and Ida Levine. Both committees report to the Board of Trustees.

Peter Ryan acts both as a Trustee and as the CEO of the organisation. The Charity Commission gave its consent to Peter being employed in the role of CEO and to his continuing to serve as a trustee.

### Related parties

The Charity has an association with the MicroLoan Foundation, Malawi ("MicroLoan Malawi") which is a registered trust in Malawi. The MicroLoan Foundation ("MicroLoan UK") provides advice to local Malawi management and trustees, in addition to grants to support the Malawi operation. Two UK trustees are also trustees of MicroLoan Malawi.

The MicroCredit Foundation, Zambia ("MCF Zambia") is a limited company, with a not-for-profit objective. MicroLoan UK owns 50% of the share capital and under a shareholders agreement has a beneficial interest in 100% of the ordinary share capital. MCF Zambia commenced operations in 2009 having received approval to do so from the Bank of Zambia. Two UK trustees are also directors of MCF Zambia.

The MicroLoan Foundation, Namibia ("MicroLoan Namibia") was set up as an Incorporated Association not-for-gain, on 18 March 2009. It ceased activities in 2012, due to a lack of local funding. MicroLoan UK provided advice to local Namibian management and trustees, in addition to grants to support the operation. One UK trustee and one Microloan Foundation USA Trustee were trustees of MicroLoan Namibia.

The MicroLoan Foundation, USA ("MicroLoan USA") is a tax-exempt non-profit 501 (3C) organization under section 501(c) (3). Its purpose is creating a base in the USA to raise funds and awareness of the MicroLoan Foundation activities and developing operational capacity to establish further microloan programmes. Two of the UK trustees are also directors of MicroLoan USA.

The MicroLoan Foundation, Australia ("Microloan Aus") operates with the same purpose as MicroLoan USA. Two UK trustees are also directors of Microloan Aus.

