

ANNUAL REPORT 2020



ngā tāngata
microfinance





He waka eke noa

“With red and black the work will be complete”
When there is co-operation, if everyone does their part,
the work will be complete.



Ngā Tāngata Microfinance is a registered charitable trust and company that makes interest-free loans as an ethical alternative to high-cost lenders. Our loans are 100% interest-free, with no administration fees or hidden costs.

Our vision is to build a just and equitable society, by promoting the economic and social inclusion of all those living in Aotearoa New Zealand, particularly those on low incomes. This will be achieved by advocating for and assisting in the provision of safe and fair affordable finance options that strengthen financial capability, and by critiquing structural and economic forms of financial exclusion. Ngā Tāngata Microfinance works with local budgeting services to ensure loan applicants are willing and able to repay our loans, are supported through the repayment period, and are able to make positive and enduring changes to their money management.

He Pūtea Taurewa NTM NTM Loan

Te Whakaea Nama*

Mō te whakaea nama he tino nui ngā utu huamoni, ngā hāmenetanga anō/rānei, mō te whakakotahi rānei i ētahi nama - heoi anō rā, me nui ngā utu huamoni o te nuinga. Ka wātea te \$3,000 heke iho rānei mō ia pūtea taurewa.

*Ngā Whakawhānuitanga

Mēnā kua riro i a koe he pūtea Whakaea Nama, engari e toe tonu ana he nama, he nui hoki ngā utu huamoni, mā ngā whakawhānuitanga pūtea taurewa e whakaarohia ai te whakaeatanga o ētahi nama anō (mēnā i whai wāhi ki te tono taketake) - hei ā muri atu i ētahi marama e 6 neke atu rānei i oti pai katoa ngā utu whakaea (ā, me ētahi atu paearu anō). E 2 ngā whakawhānuitanga e wātea ana, otirā, he \$6,000 te tapeke o ngā pūtea taurewa e wātea ana.

Te Whakaputu Rawa

Hei utu i ngā rawa ā-whare, i ngā rawa matawhaiaro, i ngā ratonga rānei me mātua whai, hei utu rānei i ngā mea e ora pai ai te tangata. E \$2,000 heke iho rānei e wātea ana mō ia pūtea taurewa; hei tauira, hei utu i ngā rawa (i ngā whakatikatika rānei) pēnei i ngā pouaka makariri/tio me ngā pūrere horoi kākahu, i ngā rawa ā-whare nui (pēnei i ngā moenga/ tēpu/tūru), i ngā utu ā-hauora, ā-rongoā rānei, i ngā whakatikatika waka, otirā, i ngā utu whai mātauranga/whakangungu.

Debt Relief*

For paying off debts with high interest and/or penalties, or for consolidating several debts—as long as most are high interest. Up to \$3,000 is available per loan.

*Extensions

If you've been granted Debt Relief but still have high interest debts remaining, loan extensions allow payment of more debt (if included in the original application) to be considered—after minimum of 6 months of good repayment (and other criteria). Up to 2 extensions and \$6,000 total loan money is available.

Asset Building

For essential household or personal items and services or for well-being. Up to \$2,000 is available per loan; e.g. for items (or repairs to) whiteware, furniture, health or medical related, vehicle repairs, and education/training.

Te Ara e Whakaaetia ai Pathway to Qualify

Pātai mai mēnā rānei ka whai āwhina ā-pūtea koe i tētahi pūtea taurewa, mā te tono mai ki Ngā Tāngata Microfinance (NTM) i tā mātou pae tukutuku, mā te mahi tahi anō/rānei ki tētahi ratonga āwhina ā-tahua pūtea (he ratonga hoa mōwaho ki a NTM).

Mā konei koe e whai tautoko, e whai āwhina anō ai ki ngā mahi whakahaere tahua pūtea. Mā te mahi tahi anō ki te ratonga mō ngā marama e 2 (Te Whakaputu Rawa), mō ngā marama e 4 rānei (Te Whakaea Nama), ka taea tētahi tono pūtea taurewa te whakarite ngātahi mai, ka tuku mai ai ki Ngā Tāngata Microfinance.

Ask if a loan would help you financially, by contacting NTM through our website and/or working with a budgeting service (an NTM partner service).

In so doing, you gain budgeting service support and advice, and by working together 2 months (Asset Building), or 4 months (Debt Relief), a loan application can be made together, and forwarded to Ngā Tāngata Microfinance.

Hei painga mō te hapori Good for the community

Ehara i te mea he mimiti-kore te puna o ngā pūtea taurewa. Ka whakaea ana koe i te pūtea taurewa, ka hoki ngā moni ki te puna, ka tukuna anō hei pūtea taurewa ki ētahi atu o te hapori, e puta hoki ai ō rātou ihu.

Ko te whakapono te tūāpapa o ā mātou pūtea taurewa, nā konei, me mātua mōhio a Ngā Tāngata Microfinance ki te hunga ka whiwhi i ēnei moni. Ka whai mōhioranga mātou ki te hunga nei mā ngā āwhina a ngā kaitohutohu ā-pūtea, a ngā kaitauwhiro hapori, a ngā kaiurungi, otirā, a ētahi kaimahi hapori kē atu. Ka whai hoki a Ngā Tāngata kia whakaeangia te pūtea taurewa e rongo ai te kaiwhiwhi i te angitu, e whai hua ai te katoa.

E whakapono ana mātou ki te mana nui o te mātauranga me te māramatanga ā-pūtea, me te aha, ka wātea he ringa hāpai nō tētahi ratonga āwhina ā-tahua pūtea ki a koe i te roanga o te wā e whiwhi ana koe i te pūtea taurewa.

The fund that is used to make the loans is limited. As you pay off the loan, the money recycles back and is used to make further loans to others in the community to help them get ahead.

Our loans work by trust and that is why Ngā Tāngata Microfinance needs to know who we are lending money to, and do so through financial mentors, social workers, navigators, and other community workers. Ngā Tāngata also wants the loan repaid as a success for the person too, so everyone's a winner.

We value financial education and literacy and a budgeting service contact is available for the duration of the loan.



Ka pēhea taku tono i tētahi pūtea taurewa NTM?

How do I apply for a NTM Loan?

Whakapā atu ki tētahi kaitohutohu ā-pūtea ki te kōrero mō te āhua ki ō pūtea – māna e whakamārama ngā paearu. Ka mahi tahi kōrua ki te whakakī i te puka tono, ki te tuku i ngā tuhinga tautoko, ā, ki te whakarite i te nui o te utu whakaea ka taea e koe te tuku auau atu, me te mōhio anō, kia kua ngā pūtea taurewa e roa ake i te 2 tau e noho taurewa ana.

He tohutohu kei te wāhanga "Te Whai whina" i tā mātou pae tukutuku (ntm.org.nz) e mōhio ai koe mēnā rānei e tika ana tētahi pūtea taurewa NTM māu, hei ngā rā kei mua tonu i te aroaro, hei te pae tawhiti rānei.

Contact a financial mentor to discuss your financial position—they will explain the criteria. Together you'll fill out the application form, provide supporting documents, and work out what is an affordable regular repayment, loans being for a maximum of 2 years.

The "Getting Help" and "Do I Qualify" section on our website (ntm.org.nz) gives guidance on whether an NTM loan is suitable for you, in the immediate future or further down the track.

Ka pēhea taku whakaea i te nama?

How do I pay back?

Ka tukuna ngā utu whakaea mā tētahi whakapeautanga utu nā Te Hiranga Tangata, mā tētahi utu aunoa, mā tētahi tangohanga utu mahi rānei. Ki te rerekē te āhua ki ō pūtea, tēnā toro atu ki tō kaitohutohu ā-pūtea.

Repayments are made using either a Work & Income redirection, automatic payment or wage deduction. If you have a change in your circumstances please see your financial mentor.



WHAT FINANCIAL MENTORS SAY ABOUT US



"I appreciate NTM's flexibility and readiness to fully comprehend client's individual circumstances"

"NTM Staff work with us to find a solution and are always ready to assist"

"I love what you're doing! Definitely need more support & resources, as debt management is the most challenging of financial management but least resourced"

"NTM do a very good job with constant contact regarding applications. I also appreciate the statements which I forward to clients to keep them updated"

"Friendly, professional, fast and helpful"

"Easy forms to complete and easy to follow information required"

"I have had several of my clients who have had loans and are successfully paying them off, which is so wonderful to see their statements that they are reducing their amount of debt and I always congratulate them on their progress"





Nicola Brehaut

Nicola Brehaut is proud to have been involved with Nga Tangata Microfinance since its inception. She brings Senior Management experience across three sectors - private, not-for-profit and public. A 6th generation New Zealander, Nicola is passionate about building stronger communities and working in partnership with others to enable change for the benefit of Aotearoa New Zealand.

Trevor McGlinchey

Trevor is Ngāi Tahu and is actively involved with his marae. He works for the New Zealand Council of Christian Social Services in Wellington. He is passionate about gaining recognition for how community based social services organisations contribute to building stronger communities.



Julie Timmins

Julie was a founding member of Child Poverty Action Group and worked for the organisation in administration and communications. Julie is passionate about social justice and inequality and has a Masters in Equality Studies from University College Dublin, Ireland.

Tupetoa Ronald (Ronji) Tanielu

He is on the board of the FinCap and is their representative with NTM trustees. Ronji Tanielu was born in Apia Samoa and raised in Māngere, South Auckland. Ronji has degrees in law and politics from the University of Auckland and is a dedicated advocate for their South Auckland communities, for Pacific Island peoples and for those marginalised and impoverished people and communities. Ronji has the practical experience in youth and community development, mentoring and government contracting to provide valuable insights into the issues facing Pacific youth and what can be done to support them.



Claire Dale

Dr M. Claire Dale is Research Fellow with the Retirement Policy and Research Centre at the University of Auckland. She is chief editor and contributing author of CPAG's publications Our children, our choice: priorities for policy, 2014, and Left Further Behind: How policies fail the poorest children in New Zealand, 2011, and co-author of CPAG's first publication Our Children: Priority for Policy, 2001. Claire writes many of CPAG's submissions on tax, health, welfare and financial sector reform. In 2010 she founded Ngā Tangata Microfinance Trust in partnership with Kiwibank.



Ronnie Matafeo

Ronnie Matafeo, chair of the Pacifica Mamas Arts and Cultural Trust was the first registered Pacific Island quantity surveyor. He is an appointee to the Small Business Advisory Group. He is a leading member of the Auckland Methodist Central Parish and works for the betterment of his community.



Peter Sykes

Māngere East Family Services Centre has had Peter as their CEO for over 22 years. He has deep and committed ties to the local community assisting people create more interdependence in their lives. He sees Social Enterprise as an effective way to achieve multiple outcomes; to bring together the Enterprise learned in the Private Enterprise sector, and the Social impact sought by the Public sector, and historically located within the Charity and Not for Profit sector.



Craig Manley

Craig has a background as a Chartered Accountant and senior operations executive with exposure to a range of financial services markets in New Zealand and internationally. Craig has over 18 years' experience in financial services, including roles as a Chief Financial Officer, and Managing Director for a diversified financial services organisation. Craig holds a Bachelor of Commerce and Administration from Victoria University of Wellington, and is a Chartered Accountant.



Brittany Teei

Brittany Teei is a proud Cook Island and NZ Māori woman who was born and raised in Central Auckland. Brittany currently owns and operates KidsCoin. KidsCoin is a financial empowerment technology company that uses digital tools to help children learn important money management skills that last a lifetime. She is passionate about using this channel to raise awareness around financial empowerment for low socio-economic communities, in order to continue to work towards a more equitable future for the communities of Aotearoa.

Tēnā koutou katoa

Another year for this remarkable organisation, Ngā Tāngata Microfinance (NTM), that provides safe, fair, affordable loans to low-income families. By April 2019, NTM had issued over \$1 million in loans. A conservative estimate suggests the NTM fees and interest-free loans had saved our clients around \$4 million, helping to keep food on the table and reducing family stress.

NTM could not offer this service without the goodwill and contributions of individuals and organisations. Volunteers include the 5 Directors, 11 Loan Committee members, 4 Trustees, Guanand Claudia who assist the staff in their duties, as well as some regular donors and others. NTM has always been blessed with skilled staff, dedicated to our mission of financial inclusion. In April, new Loans Coordinator Marcela Mingoti was welcomed to the team. The Ministry of Social Development's (MSD) Building Financial Capability Fund allocation of \$50,000 required 2 new contractors. A formal and tearful thankyou and farewell for Executive Officer Robert Choy was held in August. The new General Manager, Natalie Vincent accepted that, after expanding and overseeing loan delivery, her primary task is ensuring future operational funding.

Kiwibank has provided mentoring, advice and capital funding since 2011, making NTM loans possible. In addition, in 2019, the Kiwibond Trust made a \$20,000 grant to NTM. The J.R.McKenzie Trust provided operational funding from 2014 to 2020. NTM is also supported by FinCap, the national organisation for the budgeting services that are the front line for our loans. Presbyterian Support Northern provides a monthly meeting place for staff and Directors. Thanks also to Child Poverty Action Group for support in media outreach. The formal relationship with Good Shepherd Microfinance Australia & NZ (GSNZ) around delivery of their trademarked NILS loans ended in July 2019, and an invigorated collaboration began.

NTM was involved in drafting the microfinance strategy and action plan with the Ministry of Business, Innovation and Employment (MBIE), MSD & Te Puni Kokere, after stakeholders' meetings in February 2019 which led to the Safe Credit Action Plan (SCAFI). NTM was also, again, focused on developing a persuasive submission for the 2019 review of the Consumer Credit Contracts and Finance Act (CCCFA). These efforts were rewarded in September when Minister Kris Faafoi announced that an interest rate cap would be included in the new CCCFA legislation. Hooray!

As well as making applications to philanthropic and charitable organisations, in February 2020, letters were sent to Minister Sepuloni and Minister Faafoi with support from The Salvation Army, calling for urgent action to support NTM with operational funding. The Directors are optimistic about Government funding support for the 2020/21 year and beyond.

This financial year ended with the beginning of the COVID-19 pandemic. A plan was put in place to ensure that we could support all staff in taking necessary measures to protect themselves, while continuing to offer safe credit to Kiwis in need.

Kia kaha Aotearoa.

Dr M. Claire Dale

Kiwibank are proud supporters of Ngā Tāngata Microfinance



**Kiwi
bank.**

As an organisation committed to making Kiwis better off, Kiwibank is incredibly proud to support the work that Ngā Tāngata Microfinance Trust do in our communities. For us, this is about helping Kiwis who are looking to get ahead and escape a spiral of debt. Kiwibank has supported Ngā Tāngata since the organisation started operating over 8 years ago. We provide the capital and banking services to enable Ngā Tāngata to provide loans to its clients, as well as our time and expertise. Two of our Kiwibank Credit Managers volunteer on Ngā Tāngata's loan committee, letting them to use their skills to support an amazing charity and also helping to strengthen Ngā Tāngata's processes.

With Ngā Tāngata we've been on the journey to reduce the harm that predatory lenders can have in our communities. We have staken a stand by declining banking services to predatory lenders and have worked to raise awareness of the impact that short term, high cost finance can have on families. This year, it's been great to see the number of loans provided continue to grow while also maintaining a high repayment rate amongst clients at the same time. It's also been encouraging to see Ngā Tāngata reaching new audiences such as the pilot with community housing providers in Dunedin and East Tāmaki. However, we know that there is still a lot of need in the community and we look forward to continuing to support them to be able to provide the critical relief and loans to more New Zealanders in the future.

Julia Jackson

Sustainability Lead
Kiwibank

Case 1

Growing up, **Masina** understood the value of hard work. Both Masina and her younger sister were raised by their solo mum, who brought them from Samoa to New Zealand in 2007 when Masina was 10 years old. Masina's mum was always working – she made sure both girls had what they needed and as a result, both were thriving in their new environment and as Masina reflects it was "not really hard to pay for stuff, as mum had a job...mum said to me, get a good job and make it easy."

10 years later, Masina had a family of her own – she was a stay at home mum raising 3 young children in a small North Island town, where her partner Noel had stable fulltime work. Despite this, there wasn't a lot of money to go around, and Masina began seeing a budgeting service to get help managing her family's money. Her mother and sister left for Australia to take up new jobs, and Masina missed them terribly. This meant she really valued the connection she had made with her budgeting advisor, who was "always helping us, we'd talk about my family...I'd always go and see them, and they'd come and check on me."

However, Masina's household budget soon took a blow – Noel's workplace reduced the available hours which in turn, reduced his earnings. He then suffered a back injury that meant he couldn't work. Both Noel and Masina were stressed as he was the main income earner – after all weekly expenses were paid, including rent, there was no money left to make the repayments on their 2 car loans and a few other loans they'd taken out in the past. In fact, there was an average shortfall of \$56.00.

Masina understood it was necessary to look for a job to support her family during this time, and she soon found one with Noel's prior employer. Noel became the stay-at-home carer to their 3 children, though Noel found it challenging work.

Even though Masina was now bringing in an income, the work hours were sporadic, and this led her back to her budgeting advisor to discuss her options as some weeks there was no chance of them having enough money to pay back the lenders, and they were getting further into debt.

In fact, soon one of the cars was repossessed, meaning Masina had to borrow a car to get to and from work. And the lender was threatening to sell the car if the outstanding amount was not paid quickly, "I was so upset, they come and took our car. I couldn't even sleep some nights." Luckily Masina could borrow another car to get to and from work, but this didn't address the financial issues she and Noel faced with the car loans.



But it looked like there may be a light at the end of the tunnel.

The financial mentor suggested Masina apply for a NT loan for the car that had been repossessed. There was \$3,700 remaining, with an interest rate of 25.95%. An application to NT for a negotiated amount of \$3,000, Masina could get her car back, and her repayments to NT would be achievable at only \$50.00 per week – less than half what they were paying to the finance company.

NT approved the loan, and Masina picked up the car and drove it home. This gave Masina a sense of newfound courage – she then approached the dealer of their second car and told them she no longer wanted it, which resulted in it being sold with no further amount owing.

Masina felt that even though the "car dealer said it was the best way" to financing these cars, she realised afterwards that taking out these loans with high interest had put a huge amount of stress and pressure on herself and her family and meant there was little to no way she and Noel could do anything special for the girls, but worse, it could have put her job in jeopardy – if NT hadn't helped then no car meant no way of getting to work.

Today things are so much brighter as Masina explains she's "relaxed now, everything's more easy to pay. I'm very happy to pay \$50. My work is going to slow down but I'm so happy to pay to make fast to pay the loan. Everything's good... Finally everything is good... easy to pay."

Case 2

Ken worked for years in a trade and was used to daily 5am starts. He even described himself a workaholic with "no worries about money." But he could no longer ignore his ailing health; Ken had a serious condition he'd had since childhood that had been left undiagnosed. His decline meant he had to give up work, as well as some of the things he loved doing, like riding motorcycles.

This drastic change had a negative effect on Ken's finances. His WINZ sickness benefit was well below his prior earnings and although he lived alone in Housing NZ accommodation, he was taking care of his 2 young grandchildren during the day and couldn't manage to live off the weekly amount provided.

Ken soon realised he needed financial assistance, and in mid-2016 he secured a \$10,000 loan from a third-tier lender to help him make ends meet and admits at the time he "didn't know a better option" and had kept his financial situation a secret from his friends and family "because of embarrassment." However, with a high interest rate, and other debts accrued, by early 2017 he began defaulting on his repayments and the lender began its demands for repayment or they would repossess his car.

Sadly, this loan was not the only one Ken had taken out. He had another which was over \$1,000 with a very high interest rate of 29.95%. With both loan repayments in default, and utilities bills that he'd left unpaid, the total amount he owed was increasing by the day. When all added up, it was over \$11,000 and with a weekly budget deficit of -\$2.97, there was no way he could see how he could ever repay this amount and "life was pretty much at rock bottom."

Things couldn't get any worse for Ken. He began thinking of how he could escape his situation and had contemplated self-harm. He couldn't remember the last time he'd been able to afford to buy his grandchildren anything or socialise with his friends, and smiling was something he hadn't done for a very long time.

Desperate, on a visit to a second-hand store Ken asked if they had a budgeter to help "sort out the bills" and was referred to a Financial Mentor at the Salvation Army. Side by side they created a plan on how he might clear his debts. One option was to apply for an NTM interest free loan. If approved, it would mean his high interest loans would be paid by NTM, leaving him with manageable repayment amounts.

Ken made a promise to his mentor - if the NTM loan was approved he would never again take out another high interest loan and would begin a savings plan to ensure there was a 'safety net' should unexpected bills come his way in future.



But Ken didn't stop there. He made another promise to himself. One that would likely save his life. He knew he had an opportunity to improve his health via losing weight. His doctor prescribed him medication, but Ken knew he needed to do more, and so began his wellness journey at the local pool. Every morning at 5am Ken would arrive, and despite his size meaning he could only exercise in the walking lane, he persevered.

News of his NTM loan approval only boosted Ken's existing commitment to lose weight. He was soon being congratulated by other swimmers at his swift progress in the pool, and in addition to that, he took up walking daily and continued to stick with better food choices.

In only a matter of months, Ken's life looked nothing like it had before. He had a budget that allowed to manage his repayments to NT, to put aside savings, as well as enough money to take his grandchildren out. And Ken was smiling again, and his mental health was "as high as it can be." He'd also taken up a new hobby, gardening, which was a source of great pride and joy. His friends could hardly believe he was the creator of such an amazing outdoor space and some were even inspired to do the same.

Not only did his life look different, but so did Ken. In nine months he'd lost 50 kilos.

With the help from NTM and a fierce ambition to help himself, Ken is now financially, physically and mentally fit. So much so, he has been asked by his doctors to speak to others in the hope he can inspire them with their own personal journey to wellness.



Our Partners



Kiwibank is committed to the development of a microfinance sector in New Zealand. We provide the capital that Ngā Tāngata Microfinance lends and we have provided technical and commercial support to Ngā Tāngata Trust to establish microfinance services.



Loan applications sent to Ngā Tāngata Microfinance are facilitated by an approved budgeting organisation. FinCap provides support to nearly 200 budgeting centres and over 2000 financial mentors and as such is an essential partner in enabling clients to access Ngā Tāngata Microfinance's services. FinCap's quality assurance programmes and ongoing training, ensures that the advice provided to clients is of the highest standard.



Child Poverty Action Group (CPAG) is an independent charity working to eliminate child poverty in New Zealand, through research, education and advocacy. It is one of the founding members of Ngā Tāngata Microfinance Trust. CPAG supports NTM's objective of offering a socially just alternative to fringe lending – safe, fair, affordable credit.



Presbyterian Support Northern has actively supported Ngā Tāngata Microfinance since its inception. As a provider of budgeting and total money management services, PSN strongly supports the need for ethical and affordable financial services for low income New Zealanders.



The New Zealand Council of Christian Social Services members are the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support Service Inc. and the Methodist and Salvation Army Churches. NZCCSS is a founding member of Ngā Tāngata Microfinance, its members are engaged in practically supporting the roll out of ethical and affordable financial services for low income New Zealanders through all of our communities.



JR McKenzie Trust provide funding for administration and support to Ngā Tāngata Microfinance Trust. "Our strategy for 2010 – 2014 is to focus all that we do as a Trust, including our grant making, on working towards a more socially just and inclusive Aotearoa New Zealand. Within this, our main focus areas are Māori Development and Disadvantaged Children and their Families."

Volunteer Loans Committee Members

Claire Dale
Craig Manley
Bob King
Liz Moore
Robin Bryant
Julie Timmins
Angela Wright
Leanne Corfield

Ronnie Matafeo
Peter Sykes
Nina Herriman
Janet McAllister
Gwyneth Wills
Tim Swann
Cory Pearson
George Ebbett

Staff

Natalie Vincent
General Manager

Linda McCallum
Loans Officer

Kay Williams
Loans Officer

Marcela Mingoti
Loans Manager

Volunteers



Guanhong (Guan) Li

Guanhong is a quick learner and hard worker, backed by an accounting degree and a little trial and error. Born afar but raised in Auckland, he considers Aotearoa his home. After graduating from The University of Auckland, he joined Nga Tangata Microfinance as a way of giving back to the land and people that had accepted him. Guan's contribution to the team is invaluable.

His role mainly involves scouring loan transactions for issues and oddities, preparing reports summarising the cash and loan movements from each month and year, and investigating any and all issues that appear along the way. Aside from that, he works with his colleagues to determine the treatment of any unexpected transactions, and constantly endeavours to improve the efficiency and accuracy of his work.



Claudia Bonsall

Claudia moved to New Zealand in February of 2019, she figured the best way to gain experience in bookkeeping was to volunteer her time, hoping that this would lead to paid employment in the future. Claudia responded online to an ad that Nga Tangata Microfinance was looking for a volunteer with Xero and is now a valuable part of the team.

Even though her plans in New Zealand didn't work out and she returned to Canada she still continues to support NTM from Canada.

Her role is reconciling payments for the Able and Debt-relief bank accounts, she is studying bookkeeping in Canada by taking a Small Business Accounting course and is training with an accountant. Claudia hopes to make her dream of becoming an Accountant come true!



Since we began we have issued **550** loans totalling **over \$1.2 million**.



In the 2019 financial year we issued **154** loans totalling **over \$190,000**.



We estimate we have saved our clients **over \$3 million** in interest, fees and admin costs.



62% of applications received from Budget Services are approved for loans.



80% of our clients said that the loan from NTM and the financial mentoring made a big difference in how they now spend money.



75% of our clients said an NTM loan made a huge improvement to their well-being and peace of mind.



80% of financial mentors say they would recommend an NTM loan to their clients.

Entity Information - As at 29th February 2020

Legal Name of Entity

NGA Tangata Microfinance Ltd

Type of Entity and Legal Basis

Charitable Trust and Registered Charity

Registration Number With Charities

CC45547

Mission Statement

The social justice aim of Nga Tangata Microfinance Ltd is expressed through its advocacy and provision of safe, fair and affordable no interest loans ("microfinance") in low income communities. In partnership with local budgeting services, it aims to strengthen the financial education, independence and inclusion of its clients.

Entity Structure and Governance

The shares in Nga Tangata Microfinance Ltd are owned by the NGA Tangata Microfinance Trust. The Company is governed by a board of directors, not less than 2 and not more than 5. The organisational structure involves an Executive Officer who provides operational management of the Company (via a services agreement with the Trust), which includes the management of three staff.

Volunteers support the work of the Company primarily through participation in Loan Committees reviewing and approving loan applications from low income clients who are supported by local Budgeting Services.

Main Sources of the Entity's Cash and Resources

Income from grants from philanthropic organisations, private donations and bank interest.

Main Methods Used To Raise Funds

Fundraising from philanthropic organisations, applications to Government department grant schemes (COGS), investigation of Ministry of Social Development funding and social enterprise structure.

Reliance On Volunteers and Donated Goods or Services

The directors are all volunteers and meet monthly for programme oversight and governance, whilst engaging on email. Other volunteers primarily contribute via membership of Loan Committees, reviewing and approving loan applications and assisting with some administrative tasks.

Statement of Service Performance For the Year Ended 29th February 2020

Description of Outcomes

An increased number of families free from the burden of high interest debt, and/or enjoying increased family resources/well-being.

Increased access and availability of "safe fair affordable" loans to more Budgeting Services or social agencies. Wider loan access availability to clients from new sectors or groups

Increased financial literacy/capability for families receiving loans, leading to financial health, reduced stress and better relationships with mainstream banks.

Performance Outputs	Actual 2020	Budget 2020	Actual 2019
Application For Nils And Drls Loan	151	180	157
Loan Approval Rate	58%	80%	68%
Repayments on Time From Clients	92%	90%	95%
Leakage Rate of Loans (% of \$ Loaned)	2%	4%	2.5%
Budget Services With Mou/agreements	34%	35%	34%

Statement of Financial Performance For the Year Ended 29th February 2020

	Note	2020 \$	2019 \$
Provision of Goods or Services	4	-	6,734
Donation/fundraising	4	231,309	197,337
Investment Revenue	4	6,153	6,143
Other Revenue	4	-	-
Total Revenue		237,462	210,214
Expenses			
Volunteer and Employee Related Costs	4	224,280	164,840
Costs Related To Providing Goods and Services	4	12,914	20,021
Other Expenses	4	619	515
Total Expenses		237,813	185,376
Net (Deficit) Surplus For The Year		(\$351)	\$24,838

Statement of Movements in Shareholder's Funds For the Year Ended 29th February 2020

	2020 \$	2019 \$
TRUSTEES' FUNDS AT BEGINNING OF THE YEAR	112,470	87,632
Net (Deficit) Surplus for the Year	(351)	24,838
TRUSTEES' FUNDS AT END OF THE YEAR	\$112,119	\$112,470

Statement of Financial Position As at 29th February 2020

	Note	2020 \$	2019 \$
Total Trustees' Funds		\$112,119	\$112,470
This is represented by:			
Current Assets			
Bank Accounts		366,108	371,945
Trade and Other Receivables	5	230,215	247,084
Less Doubtful Debts		(2,293)	(1,267)
Prepayments		2,447	2,635
Total Current Assets		596,477	620,397
Non-current Assets			
Fixed Assets as per Schedule		3,108	601
Total Assets		599,585	620,998
Current Liabilities			
Trade and Other Payables	6	160,022	175,166
Non-current Liabilities			
Kiwibank Business Term Loan		327,444	333,362
Total Liabilities		487,466	508,528
Net Assets		\$112,119	\$112,470

For and on behalf of the company;

Director *M. Sale*

Date 12 May 2020

Statement of Cash Flows For the Year Ended 29th February 2020

	2020 \$	2019 \$
Operating Activities		
<i>Cash was provided from:</i>		
Donation / Fundraising	231,309	199,286
Receipts From Providing Goods And Services	-	50,000
Investment Revenue	6,225	7,203
	237,534	256,489
<i>Cash was applied to:</i>		
Payments To Suppliers And Employees	(248,459)	(238,554)
	(248,459)	(238,554)
Net Cash Inflow (Outflow) From Operating Activities	(10,924)	17,935
Investing Activities		
Loans / Grants Provided By Other Parties	-	60,000
Loan Repayments By Clients	248,357	228,987
	248,357	288,987
<i>Cash Was Applied To:</i>		
Acquisition Of Property, Plant & Equipment	(3,126)	-
Loans Advanced To Clients	(240,143)	(231,887)
	(243,269)	(231,887)
Net Cash Inflow (Outflow) From Investing Activities	5,088	57,100
Financing Activities		
Net Increase (Decrease) In Cash Held	(5,837)	75,035
Opening Cash	14,501	60,534
Closing Cash	8,664	14,501
This Is Represented By		
Bank Accounts And Cash	366,109	371,945
Kiwibank Business Term Loan (Before Offsets)	(357,444)	(357,444)
Closing Cash	8,664	14,501

Schedule of Fixed Assets & Depreciation For the Year Ended 29th February 2020

Asset	Cost Price	Book Value 01/03/2019	Addition Disposals	Depreciation			Accum Deprec 29/02/2020	Book Value 29/02/2020
				Mth	Rate	\$		
Computer Equipment								
3 Dell XPS Ultrabooks and Dynadocks	2,988			12	0.0%	0	2,988	0
Dell Latitude Laptop Computer	1,288	601		12	40.0% CP	515	1,202	86
2 HP Probook 450 Laptop			3,126	1	40.0% CP	104	104	3,022
Total	4,276	601	3,126			619	4,294	3,108

Notes to the Financial Statements For the Year Ended 29th February 2020

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements are for NGA Tangata Microfinance Ltd. NGA Tangata Microfinance Ltd is domiciled in New Zealand and is a charitable organisation registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

NGA Tangata Microfinance Ltd has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not for Profit) as established by the External Reporting Board for registered charities, on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000.

All transactions in the Statement of Financial Performance are reported using the accrual basis of accounting. The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

The Financial Statements are prepared under the assumption that the entity will continue to operate in the foreseeable future.

Specific Accounting Policies

In the preparation of this Performance Report the specific accounting policies are as follows:

(a) Property, Plant & Equipment

All property, plant & equipment except for land and buildings is stated at cost less depreciation.

(b) Goods & Services Tax

These financial statements have been prepared inclusive of GST as NGA Tangata Microfinance Ltd. is not registered for GST.

(c) Income Tax

NGA Tangata Microfinance Ltd is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

(d) Revenue

Interest income is recognised using the effective interest method.

(e) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

2. AUDIT

This Performance Report has not been audited.

3. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2019:\$0). NGA Tangata Microfinance Ltd has not granted any securities in respect of liabilities payable by any other party whatsoever.

Notes to the Financial Statements
For the Year Ended 29th February 2020

4. ADDITIONAL INFORMATION

	2020 \$	2019 \$
Revenue		
Donations	31,309	21,286
Fundraising & Grants	200,000	176,051
Interest Received	6,153	6,143
Provision of Goods or Services	-	6,734
Total Revenue	237,462	210,214
Expenses		
Expenses related to public fundraising		
Volunteer and employee related costs		
Staff Training and Development	249	-
Course and Conferences	35	1,149
Meeting Expenses	373	592
Accident Compensation Levy	261	323
Wages & Salaries	223,362	162,776
	224,280	164,840
Costs Related to Providing Goods and Services		
Accountancy Fees	-	1,380
Advertising	463	-
Bank Charges	27	-
Computer Expenses	1,010	831
Administration Costs	3,242	1,252
Insurance	3,266	2,982
Professional Services	51	5,703
Printing, Stationery & Postage	131	664
Subscriptions	55	-
Reimbursements (Communications/Travel)	4,669	7,209
	12,914	20,021
Other Expenses		
Depreciation	619	515
Total Expenses	237,813	185,376

Notes to the Financial Statements
For the Year Ended 29th February 2020

5. TRADE AND OTHER RECEIVABLES

	2020 \$	2019 \$
Outstanding Loans	230,215	247,084
Less Doubtful Debts	(2,293)	(1,267)
Prepayments	2,447	2,635
	230,369	248,452

6. TRADE AND OTHER RECEIVABLES

	2020 \$	2019 \$
Accounts Payable	148	10,486
Unused Donations & Grants	158,216	158,216
Client Trust Funds (NILS/DRLS)	1,658	6,464
	160,022	175,166

Statement of Disclaimer
For the Year Ended 29th February 2020

We have compiled the attached accounts including a Statement of Receipts and Payments for the year ended 29 February 2020 and a Statement of Resources and Commitments as at 29 February 2020 for NGA Tangata Microfinance Ltd.

A compilation is limited primarily to the collection, classification and summarisation of financial information supplied by the client. A compilation does not involve the verification of that information. We have not performed an audit or review on the financial statements and therefore neither we nor any of our employees or contractors accept any responsibility for the accuracy of the material from which the financial statements have been prepared. Further, the financial statements have been prepared at the request of and for the purpose of NGA Tangata Microfinance Ltd only and neither we nor any of our employees or contractors accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.

Vision Consulting Group Limited

Business and Financial Consultants
P O Box 25 076, St Heliers, Auckland 1740
12 May 2020



He haumaruru
SAFE

He matatika
FAIR

He utu ngāwari
AFFORDABLE

He pūtea taurewa huamoni-kore
INTEREST FREE LOANS



ngā tāngata
microfinance

ntm.org.nz | info@ntm.org.nz

