

Shivia Microfinance empowers you to empower others



SHIVIA MICROFINANCE

Directors' Report and Financial Statements Year ended 31st August 2010



Administrative Details

Company registration number¹: 6596925

Charity registration number²: 112644

Registered office address:

Shivia Microfinance
c/o EFG Private Bank Ltd
Leconfield House
Curzon Street
London
W1J 5JB
United Kingdom

Email: info@shivia.com

Website: www.shivia.com

Relevant organisations

Bank:

HSBC
129 New Bond Street
London
W1S 1EA
United Kingdom

UK Legal Advisers:

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ
United Kingdom

¹ incorporated in the United Kingdom on 19th May 2008 as a company limited by guarantee

² registered by the Charity Commission on 27th October 2008

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Message from the Chairman

This year has seen Shivia Microfinance make significant progress moving from a start-up organisation to one which is achieving its goals of making a difference to the lives of those in India and Nepal we aim to help. The building blocks which were put in place in the previous year positioned Shivia well to move forward despite the inclement economic climate. In this context it has also been most pleasing that the company has increased its income quite substantially.



We have in place a board of four directors following the appointment of Mrs. Annabel Heathcoat-Amory in March 2010. The Board has a good balance of backgrounds: finance, commerce, legal and international development. It provides governance and oversight of the charity, meeting on a quarterly basis, or more frequently if required.

Day-to-day management of the entity continues in the hands of Ms. Olivia Donnelly who has performed an outstanding role in moving Shivia forward, based on her personal drive and extensive experience in this field. Given the progress made in the year under review and our plans for next year, the Board has asked Ms. Donnelly to act as Chief Executive from 1st September 2010.

Shivia has an ethos of keeping overheads as low as possible so that we can channel as much funding as possible to those we are trying to help. During the year, Shivia received donated, pro-bono services and gifts in kind totalling £55,000 (legal advice, office space and website development). We are grateful to all those who have given us their time, knowledge, guidance, assets and skills which have made a significant contribution to the governance and charitable activities of Shivia and thereby enhanced our ability to help others.

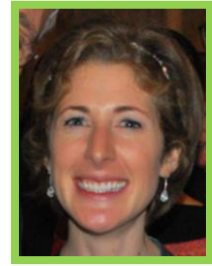
Next year we shall continue to work in collaboration with our local partners, as well as potentially start our own directly-managed operations in India. In all our work we will focus on making a social impact so that we help communities in West Bengal, Gujarat and West Nepal rise out of poverty. The practical and legal challenges of managing an activity in a remote overseas location are understood and this step to our own operations will only be taken by the Board after full consideration of all the consequences.

I would like to thank our donors, my fellow Directors and all our managers for their tireless efforts to fulfil our objectives, and position Shivia Microfinance as a successful, transparent and ambitious organisation.

Stuart Tester

Report from the CEO

Shivia Microfinance was founded to alleviate poverty, using microfinance as an enabling tool. Providing training and measuring social impact is of utmost importance to us. Our model is not simply focused on growth - ie. number of loans disbursed - but on the quality of each loan, so that each one makes a real socio-economic impact for the poor of India and Nepal.



Achievements

This year, Shivia has had three main achievements: (1) the set-up of Shivia India to manage and co-ordinate operations in collaboration with our local partners (2) our first operations in India through our local partner SARS and (3) the introduction of Shivia social impact assessments in both India and Nepal. Given our objectives, the social impact assessments are a good way of monitoring and evaluating whether we are making a real impact to the lives of the poor we are trying to help.

Shivia India was set up as a Trust in December 2009. The four Trustees, led by Vasant Subramanyan, the Managing Trustee, have a wealth of experience of microfinance and commerce in the two states in which we now operate – West Bengal and Gujarat. They contract a team of four consultants responsible for implementing social impact assessments and financial and management controls, all introduced by Shivia. I am grateful to the Shivia India consultants and the local partner staff who have put in hours of dedication and commitment.

Our work with SARS began in March 2010. Between then and the end of the year, we disbursed £40,000 in four tranches - 313 loans - and completed 374 Shivia Social Impact Assessments. In July we agreed to extend our operations to Gujarat, effective from 1st September 2010, through our local partner “SAATH”. This will enable us to work in urban as well as rural areas.

Our operations in rural Nepal, with our local partner BASE, continue to grow: since May 2009, 871 loans have been disbursed and in June 2010, the Shivia interns introduced our Social Impact Assessments, as well as financial and management controls, reporting and planning systems.

Incoming resources

For the year under review, £217,000 was raised, with further commitments of £75,000 for 2010-11 and £50,000 for 2011-12. I am encouraged that we raised these funds against the back-drop of the recession and we shall continue to pitch to a variety of donors: individuals, foundations, trusts and corporates. We will maintain our focus on poverty alleviation, raising funds from those who share our vision of making a socio-economic impact rather than focusing on “financial inclusion” and returns to shareholders.

Challenges to our business model

Despite this year being an exciting one, we have faced several challenges that we plan to overcome in the next financial year.

Regulation:

Shivia's plans have frequently changed due to regulation which is continually altering and becoming tighter in India. This is due to increasing fears over money-laundering and terrorism since the Mumbai attacks in November 2008³ as well as new controls in the microfinance industry due to the pace at which it is growing. In Nepal, regulation is uncertain due to volatile politics.

³ There were more than ten coordinated shooting and bombing attacks across Mumbai, India's largest city, by Islamic terrorists between 26th-29th November 2008, killing at least 173 people and wounding at least 308.

Local Partners:

Whilst Shivia wants to work with the poorest of the poor and put in place good financial and management controls, we have to work within the confines of the local partner teams and capacity. In West Bengal, for example, SARS's loan office is very basic and communications are poor: there is no regular power supply, the office has no computers, there is no internet access and the staff lack IT skills. We have had to overcome cultural differences in both India and Nepal⁴, prepare for delays within our own local management and help our partners adapt to certain international norms and standards.

Geography:

In West Bengal and West Nepal, the operations - where the poorest populations live - are in remote locations, often affected by environmental and/or social and political unrest. Dang, for example, is located in Mid-West Nepal which is the Maoist heartland. There are often political tensions and restrictions on travel. In the monsoon months, it is hard to move around due to poor infrastructure and rising waters. This coupled with the borrowers' rural settings and distance from local markets, means it is hard for the BASE staff to reach the sites and for borrowers to sell their goods on a consistent basis. For instance, the women have to get up at 3am to walk their products to the markets. For Shivia, one of the most important aspects of our work is training. However, some group members cannot attend meetings due to their remote locations and have remained illiterate and unable to keep their own records.

Local politics:

In both West Bengal and West Nepal, changing local politics and Maoist activity (even though unrelated) has been a challenge for Shivia and our local partners in terms of travel. With next year's State elections in West Bengal – and predictions that there will be a change in power after 32 years – the Shiva teams will have to be careful in case of political strife.

Borrowers:

It is a challenge to ensure that the loans are spent on productive rather than consumption purposes, not passed straight onto husbands, and that borrowers do not take out multiple loans from a multitude of sources. To date, due to careful monitoring, we have overcome this challenge. The SARS staff have reported that borrowers expect to receive loans as soon as they have completed their social impact assessments. Others are eager to acquire bigger loans to grow their businesses before the typical loan cycle is over. Borrowers cannot understand why they cannot receive loans as soon as they are ready; Shivia and SARS have to manage their expectations as to Shivia's resources and implement financial discipline.

One year loan facility to local partners:

It has become apparent that Shivia's original model of making one year loans to our partners is not in line with our goal of lifting people out of poverty and does not make the best use of our funds. We have discovered from working closely with SARS that it takes, on average, 5-6 years/loan cycles to get an individual "above the poverty line"⁵. Longer-term loan facilities will allow our partners and the borrowers to plan better with regard to both the training and the businesses they can afford to start and sustain, bearing in mind that each year the loan size typically increases by 25-40%. They will also enable our partners to recycle the principal more frequently and help lift many more people out of poverty, Shivia's ultimate goal.

The fast-changing microfinance industry

A number of significant changes in the microfinance industry in India have occurred during the year. The most notable has been the growth and dominance of commercial Microfinance Institutions (MFIs). We now find ourselves in an industry that has quickly become a competitive market where the commercial MFIs are getting larger with a focus on financial inclusion and profit for shareholders. A landmark event was the first Initial Public Offering (IPO) of Indian's largest MFI in July 2010. Since, several more have lined up for similar public funding attracting social investors as well as institutional ones to a market with

⁴ Cultural differences include meeting deadlines, understanding when "yes" means "no", religious and indigenous holidays etc.

⁵ The World Bank redefined the common international poverty line in 2008 as USD 1.25 per day at 2005 purchasing-power parity (PPP).

high valuations. Negative press comment has surrounded the industry criticising commercial MFIs for lack of “customer care” (training, mentoring, monitoring and evaluation) and a market where the emphasis has switched from poverty alleviation towards making a profit. Borrowers are struggling to pay back their loans with growing, unsustainable debts along with much cited problems of multiple lending, a rise in default rates and consumption rather than productive borrowing meaning no economic activity to back up the loans.

The future

We see these changes and challenges in the microfinance industry as a great opportunity for Shivia to demonstrate that we are making a difference to the poor of India and Nepal and we will continue to do so. We intend to introduce what we have termed “the livelihood model”. This model keeps Shivia’s mission at the core of our work: *to alleviate poverty and boost livelihood development*. We plan to identify and develop with the local communities “microenterprises” that are feasible, profitable and sustainable.

In order to be responsible lenders, Shivia will encourage our partners to educate against multiple borrowing. We will encourage our borrowers to use their loans for productive rather than consumption purposes and help them repay their loans rather than harass them when they cannot. We will become even more focused on good training that is both initial and ongoing, tailored to individual borrowers and community needs: basic literacy through to business development. Such training will take place in village community centres which the borrowers can easily reach.

We feel that to flourish in this changing market, we may need to have our own directly controlled operations in India based off this livelihood model, as well as maintain our existing local partner relationships. This will enable us to address our concerns as well as build on our strengths. We will be able to implement good financial and management controls through our own operations as well as optimise funds by recycling the money to more people. We can compete in the new marketplace on our terms rather than those of new local partners and we can fund-raise under our own banner. It will no doubt be beneficial to donors that they have the choice of giving to a microfinance organisation directly, or to use Shivia as an intermediary vehicle to reach our local partners.

Our own operations would give us a further advantage through avoiding having to identify and assess additional new local partners; instead we can focus on strengthening our existing partners’ shortfalls. We can put in place good, energetic, skilled professionals, upgrade the loan offices to enable infrastructure such as IT and introduce our own software with staff that can operate it. If our own operations are managed largely by the Shivia India team, this will be at Indian rates rather than UK ones and result in a more efficient structure all round.

Olivia Donnelly

Report of the Directors for the year ended 31st August 2010

The Directors present their annual report with the financial statements of the company for the year ended 31st August 2010.

Directors

Mr. Stuart Tester
Ms. Olivia Donnelly
Mr. Timothy Neslen
Mrs. Annabel Heathcoat-Amory (appointed 31st March 2010)

Objectives and Activities

Shivia Microfinance (“Shivia”) works with poor communities in India and Nepal. The Company’s objects are: *“the relief of need in areas of social and economic deprivation, particularly in India and Nepal, by the provision of financial and technical assistance and the advancement of education and training”*.

The principal activity of the Company is the provision of interest-free loans and support to independent microfinance organisations in India and Nepal, including non-governmental organisations with microfinance programmes.

Business Model

Shivia receives donations primarily from the UK and makes interest-free loans to carefully selected “local partners” to run microfinance schemes: South Asia Research Society (“SARS”) (rural West Bengal), SAATH (urban Gujarat) and Backward Society Education (“BASE”) (rural West Nepal)⁶. The local partners make loans to poor borrowers as well as provide training to their own staff and borrowers. The borrowers repay the loans with interest to the local partners, typically over a one year period, in weekly instalments. The loans are then repaid to Shivia and a decision is made whether to recycle the loans to the same partners or lend to others.

Strengths of our Model

Local partner outreach:

Ms. Donnelly has been working in India for the past 11 years⁷. She has been exposed to many NGOs in the region and has a strong relationship with the ones with which we have chosen to work. By working with these partners Shivia gains immediate access to their communities. Most of the staff come from the communities, speak the language and understand the culture and needs of those we are trying to help. Through its partners, Shivia benefits from trust formed with the communities as well as other relationships formed with a wide range of players: NGOs, local government, local banks etc.

Local partner knowledge:

The partners have been working in their areas for approximately 20 years and therefore understand which “development interventions” work. In terms of microfinance, the partners have been working for varying amounts of time and have developed different models, from which we gain insight⁸.

⁶ See Appendix Three for details on local partners

⁷ Ms. Donnelly has worked in West Bengal and West Nepal since 1999 and Gujarat since 2001.

⁸ By working with SARS we have learnt about “credit-led”, rural microfinance; with SAATH we have learnt about “savings-led”, urban microfinance and with BASE we have learnt about microfinance in a conflict-affected, remote, rural zone.

Diversify portfolio:

By working through partners, Shivia is able to diversify its portfolio quickly and easily. It can expand in different states or in nearby areas by engaging with different partners on projects in urban and/or rural locations.

Diversify risk:

Shivia can diversify its risk by spreading capital between several partners.

Review of the Year

Financials**Income:**

The Company's income for the year under review was £217,000 of which £55,000 was the value of donated services.

This income included:

- In November 2009, Shivia signed up to "JustGiving" so that it could accept online donations through its website (www.shivia.com). Through this approximately £3,000 was raised.
- In February 2010, Ms. Garlinda Birkbeck held a photographic exhibition, "People of Nepal", and donated all the proceeds, approximately £12,000, to Shivia.
- The majority of the balance was raised from Corporate donors and Charitable Foundations and Trusts.

Outgoing lending:

For the year under review, the Board approved lending £40,000 to SARS in West Bengal to be repaid in three instalments by 1st March, 1st June and 1st September 2011.

The £25,000 which was advanced to BASE in Nepal in May 2009 is repayable in May 2012. The Board intends to lend BASE a further £25,000 this year. However, the current political and economic situation will be closely assessed before such a commitment is made.

The Board's policy is to retain in the Company's bank account sufficient funds to meet the following 12 months' costs.

New Partners:

In July 2010, the Board agreed to lend £50,000 to SAATH in Gujarat in four tranches over the 12 months, from 1st September 2010, to be repaid to Shivia India in instalments from September 2013.

Governance and Management

Governing document

Shivia is a company limited by guarantee, the governing document being its Memorandum and Articles of Association. Membership is limited to the subscribers to the Memorandum of Association and to the Directors and is not transferable. The liability of each member in the event of the dissolution of the Company is limited to £10.

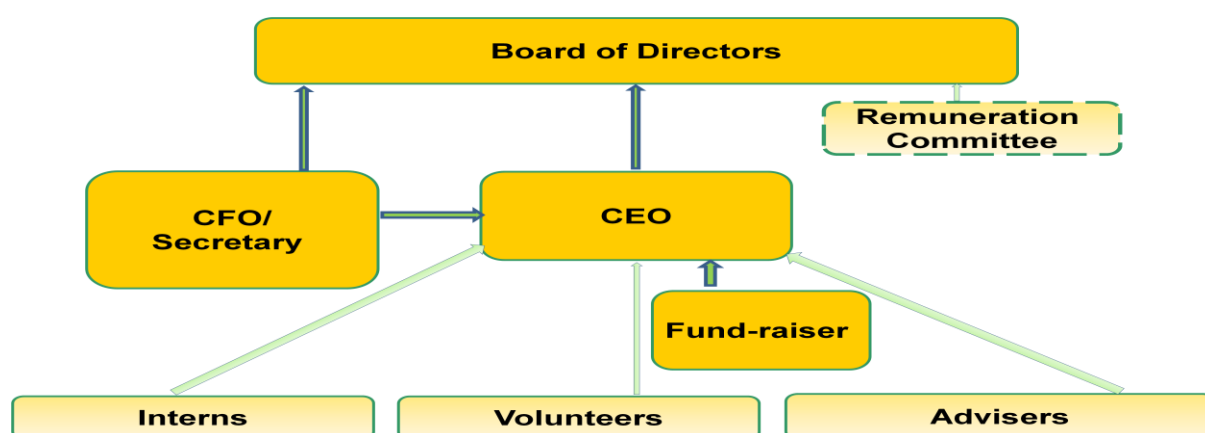
Appointment and resignation of directors

The Company by ordinary resolution, and the Directors by Board Resolution, may appoint directors.

Mrs. Annabel Heathcoat-Amory, who is a solicitor, was appointed a Director on 31st March 2010. At the forthcoming AGM, she will resign as Director, in accordance with Article 28, and offers herself for re-election.

Ms. Donnelly will also resign as Director at the forthcoming AGM, in accordance with Articles 23 and 24, and offers herself for re-election.

Organisation



The Board of Directors, which must have at least 3 members, provides governance and oversight of Shivia, and may exercise all the powers of the Company, subject to the Memorandum and Articles of Association. The Board meets quarterly on a formal basis (more if required) and frequently on an informal basis. Mr. Tester is the Chairman of the Board.

A Remuneration Committee comprising Messrs Tester and Neslen was formed on 24th June 2010.

It was agreed by the Board that it was in the best interests of the Company and its beneficiaries for Ms. Donnelly to be the Chief Executive and that she should be paid from 1st September 2010, having not received any payment for her services for 2.5 years prior to that date. Ms. Donnelly was absent from the Board meeting when her appointment was proposed. All decisions will comply with the Charity Commission's latest publication on Directors' Expenses and Payments, "CC11".

Management

The management team comprises Ms. Olivia Donnelly as CEO, Mr. Brooke Johns as CFO and Company Secretary, and Mrs. Cécile Coke as Head of Fund-raising.

Ms. Donnelly is in charge of the day to day running of Shivia, business planning as well as the management of risk; she reports to the Board of Directors and in turn the CFO and Head of fund-raising report to her. She inducts interns/volunteers and works with them and Shivia's advisers as and when necessary.

Ms. Donnelly visits India and Nepal at least 6 times a year to work with the Shivia India team, negotiate with local partners, both established and potential, and meet the Company's Indian advisers. She spends time in the villages with loan recipients, making assessments of needs and strategies. The Shivia India Trustees and consultants assist Ms. Donnelly with planning, organising, staffing, directing and ensuring good governance. The Shivia India consultants and the appointed representative from each local partner (including Nepal) report to Ms. Donnelly. She helps overcome potential risks – both internal and wider socio-political external factors – which can all affect the Shivia teams and operations.

Mr. Johns helps Ms. Donnelly develop financial and management controls throughout Shivia and assists her with planning and organisation. He is responsible for the secretarial and accounting functions and advises the Board on matters of governance. He visits India frequently to help develop Shivia India's strategy, negotiate with local partners and apply his management and financial experience to its operational and financial controls. Mr. Johns works on a voluntary basis.

Mrs. Coke joined Shivia in May 2010 to help Ms. Donnelly with fund-raising, especially applying to Foundations, Trusts and Corporate Social Responsibility programmes. Mrs. Coke works on a part-time, voluntary basis.

Shivia continues to thrive off a generous pro-bono community and its donated services (legal, website, office space) as well as an active team of volunteers. There are currently five active volunteers in the UK as well as a wider network of friends who help for specific purposes such as events.

Facilities and equipment

Shivia has its offices at EFG Private Bank, London – a donated service - for which it is most grateful.

This statement was approved and authorised for issue by the Board on 7th December 2010 and signed on its behalf by:

Olivia Donnelly
Director

Stuart Tester
Director

Statement of Directors' responsibilities and declaration on unaudited financial statements

General responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and generally accepted accounting practice in the UK including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in England & Wales.

UK Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the UK and with the Companies Act 2008. They are also responsible for safeguarding the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' declaration on unaudited financial statements

In relation to the financial statements as set out on pages 11 to 16 to the Directors to:

1. approve these financial statements and confirm that they are responsible for them, including selecting the appropriate accounting policies, applying them consistently and making, on a reasonable and prudent basis, the judgements underlying them. They have been prepared on the going concern basis on the grounds that the Company will continue in business
2. confirm that to the best of their knowledge and belief, the accounting records reflect all the transactions of the Company for the year ended 31st August 2010.

This statement was approved and authorised for issue by the Board on 7th December 2010 and signed on its behalf by:

Olivia Donnelly
Director

Stuart Tester
Director

SHIVIA MICROFINANCE								
Consolidated statement of financial activities								
including Income & Expenditure Account								
for the year ended 31st August 2010								
			Year ended 31st August 2010			Period ended 31st August 2009		
		Note	General fund	Restricted funds	2010 Total	General fund	Restricted funds	2009 Total
			£	£	£	£	£	£
Incoming resources								
Voluntary income	3		99,791	117,500	217,291	69,781	0	69,781
Investment income	4		22	0	22	1	0	1
Total incoming resources			99,813	117,500	217,313	69,782	0	69,782
Resources expended								
Cost of generating funds	5		2,045	0	2,045	2,162	0	2,162
Charitable activities	5		35,800	0	35,800	18,727	0	18,727
Governance costs	5		37,255	0	37,255	(82)	0	(82)
Exchange differences	5		(785)	0	(785)	2,049	0	2,049
Total resources expended			74,315	0	74,315	22,856	0	22,856
Net income for the period								
			25,498	117,500	142,998	46,926	0	46,926
Total funds brought forward			46,926	0	46,926	0	0	0
Total funds carried forward								
	11		72,424	117,500	189,924	46,926	0	46,926
There are no recognised gains or losses other than the profit for the above two financial years.								
The accompanying notes and policies form an integral part of these financial statements.								
The financial statements were approved and authorised for issue by the directors on 7th December 2010 and signed on their behalf by :								
Olivia Donnelly Director						Stuart Tester Director		

SHIVIA MICROFINANCE

BALANCE SHEETS

31st August 2010

	Note	2010		2009	
		Group	Parent company	Group	Parent company
		£	£	£	£
Programme related investments	9	63,736	24,909	22,951	22,951
Investment in subsidiary	10	-	40,970	-	-
Current assets					
Debtors	11	12,881	12,881	4,678	4,678
Cash at bank		115,024	112,881	24,798	24,798
		127,905	125,762	29,476	29,476
Creditors - amounts falling due within 1 year	12	(1,717)	(1,717)	(5,501)	(5,501)
Net current assets		126,188	124,045	23,975	23,975
Total assets less current liabilities		£ 189,924	£ 189,924	£ 46,926	£ 46,926
Funds					
Unrestricted income funds	13	72,424	72,424	46,926	46,926
Restricted income funds :					
West Bengal fund	13	40,000	40,000	-	0
Gujarat fund	13	25,000	25,000	-	0
Unspecified operations fund	13	52,500	52,500	-	0
Total funds		£ 189,924	£ 189,924	£ 46,926	£ 46,926

For the financial year ended 31st August 2010 the Company was entitled to exemption from audit under section 477 Companies Act 2006 ("the Act"). No member of the Company has deposited a notice, pursuant to section 476 of the Act, requiring an audit of these financial statements.

The Directors acknowledge their responsibility for :

(i) ensuring that the Company keeps accounting records which comply with section 386 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the Company at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 394 and 395 of the Act, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable

The accompanying notes and policies form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the directors on 7th December 2010 and signed on their behalf by :

Olivia Donnelly Director	Stuart Tester Director
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SHIVIA MICROFINANCE

NOTES TO THE ACCOUNTS

for the year ended 31st August 2010

1	Accounting policies							
a)	Basis of preparation							
	The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, adopting the following principal accounting policies :							
b)	Basis of consolidation							
	The financial statements consolidate the figures of the Company and its subsidiary undertaking in West Bengal on a line by line basis. A separate statement of financial activities for the Company itself is not presented because the Company has taken advantage of the exemptions provided by paragraph 397 of the Statement of Recommended Practice and section 408 of the Companies Act 2008.							
c)	Incoming resources							
	Voluntary income which provides core funding or is of a general nature is recognised when there is a certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred where the donor specifies that the donation must only be used in future accounting periods or has imposed conditions which must be met before the Company has an unconditional entitlement. Investment income is recognised on a receivable basis. Donated services and facilities are included at values estimated by the donors.							
d)	Volunteers							
	No provision is made in these financial statements for the value of services provided by volunteers. Further details of the contribution made by volunteers can be found in the Directors' Report.							
e)	Resources expended							
	Expenditure is recognised when a liability is incurred.							
f)	Value added tax							
	Irrecoverable value added tax is charged against the category of expenditure on which it was incurred.							
g)	Funds structure							
	The Company has a number of restricted income funds to account for situations where donors have given funds for specified purposes. Details of such funds are shown in note 13.							
h)	Programme related investments							
	Details of programme related investments are set out in note 9.							
2	Legal status of the Company							
	The Company is limited by guarantee and has no share capital. The liability of each member in the event of the dissolution of the Company is limited to £10.							
						2010		2009
						£		£
3	Sources of voluntary income			Restricted	Unrestricted	Total		Total
	Individuals			12,500	29,254	41,754		39,281
	Foundations and trusts			105,000	15,050	120,050		30,500
	Donated services			-	55,487	55,487		-
				117,500	99,791	217,291		69,781

SHIVIA MICROFINANCE

NOTES TO THE ACCOUNTS

for the period ended 31st August 2010

							2010	2009
							£	£
4	Investment income							
	Bank interest						22	1
5	Resources expended							
			Generating funds	Charitable activities	Governance		Total	Total
	Costs directly allocated							
	Travel and subsistence		107	8,201	0		8,308	14,989
	UK office costs		0	4,409	0		4,409	3,353
	UK office costs (donated services)		0	7,500	0		7,500	0
	Indian operations		0	1,151	0		1,151	0
	Events organisation		0	0	0		0	0
	Legal costs		0	1,539	0		1,539	0
	Legal costs (donated services)		0	13,000	0		13,000	0
	Other		538	0	0		538	2,547
	Other (donated services)		1,400	0	0		1,400	0
	Support costs							
	Legal costs		0	0	16		16	(82)
	Legal costs (donated services)		0	0	26,087		26,087	0
	UK office costs (donated services)		0		7,500		7,500	0
	Irrecoverable loan to Miss S Mehta (a former director)		0	0	3,652		3,652	0
	Exchange differences						(785)	2,049
			2,045	35,800	37,255		74,315	22,856
6	Analysis of staff costs							
	The Company has no employees.							
7	Movement in total funds for the period							
	Depreciation						0	0
	Auditors' remuneration						0	0
8	Taxation							
	The Company is a registered charity and no provision for taxation is considered necessary.							

SHIVIA MICROFINANCE

NOTES TO THE ACCOUNTS

for the year ended 31st August 2010

						2010	2009
						£	£
9 Programme related investments							
Backward Society Education, Nepal						24,909	22,951
South Asia Research Society, West Bengal						38,827	0
						63,736	22,951
<p>The loan to Backward Society Education, which is denominated in Nepalese Rupees, is to partly fund a project for the eradication of poverty in that region and is repayable in May 2013. The refundable grant to South Asia Research Society, which is denominated in Indian Rupees, is for the financing of a project for the alleviation of rural poverty in West Bengal and is repayable :</p>							
		1 March 2011			INR	1,446,435	
		1 June 2011			INR	651,235	
		1 September 2011			INR	726,325	
10 Investment in subsidiary							
<p>The Company is in the process of incorporating a company under section 25 of the Indian Companies Act 1956, namely a company with charitable objectives which shall be exempt from a number of the obligations and restrictions imposed on commercial companies. The majority of the members of the new Indian company shall be <i>ex officio</i> the Directors of the Company, which shall be closely involved in the management of the section 25 company. In this way they consider they will exercise dominant influence over the Indian operations.</p>							
11 Debtors							
Loan to a former director						0	3,678
Gift Aid recoverable						12,881	0
Prepayments						0	1,000
						12,881	4,678
12 Creditors - amounts falling due within 1 year							
Accrued expenses						1,717	5,501
						1,717	5,501
13 Analysis of funds							
Analysis of unrestricted fund movements							
General fund							
Balance at beginning of period						46,926	0
Incoming resources						99,813	69,782
Resources expended						(75,100)	(22,856)
Exchange differences						785	0
Balance at end of period						72,424	46,926

SHIVIA MICROFINANCE

NOTES TO THE ACCOUNTS

for the year ended 31st August 2010

						2010		2009
						£		£
Analysis of restricted fund movements								
West Bengal fund								
Income credited to this fund may be used only for operations in the state of West Bengal, India.								
	Balance at beginning of period					0		
	Incoming resources					40,000		
	Resources expended					0		
	Balance at end of period					40,000		0
Gujarat fund								
Income credited to this fund may be used only for operations in the state of Gujarat, India.								
	Balance at beginning of period					0		
	Incoming resources					25,000		
	Resources expended					0		
	Balance at end of period					25,000		0
Unspecified operations fund								
Income credited to this fund may be used only for operations in such locations as the Board may authorise.								
	Balance at beginning of period					0		
	Incoming resources					52,500		
	Resources expended					0		
	Balance at end of period					52,500		0
14 Related party transactions								
The Company has incurred the following expenses for three Directors in connection with the Company's operations as follows :								
	Travelling					2,891		9,770
	Subsistence					1,119		3,391
	Entertaining					104		87
						4,114		13,248
The Company has agreed to pay Ms O M Donnelly for her services at the rate of £30,000 pa, exclusive of VAT. The proper procedures will be followed to obtain the authorisation of the Charity Commission under s26 of the Charities Act 1993 for such payment.								

Notice of AGM

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company shall be held at 7 Radley Mews, London W8 6JP on 7th December 2010 at 3.15pm to consider and if thought fit pass the following resolutions as ordinary resolutions :

1. That the Directors' Report and unaudited Financial Statements for the period ended 31st August 2010 be and they are hereby received and approved.
2. That Mrs. Annabel Heathcoat-Amory, who retires in accordance with Article 28 of the Company's Articles of Association, be and she is hereby re-appointed a Director.
3. That Ms. Olivia May Donnelly, who retires in accordance with Articles 23 and 24 of the Company's Articles of Association, be and she is hereby re-appointed a Director.

By order of the Board

Brooke Johns
Secretary
7th December 2010

Registered Office
c/o EFG Private Bank Limited
Leconfield House
Curzon Street
London W16 5JB

Note A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. Such a proxy need not be a member of the Company. Forms of proxy must be lodged at the Registered Office of the Company not less than 48 hours before the meeting. Completion and lodgement of a form of proxy will not preclude a shareholder from attending and voting at the meeting.

Appendix One: Shivia India and Shivia Nepal

Shivia India

Administrative Details

Trust registration number: 11780

Registered office address:

Shivia India
D2 Rawdon Chambers
11A Rawdon Street
Kolkata 700017
India

Relevant organisations

Bank:

HSBC Bank Ltd
31, BBD Bagh
Kolkata- 700 001
India

Indian Legal Advisers:

Fox Mandal
12 Old Post Office Street
Kolkata-700 001
India

and

LP Agarwalla & Co
1B, Old Post Office Street,
Emerald House, Ground Floor,
Kolkata
700 001
India

Board of Trustees

Mr. Vasant Subramanyan
Mr. Shourya Mandal
Mr. Pramod Marar
Mr. Nishant Lalwani

Objectives and Activities

Shivia India is an Indian-based Trust that works with poor communities in India. The Trust's objects are: *“providing financial assistance to unemployed people in particular and in general advancement of any other objects of General Public Welfare not involving carrying on of any activity for profit”*

Review of the Year

Financials

Over the past 12 months, Shivia India spent Rs 232,001 (approximately £3,628⁹) on fees to its four consultants (Rs 160,000) and on expenses for field visits to Hasnabad, West Bengal and Ahmedabad, Gujarat (Rs 72,001).

Achievements

The establishment of Shivia India was an achievement since it followed two years of trying to find a structure which would allow Shivia Microfinance to carry out its operations in India.

Governance and Management

Governing document

Shivia India is a Trust that was formed on 8th December 2009 in West Bengal, India by Mr. Vasant Subramanyan for public welfare and charitable purposes in India.

Appointment and Resignation of Directors

Mr. Vasant Subramanyan and Mr. Brooke Johns were appointed the initial Trustees. Messrs Shourya Mandal, Pramod Marar and Nishant Lalwani were appointed additional trustees on 27th July 2010. The Trustees have a geographical split between Kolkata and Mumbai as well as a balance of professional backgrounds combining technology, commerce, legal, microfinance and international development skills.

Mr. Brooke Johns resigned as a Trustee on 11th August 2010, due to an Indian regulation requiring that all Trustees must be Indian nationals in order to obtain the “Foreign Contribution Regulation Act” (FCRA) number. The FCRA number is necessary for Shivia Microfinance to transfer funds to Shivia India.

⁹ Using exchange rate 1 GBP = 71 Indian Rs

Organisation



The Board of Trustees, which must have at least two Trustees, provides governance and oversight of Shivia India and its operations. Mr. Vasant Subramanyan is the Chairman of the Board of Trustees. No members of the Board are remunerated for their services.

Management

The Management team comprises Mr. Subramanyan, Mr. Alope Saha, Mrs. Chandrani Banerjee, Mr. Habib Reza and Mr. Joe Rao. Mrs. Banerjee, Mr. Saha, Mr. Reza and Mr. Rao are all part-time and seconded to Shivia India from Last Peak, Mr. Subramanyan's company. Each is paid a small consulting fee of £70 per month plus out of pocket expenses.

Mr. Subramanyan drives Shivia India and its operations with Ms. Donnelly, and provides the support and systems to implement them. Mr. Johns works with Shivia India's Board of Trustees and Management team on structural, management and financial controls. Shivia India's four consultants report to Mr. Subramanyan and Ms. Donnelly.

Mr. Saha is responsible for Shivia India's accounts and he assists Mr. Subramanyan, Ms. Donnelly and Mr. Johns in formulating business plans.

Mrs. Banerjee coordinates the logistics of Shivia India's operations, including relationships between Shivia and its partners, as well as field visits. She liaises with the Shivia India consultants and oversees report writing so that they can provide Ms. Donnelly with timely and accurate data.

Mr. Reza is responsible for the West Bengal operations, visiting the SARS's Hasnabad branch typically twice per month. Mr. Reza audits cash flows and implements financial and management controls as well as social impact assessments. He also helps collect data for project reports.

Mr. Rao is responsible for the Gujarat operations, visiting the local partner SAATH and its MFI on a monthly basis, implementing financial and management controls, social impact assessments and facilitating project reports.

Shivia India continues to thrive off donated legal services from West Bengal solicitors Fox Mandal Little and L.P. Agarwalla & Co and Mumbai-based solicitors AZB Partners ("best friends" with Clifford Chance).

Facilities and equipment

The Shivia India team works from both the registered office at Rawdon Street in Kolkata as well as from Last Peak's Salt Lake City (Kolkata) offices. Both are donated to Shivia India by Mr. Subramanyan. Mr. Reza and Mr. Rao also work from the SARS and SAATH offices and project sites respectively.

Shivia Nepal

At present, there is no legal entity, "Shivia Nepal". Shivia Microfinance works directly with its chosen local partner, BASE. Mr. Churna Chaudhary (Executive Director) and Ms. Shanta Chaudhary (Manager of Microfinance) report to Ms. Donnelly. Mr. Chaudhary and Ms. Chaudhary are assisted by Shivia interns. The interns help facilitate communications, update the Shivia management team on the project, as well as implement the social impact assessments, management and financial controls.

Note: Chaudhary is a common Tharu surname; it does not mean that the team are blood-related in any way.

Appendix Two: Map of Operations



This map of India is not to scale and is for representative purposes only. Shivia Microfinance does not make any representation with regard to the authenticity, completeness, reliability or accuracy of the map, including the borders shown on the map. Shivia does not take any responsibility and expressly disclaims all liability based on or arising from the use or application of, or reliance upon, this map. In no event shall Shivia be liable for any claim or damages whatsoever, whether direct, indirect, special, consequential and/or incidental arising from the access to and/or use of or inability to access and/or use of the map.

Appendix Three: Local Partners

Shivia Microfinance has a close relationship with the three organisations it has chosen to partner with. Shivia has lent funds to these partners for them to run microfinance programmes. Shivia has no legal controls over these partners but lends them money on an interest-free basis as well as assists them with implementing social impact assessments, financial and management controls and capacity building. Shivia's partner organisations are:

- i. South Asia Research Society in West Bengal, India
- ii. SAATH in Gujarat, India
- iii. Backward Society Education in Dang District, West Nepal

i. South Asia Research Society

South Asia Research Society ("SARS") was founded in November 1992 by Professor Jayanta Roy and is registered under the West Bengal Societies Registration Act of 1961. In 1993, SARS launched its microfinance work to help rural women in West Bengal. Professor Roy is a close friend of Professor Muhammad Yunus¹⁰ and follows the Grameen credit-led model due to similar cultures and geographical proximity with Bangladesh. In the past, SARS has worked with up to 12,000 families; today it is serving 5,117 families (one borrower per family). It operates in 325 villages over 5 districts in West Bengal. To date, their microfinance work has been funded by the Grameen Trust in India and the Indian Bank.

Shivia decided to partner with SARS since Professor Roy has an excellent reputation for his work in alleviating poverty and Ms. Donnelly is well known to the organisation. Shivia supports one of SARS's projects, the Hasnabad branch on the Indo-Bangladeshi border, formerly supported solely by the Grameen Trust. The key people from SARS involved in this project are Professor Roy, Mr. Milan Batabyal (Project Manager) and Ms. Shati Nandi (Branch Manager). Ms. Nandi runs the Hasnabad branch with five staff supporting her. She reports to Mr. Batabyal and Mr. Reza and Mrs. Banerjee from Shivia India. Mr. Batabyal and Mr. Reza in turn report to Ms. Donnelly. Professor Roy is in regular discussions with Ms. Donnelly and Mr. Subramanyan about future plans.

In March 2010, £50,000 was committed to SARS to be repaid to Shivia India after one year. Shivia made the decision for the money to be lent in four tranches to work within SARS's capacity. This year, we have disbursed £40,000 – 313 loans - in three tranches (£20,000, £10,000, £10,000). We completed 374 social impact assessments; a mix of the 313 who have received loans, some who were not made loans and others who wait in anticipation of their loan. The Shivia management trained the Shivia India and SARS staff on how and when to complete these social impact assessments. The plan is for the same borrowers to complete the survey again in a year's time so that the socio-economic improvements due to the project can be monitored.

Testimonial to Shivia Microfinance:

"Whereas SARS has never deviated from the goal of confining itself to BPL families, this has not saved it from downswings caused by natural calamities, sickness or death in families of customers, and, above all, a highly irregular supply of funds from funding agencies. SARS does also not have the expertise for good technology use and upgrades and leak-resistant financial controls. SARS is experiencing an upswing due to its fortunate partnership with Shivia Microfinance. A dedicated team with the same ethos as SARS, a timely supply of funds and valuable management inputs have begun to tone up the performance of SARS in at least one of its seven branches.....We are all enthused and encouraged by the SARS-Shivia partnership".

Professor Jayanta Roy, President and Founder of SARS, August 2010

¹⁰ Nobel Peace Prize winner in 2006 for his work with Grameen Bank

ii. Backward Society Education

Backward Society Education (“BASE”) is the leading NGO in Western Nepal founded by Mr. Dilli Chaudhary in 1984 to fight against exploitation of the indigenous Tharu and other marginalised populations. BASE is a grass roots membership organisation working in 8 districts. BASE has 328,000 members and a budget of over USD 1million. There are 132 professional, technical and field level staffs. BASE has been conducting various projects in partnership with different I/NGOs, UN agencies, government and national level networks to provide social services (education, health, human rights, bonded labour (Kamaiya), child labour, conflict mitigation, disaster preparedness, post conflict rehabilitation and support etc) as well as income generating activities.

Shivia decided to partner with BASE since the staff all come from the Tharu community and are very dedicated to their work. Ms. Donnelly has known BASE for the past 11 years and has been in discussions with Mr. Dilli Chaudhary for several years regarding microfinance; the proposition was an attractive one for Shivia to actually help a local partner start-up its microfinance programme.

The key people from BASE involved in this project are Mr. Dilli Chaudhary (President), Mr. Churna Chaudhary (Executive Director) and Ms. Shanta Chaudhary¹¹ (Project Manager). Ms. Chaudhary (Shanta) has four staff supporting her (one field manager and three field staff). She took over from Mr. Tilak Tharu in March 2010 and in June changed the microfinance system, collecting monies from the groups on a monthly rather than six monthly basis to ensure timely repayments. Ms. Chaudhary reports to Mr. Chaudhary (Churna) who, along with Shivia interns, reports to Ms. Donnelly. Mr. Chaudhary (Dilli) is in regular discussions with Ms. Donnelly about future plans.

In May 2009, £25,000 was committed to BASE, to be repaid to Shivia in May 2012. Since the start of the project, 871 loans have been disbursed, 300 in May 2009 and 571 in February 2010. The project covers three Village Development Committees (“VDCs”) in Dang District, “Bhitri Madhesh” (the inner Terai) in Mid-Western Nepal. It is an area of flat land surrounded by hills, with most its resources largely controlled by people outside the region. The Maoists first launched their “People’s war” in this same area in February 1996. Many of the women lost their husbands and male family members in the ten year conflict and so this project gives them an opportunity to gain access to the financial system and start income generating activities, often both for the first time. The Tharu population is particularly vulnerable since they are typically the ex-Kamaiya (ex-bonded labourers); even though they were “freed” from their landlords in 2000, they remain landless and at the bottom of the poverty ladder.

This year, three interns visited BASE to improve financial and management controls and introduce Shivia’s social impact assessments. BASE had carried out their own social impact assessment but it was poorly executed and the data poorly documented. Since social impact is the most important aspect to Shivia, we decided to start afresh in June 2010. The team has completed 100 surveys and we plan for the remaining 771 to be completed within the first six months of next year.

Testimonial to Shivia:

“In May 2009, Shivia Microfinance and BASE initiated a bold, milestone microfinance project to help rural indigenous women and deprived communities in West Nepal. Shivia Microfinance has been tremendous in playing the role of “development partner” whilst BASE has been executing the operations through its several women groups in Nepal..... the level of empowerment in their lives has transformed like a ray of light..... We extend our appreciation and thanks to Shivia Microfinance - its wonderful CEO and the Shivia family - for creating this golden opportunity for the marginalised communities in West Nepal. We would be happy if this can be a long-term relationship.”

Dilli Chaudhary, President and Founder of BASE, August 2010

¹¹ Chaudhary is a common Tharu surname; it does not mean that the team are blood-related in any way.

iii. SAATH:

SAATH was founded in 1989 by Mr. Rajendra Joshi and was registered as a public charitable trust in Gujarat, India. SAATH works in the States of Gujarat and Rajasthan. The work covers 17 towns and cities, and 160 villages. SAATH runs programmes for women, children, men and youths in areas of livelihoods, capacity building, health and education, physical infrastructure improvement, child rights, Urban Resource Centres, slum development and natural resource management. It also has a documentation and research arm and provides development support to other organisations or agencies. To give an idea of its scale, it has three Urban Resource Centres which reach out to 100,000 slum dwellers; 32 Umeed centres in Gujarat and 8 in Rajasthan for youth vocational training; 7 Pre-school Education centres in Ahmedabad; 1 Community Video Unit that reaches approximately 100 people every day through day and night screenings; 185 Urmila Home Managers and 200 clients; 155 Self Help Groups in rural areas with artisans; 5 Youth Groups comprising 126 members; 3 Education Centres for child labourers in Ahmedabad; Child Rights for Change Program in Viramgam and Dholka reaching 120 villages (and thus 30,000 families).

SAATH started its microfinance operations in Gujarat's capital city Ahmedabad between 1994-6 (even though the MFI was registered in 2002). SAATH provides savings and affordable credit access to over 13,000 slum dwellers through six branches; there are a further 90,000 slum-dwellers that SAATH works with that need access to such credit. The programme started in 2002 through the Co-operative model which allows savings as well as credit, unlike Non Banking Financial Corporations which cannot take deposits.

Shivia decided to partner with SAATH since SAATH works with the poor in an innovative and progressive way. Ms. Donnelly has been working in Gujarat on various projects for the past 9 years and Mr. Joshi has an excellent reputation in the field. The microfinance team at SAATH comprises 52 staff of which 85% are women and 98% are community members. The key people involved in the SAATH-Shivia project are Mr. Joshi (Managing Trustee, SAATH), Mr. Divyang Bhatnagar (CEO, SAATH Microfinance) and Ms. Madhuben Parmar (CEO, SAATH MFI). Ms. Parmar works closely with Mr. Bhatnagar who liaises with Mr. Rao from Shivia India. Mr. Bhatnagar and Mr. Rao in turn report to Ms. Donnelly. Mr. Joshi is in regular contact with Ms. Donnelly about Shivia and SAATH's partnership.

In July 2010, Shivia and SAATH agreed to work together, with an initial £50,000 loan in four instalments (effective from 1st September 2010). SAATH's microfinance clients are slum-dwellers in Ahmedabad with little access to credit and face a host of public health problems. Through SAATH, Shivia will engage with both male and female borrowers, at a ratio of 20:80 respectively. The majority of clients will be migrants from rural Gujarat and other states such as Rajasthan, Uttar Pradesh and Bihar. They rely on sending remittance home for land subsistence, regular food staples, educational fees, school items, and to gain access to proper sanitation and health care. SAATH and Shivia will focus on productive rather than consumption or asset-creation loans (unless for production). Shivia's social impact assessments will be introduced to all borrowers in the project.

Testimonial to Shivia:

"Shivia's commitment to poverty alleviation is a perfect fit with SAATH's objective and aim to improve the lives of urban slum dwellers. The collaboration endeavours to reach vulnerable households and individuals and offer them access to loans for productive enterprise through SAATH's microfinance programme. Partnerships such as these are testimonials to the will and effort to creating a more equitable tomorrow. We, at SAATH, are pleased and tremendously excited to be partners with Shivia and look forward to a long-term relationship and future together."

Rajendra Joshi, President and Managing Trustee of SAATH, August 2010

Appendix Four: Biographical Details

UK personnel

Stuart Tester



Role: Chairman and Director

Nationality: British

Age: 59

Appointment date: Mr. Tester was appointed a Director of Shivia on 19th May 2008 and Chairman of the Board on 20th October 2009.

Career: Mr. Tester is a consultant in the International Gas and Energy business. Prior to this he was a Senior Executive with Shell. He is now Chairman and/or Director of several companies across a range of industry sectors

Education: Applied Chemistry at Greenwich University (First Class Honours)

Other: Former Special Adviser on Middle Eastern Affairs to TRHs The Prince of Wales and The Duchess of Cornwall

Tim Neslen



Role: Director

Nationality: British

Age: 27

Appointment Date: Mr. Neslen was appointed a Director of Shivia on 9th September 2009; prior to this he volunteered for four months

Career: Mr. Neslen works for Europa Capital, a Real Estate Private Equity Fund, focusing on acquisitions in Southern Europe. Prior to this, he worked for Goldman Sachs in the Merchant Banking Division looking at private equity investments across Europe.

Education: MA Geography at Oxford University, gaining the Shell prize for Field Work

Other: Tim has travelled extensively in South East Asia and Europe

Annabel Heathcoat-Amory



Role: Director

Nationality: British

Age: 30

Appointment Date: Mrs. Heathcoat-Amory was appointed a Director of Shivia on 31st March 2010; prior to this she had helped on a voluntary basis

Career: Mrs. Heathcoat-Amory is a qualified solicitor and previously worked for Herbert-Smith LLP, primarily in its commercial litigation department. She also has experience in corporate, property and competition law

Education: Law at BPP, London and MA History at Oxford University

Other: Governor at Westminster Cathedral RC Primary School. Mentored children at Harpley School, formerly a school for excluded pupils

Olivia Donnelly



Role: Chief Executive and Director

Nationality: British

Age: 30

Appointment Date: Ms. Donnelly started setting up Shivia in December 2007 and became a Director on 19th May 2008. She was appointed Chief Executive on 24th June 2010, effective from 1st September 2010.

Career: Prior to Shivia, Ms. Donnelly worked at Accenture Strategy in London and the World Bank in Washington DC. At the World Bank, she was awarded the World Bank Youth Innovation Fund.

Education: MSc (Distinction) and MA Geography (First Class Honours) both at Oxford University

Other: Ms Donnelly is a Trustee for the Moonpig Foundation. She is also involved in several charities in the UK and abroad; the foster home, Familia, for abused and abandoned children in West Bengal, India. www.familiaindia.in. She is the UK ambassador for BASE, a leading NGO in Western Nepal. www.nepalbase.org. Previously she sat on the Leonard Cheshire International Committee working with "People with disabilities" throughout the world. www.lcint.org. Ms. Donnelly was included in the Management Today's 2009 list: "35 women under 35" and nominated for "Women of the Year" 2010.

Brooke Johns



Role: Chief Financial Officer and Secretary

Nationality: British

Age: 70

Appointment Date: Mr. Johns was appointed CFO and Company Secretary in September 2008

Career: Mr. Johns is a Chartered Accountant. He has knowledge of a number of industries having worked for 25 years at a senior level in the UK, Ireland, mainland Europe, the US, Africa and the Far East. He has been a director of two public listed companies and run his own business. He now works as consultant accountant with a small number of companies, where he advises on financial and general management.

Cécile Coke



Role: Head of Fund-raising

Nationality: Dutch

Age: 31

Appointment Date: Mrs. Coke was appointed Head of Fund-raising in May 2010

Career: Mrs. Coke previously worked for Roland Berger management consulting and TNT.

Education: MA in Contemporary History, University of Groningen, Netherlands

Other: Worked for the Red Cross in Zambia

Indian personnel

Vasant Subramanyan



Role: Chairman and Managing Trustee

Nationality: Indian

Age: 45

Appointment Date: Mr. Subramanyan is the settler of the Trust and became a Trustee on 9th December 2009

Career: Mr. Subramanyan is Director and CEO of Last Peak, a full-service Health Care Management and Billing Company. He is a serial entrepreneur, and has promoted a number of business entities providing services to various healthcare companies in the USA. He has also been a consultant in the Info Tech space to technology ventures in the US which have seen the convergence of platforms in data, voice and picture capture. Mr. Subramanyan was an international corporate compliance & financial administration consultant former multi-national, F200 consultant on cross-border trade, statutory compliance and mergers and acquisitions.

Education: Bachelor of Commerce and Bachelor of Law, Calcutta University

Other: President of Indo-American Chamber of Commerce (Eastern Regional Council).and President of TiE, Kolkata – a Not for Profit organisation, which advocates and promotes entrepreneurship

Shourya Mandal



Role: Trustee

Nationality: Indian

Age: 43

Appointment Date: Mr. Mandal was appointed a Trustee on 27th July 2010

Career: Mr. Mandal is a partner at the Indian law firm, Fox Mandal Little, based in Kolkata. He focuses on real estate law and has been named as one of the International Who's Who for Real Estate lawyers.

Education: BSc (Honours) in Economics from Calcutta University and LLB (law) from University of Bombay

Other: Former President of Indo-American Chamber of Commerce - Eastern Regional Council and Chair of the Banking Finance & Securities Committee of the Inter-Pacific Bar Association (IPBA)

Pramod Marar



Role: Trustee

Nationality: Indian

Age: 32

Appointment Date: Mr. Marar was appointed a Trustee on 27th July 2010

Career: Mr. Marar is HSBC's Senior Vice President and National Head - Assets, Business Banking in Mumbai. In his previous role with the bank, he was head of the Microfinance business, having set up a commercial microfinance unit in 2007.

Education: Post-graduate from the Indian Institute of Management, Indore and Commerce degree from Shri Ram College of Commerce, Delhi

Other: Certified Associate of the Indian Institute of Bankers

Nishant Lalwani



Role: Trustee

Nationality: Indian

Age: 29

Appointment Date: Mr. Lalwani was appointed a Trustee on 27th July 2010

Career: Mr. Lalwani is a senior project manager within Monitor Group, based in Mumbai. His focus is on private sector models for poverty alleviation. Mr. Lalwani is a core part of the Monitor Inclusive Markets team which is focused on 'market-based solutions to create social change'. Before Monitor, he worked with the UNDP in Zambia, where he helped develop new financing products for microfinance institutions across the country. He also spent several years in London and New York with Marakon Associates. He started a dating company in 2002.

Education: MA in Aeronautical Engineering and a BA in General Engineering from Cambridge University, UK

Other: Worked part-time with NGOs in Africa (Link Community Development) and India (Dalit Foundation) and continues to be involved with similar causes on an ongoing, pro-bono basis.

Chandrani Banerjee



Role: Managing Consultant

Nationality: Indian

Age: 35

Appointment Date: Mrs. Banerjee was appointed a consultant to Shivia India in March 2010

Career: Ms. Banerjee has been the Manager of Human Resources and Process Coordination for Last Peak since September 2004

Education: Masters in Economics from Jadavpur University, Calcutta

Other: Software application skills and speaks English, Hindi, Bengali

Aloke Saha



Role: Accounting Consultant

Nationality: Indian

Age: 36

Appointment Date: Mr. Saha was appointed a consultant to Shivia India in March 2010

Career: Mr. Saha heads the Corporate functions of Last Peak. He has held this role for more than 10 years and prior to this, he worked in several corporate houses in West Bengal as a Senior Accounts Officer

Education: Masters in Commerce from Annamalai University (First Class honours) and Undergraduate in Commerce from Calcutta University (Honours)

Habib Reza



Role: West Bengal Operations Consultant

Nationality: Indian

Age: 32

Appointment Date: Mr. Reza was appointed a consultant to Shivia India in March 2010

Career: Mr. Reza is assistant accountant for Last Peak

Education: Bachelor of Commerce (Accountancy Honours) from the University of Calcutta

Joe Rao



Role: Gujarat Operations Consultant

Nationality: Indian

Age: 37

Appointment Date: Mr. Rao was appointed a consultant to Shivia India in March 2010

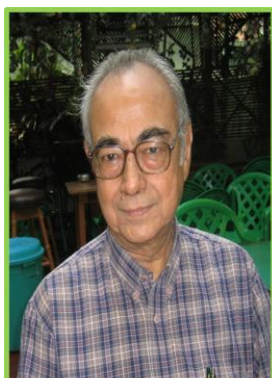
Career: Mr. Rao is Manager of Operations for Last Peak.. He joined 10 years ago and now manages a team of over 500 professionals. Prior to this, he was in the hospitality industry for 8 years.

Education: Bachelor of Commerce from Goenka College of Commerce and Business Administration, Kolkata, India

Local Partner personnel

SARS

Jayanta Roy



Role: Founder and President of SARS

Nationality: Indian

Age: 76

Career: Professor Roy has been Chairman, Executive Council, of Maulana Abul Kalam Azad Institute of Asian Studies (Ministry of Culture, Government of India), Kolkata, since June 2005. Prior to this he was an Editorial Fellow, Centre for Studies in Civilizations, New Delhi. He is a recognized expert on Public and International Affairs, as well as microfinance, especially in Bangladesh and West Bengal.

Education: PhD from Jadavpur University, Calcutta. MA in Political Science and BA (Honours) in Economics and Political Science, University of Calcutta.

Other: Professor Roy was the first to write a book on the Grameen Bank which was published in 1987 – “To Chase a Miracle : A Study of the Grameen Bank of Bangladesh”

Milan Batabyal



Role: Project Manager

Nationality: Indian

Age: 60

Career:. Mr. Batabyal spent over 33 years in the pharmaceutical industry; he was both a 1st and 2nd line manager for 23 years of this period. He joined SARS as Project Manager in April 2010

Education: MBA and LLB (law) from Calcutta University

Shati Nandi



Role: Hasnabad Branch Manager

Nationality: Indian

Age: 40

Career:. Ms. Nandi has been with SARS for the past 11 years. Her current role involves daily accounting, holding meetings with field executives, making final credit decisions and loan issuances as well as default management. Prior to this she taught students in Class 8-9 (13-14 year olds) at her own residence.

Education: Graduate in English, Bengali and Political Science from Kolkata University

Other: Currently undertaking IT Qualification

BASE

Dilli Chaudhary



Role: Founder and President of BASE

Nationality: Nepali

Age: 42

Career: In January 1985, during the Tharu annual New Year's (Maghi) Khyala meeting. Mr. Chaudhary, at the age of 17, decided to establish a development organisation for his community. It began with 34 members, mostly young Tharu men from the area and within a month it had established a literacy class for uneducated local Tharu villagers, and planned an income-generating programme, as well as a political campaign against the oppression of Tharus and bonded labourers by politically and economically dominant high castes (especially landlords). Over the last 25 years, Mr Chaudhary has led and developed "BASE" and it is now the leading NGO in West Nepal

Other: Reebok Human Rights Award in America (1994); Suprabal Gorkha Dachhin Bahu Tesro in Narayan Hity Royal Palace Kathmandu by late King Birendra Bir Bikram Shah Dev; Antislavery International Award, UK (2002); Suprabal Gorkha Dachhin Bahu Trisakti Patta in Narayan Hity Royal Palace by King Gyanendra Bir Bikram; RamKrishna Jaidayal Harmony Award, India (2003)

Churna Chaudhary



Role: Executive Director of BASE

Nationality: Nepali

Age: 38

Career: Mr. Chaudhary has had a varied career at BASE. He joined as a community mobiliser and health councilor in January 1993, became an Education Programme Coordinator in January 1995 and a Director in January 1997. Between 2007-8, he also worked in Bangladesh as a District Programme Coordinator for UNDP in the Chittagong Hill Tracts Development Facility (CHTDF) Project and between 2008-9 as the District Program Advisor. He has experience in a range of “development” sectors including microfinance, community development, mobilisation, empowerment, capacity building, conflict resolution, formal and non formal education, community based child development programmes, community health, advocacy, human rights, bonded labor (Kamaiya rights), child labour elimination, gender issues and partnerships.

Education: Masters in Rural Development Management from Khon Kaen University, Thailand BA and BA in Political Science and Sociology from the Allahabad University, India. Intermediate of Arts (I.A.) in English, Economics, Political Science and Culture from Tribhuvan University, Nepal

Other: Speaks Nepali, Tharu, Hind and English

Shanta Chaudhary



Role: Microfinance and Women Empowerment Programme Officer, BASE

Nationality: Nepali

Age: 39

Career: Mrs. Chaudhary re-joined BASE on 15th March 2010. Prior to this she worked as a Training Assistant for the Asian Rural Institute in Japan to develop training manuals for rural development. Between March 1991 and December 2008, she had been a Programme Coordinator at BASE for the Adolescent Development Programme, the Income Generation Programme, the Women Development Programme, and Assistant Officer for the Organisation Capacity Building Programme. She was also a Senior Social Mobiliser for the Freedom for Child Labour Programme.

Education: Diploma Course in Rural Development at the Asian Rural Institute, Japan; Intermediate of Arts at Sarswati Multiple Campus Lainchwor, Kathmandu

Other: Speaks Nepali, Tharu, Hind and English

SAATH

Rajendra Joshi



Role: Founder and Managing Trustee of SAATH

Nationality: Tanzanian (residency in Ahmedabad, Gujarat)

Age: 52

Career: Mr. Joshi founded SAATH Charitable trust in 1989. In 2009, he was awarded the Indian Social Entrepreneur of the Year award by Schwab Foundation for Social Entrepreneurship. Prior to this he has received numerous awards for his Social Entrepreneurism and his work in initiating the Integrated Slum Development Program.

Education: B.Sc. in Zoology, St. Xavier's College, Gujarat University

Other: Mr Joshi has been an Ashoka Fellow since September 2008. He has also undergone "Organisational Development Processes" training in 1984, 1986, 1993 and 2000 as well as "Application of Information Technology" and "Participative Needs Analysis Methods" both in 2000.

Divyang Bhatnagar



Role: CEO, SAATH Microfinance

Nationality: Indian

Age: 32

Career: Mr. Bhatnagar joined SAATH in 2007 as CEO of the Microfinance initiative of SAATH Charitable Trust (SAATH Savings & Credit Cooperative Society Ltd.). Prior to this, he worked as a Senior Accountant with 8 Tele services which outsourced its head office of Chatterbox.com Pvt. Ltd - a UK based mobile phone retailer – to India. He also worked at the ICA Institute of computer accounting between 2005-2006

Education: Bachelor of Commerce from Gujarat University; Diploma in Business Management from ICFAI University; Post Graduate certificate in Computer applications, University of Luton, UK.

Madhuben Parmar



Role: Manager of SAATH MFI Operations

Nationality: Indian

Age: 36

Career: Since 2007, Ms. Parmar has been the Manager of Operations for SAATH Savings and Credit Cooperative Society Limited. Between 2002 – 2007, she coordinated the SAATH MFI and prior to this, 1999-2002, the livelihood programmes, including the MFI. In 1996, Ms. Parmar helped with the operations and management of the informal MFI promoted by SAATH (Sakhi Bachat Mandal) and became secretary. She started her career by working on SAATH's education programme between 1992 - 1996

Education: School Grade 12th Standard

Chinmayi Desai



Role: Chairperson of SAATH MFI Board and Director of SAATH Urban Programmes

Nationality: Indian

Age: 41

Career: Ms. Desai joined SAATH in 1995 and has been involved in SAATH's microfinance initiative since its inception. Prior to working at SAATH, 1994 – 5, she was a special education and programme coordinator for the Samip Educational Trust for mentally challenged children.

Education: BSc in Bio Chemistry from Gujarat University; Diploma in Development and Handicapped and Diploma in Medical Laboratory Technology, both from Gujarat University

Appendix Five: Photos

West Bengal Enterprises



Business: Bidi binding
Gender: Typically a women's business
Location: Household business
Cost of materials: 20 – 30 Rs per 1000 bidis
Sale price of bidis: 60 Rs per 1000 bids
Profit made: 30 – 40 Rs per 1000 bidis (approx 50p)
Income per month: 3,000 – 4,500 Rs (approx £60)

Business: Fish net making
Gender: Men, women or joint business
Location: Household business
Cost of materials: Varies
Sale price of nets: 5,000 Rs per net
Sale price of fish: 40,000 Rs per catch
Profit made on nets: 2-3,000 Rs (approx £35)
Profit made on fish: 6,000 Rs (approx £30)



Business: Blacksmiths
Gender: Typically a joint business
Location: Household business
Cost of materials: 18 - 20 Rs per kg (old and used iron)
Sale price of tools: 60 - 62 Rs per kg (sold as per fresh and new iron)
Profit made: 42 Rs per kg (approx 60p)
Income per month: 3,000 – 4,500 Rs (approx 60 GBP; where whole family involved up to 15,000 Rs per month approx £200)

West Nepal Enterprises



Business: Retail shop
Gender: Typically a family business
Location: Household
Cost of materials: 10,000 NRS start-up costs; stocking costs vary (approx £90)
Profit made: 11,000 NRS per month

Business: Pig-raising
Gender: Typically a woman's business
Location: Household
Cost of materials: 3,500 NRS per pig (approx £32)
Profit made: 8,750 NRS per moth



Business: Vegetable farming
Gender: Typically a family business
Location: Household or landlords' fields
Cost of materials: 200 – 500 NRS for seeds
Profit made: 9,000 NRS per month (approx £80)

Loan process



Women's group,
Hasnabad, West Bengal



Loan collection,
Hasnabad, West Bengal



SAATH MFI Loan office,
Ahmedabad, Gujarat

Training



Basic literacy
training, West Nepal

Skills-based training –
basket weaving,
West Nepal

