



ngā tāngata
microfinance



ANNUAL REPORT

2021



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 for a just and equitable society, with the economic and social inclusion of all those living in Aotearoa New Zealand including those on low incomes. We provide safe, fair and affordable finance options that enable financial inclusion and capability, and challenge 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.

WHO WE ARE



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 or social media and/or working with a budgeting service (an NTM partner service).

Working with a financial mentor for a minimum of 2 months gaining support and advice, you can make a loan application to Ngā Tāngata Microfinance.

Hei painga mō te hāpori 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 hāpori, 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 hāpori, a ngā kaiurungi, otirā, a ētahi kaimahi hāpori 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 kaua 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.

Virginia McCreadie is a financial mentor for Budget House Taupō. Like most financial mentors, she works with clients from all walks of life.

"There is a perception that we deal with only one income bracket," says Virginia. "But we work with clients right across the spectrum, from those who are homeless with no income, to those who are wealthy with assets – and everyone in between."

"Whether you have a little or a lot of money, financial challenges happen," she explains.

"Things can change in the blink of an eye, big life events like a marriage break-up, a death in the family or the impact of COVID-19 – there are all sorts of reasons that people need financial help. We're here to help with people in crisis, but also with financial resilience and future planning, so there's less chance that a financial crisis will happen again."

Organisations like Ngā Tāngata MicroFinance are targeted at those who have fewer options, says Virginia. "They're here to ensure that people who were okay but now aren't, are able to be okay again," she explains. "Especially for those on low incomes who need to pay off high-interest debt or get the essential things they need."

"NTM do have strict criteria, but everyone is very unique. One of the biggest hurdles is the length of time that someone has been with a budgeting service. It's also based on their character and ability to repay the loan - we can't recommend someone for an NTM loan if it would put them into financial hardship."

WHAT A FINANCIAL MENTOR HAS TO SAY ABOUT US

Virginia says that NTM's GetControl Debt Relief Loan has been the most helpful to her clients. "Some people misunderstand high interest and get themselves into a spiral of debt. Sometimes they don't know that they have more choices – the GetControl loan is a way for them to alleviate that challenge. They go from struggling to pay a ridiculous interest rate to being able to let it tick over and be okay financially."

"We help our clients make their own decisions – we don't do it for them," explains Virginia. "We talk about their personal circumstances and give them a financial tool-belt to help, but it's their choice as to whether they wish to pursue those things. Sometimes clients aren't aware of all the options – our job is to make them aware and show them it can be okay."

Virginia says her role is "super-rewarding". "The most rewarding part is seeing the huge relief on my clients' faces and being able to reduce the 'pressure cooker' of stress. Money problems can affect so many aspects of a person's life: they can create mental health issues, stress, anger, violence and depression. I help my clients understand that's there's someone who can walk alongside them, who won't judge them.

Once they know they're going to be okay, it's so awesome.



People often think there is no hope, but we can give them hope!



Nicola Brehaut

Nicola Brehaut is proud to have been involved with Ngā Tāngata 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

The further fraying of the welfare safety net

Dr M. Claire Dale is Research Fellow with the Retirement Policy and Research Centre at the University of Auckland. Through her research and her involvement with Child Poverty Action Group, she became increasingly aware of high-cost debt as a major contributor to poverty among low-income people. She has written many of CPAG's submissions on tax, health, welfare and financial sector reform, and since 2001 has been a contributing author to many of CPAG's publications, most recently *The further fraying of the welfare safety net* (2017). In an effort to make a more practical contribution to the community, and to effect positive change, in 2010 she founded Ngā Tāngata Microfinance Trust in partnership with Kiwibank. With the contributions from the other directors and trustees, and talented and dedicated staff, Claire has seen some real improvement in the credit environment, but much more improvement is required before low-income families are safe from predatory lenders and their debt traps.



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

Since 2011, with capital support from Kiwibank, Ngā Tāngata Microfinance (NTM) has provided safe, fair, affordable loans to low-income families in Aotearoa. By March 2021, NTM had issued over \$1.6 million covering 678 loans. A conservative estimate suggests the NTM fees and interest-free loans had saved our clients around \$6 million, keeping food on the table, reducing family stress, and providing an opportunity to establish enduring positive changes in money management and avoid future unmanageable debt.

And NTM has increased its service delivery. In the 2020/21 year, NTM received 217 loan applications, up from 150 in 2019/20. Our growth has been driven, in part, by a deliberate public engagement and social media strategy. For example, 1108 visits to the website in February 2021 resulted in 53 referrals to Budget Services. In the last year, as well as quarterly newsletters to participating Budget Services, we have published 8 press releases and media briefs, and had 12 radio and TV interviews, primarily with General Manager Natalie Vincent.

NTM could not offer this service without the goodwill and contributions of individuals and organisations. Volunteers include the 5 Directors, 16 Loan Committee members, 4 Trustees, Guan and 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 social justice and financial inclusion. After tearfully farewelling long-serving Loans Officer Kay Williams and wishing her well in her new South Island life, we welcomed new Loans Officer, Emilie Dobinson, an experienced Financial Mentor. Bronson Perich took on the newly created role of Community Liaison, after GM Vincent had achieved her first major task of ensuring future operational funding. The contract with the Ministry of Social Development (MSD) has enabled NTM to increase the employment hours of Budget Service Co-ordinator Linda McCallum and Finance Manager Marcela Mingoti in order to meet the increased workload created by increasing numbers of applications and active loans.

As well as capital funding since NTM's beginning in 2011, Kiwibank has provided mentoring and advice, helping to making NTM's safe and fair loans possible. In addition, in 2020, the Kiwibond Trust made a further \$20,000 grant to NTM. After providing operational funding from 2014 to 2020, the J.R.McKenzie Trust continued their support by funding the Impact Lab GoodMeasure research that put a \$3.70 value on every dollar spent on NTM's operations, meaning that every dollar invested in NTM gives \$3.70 of measurable good to New Zealand. NTM is also supported by FinCap, the national organisation for the budgeting services that are the front line for our loans. Presbyterian Support Northern continues to provide a monthly meeting place for staff and Directors (zoom is the replacement during Covid lockdowns), and Child Poverty Action Group supports our media outreach. Collaboration with Good Shepherd Microfinance Australia & NZ (GSNZ) provides a wider range of options for loan applicants, and has facilitated NTM renting access to their software, GSCconnect. This automated loan management system has immeasurably improved our back-of-house efficiency and accuracy.

GM Vincent represents NTM within the Safe Credit Action Plan (SCAFI), the microfinance strategy and action plan of the Ministry of Business, Innovation and Employment (MBIE), MSD & Te Puni Kokere. In addition, NTM works closely with the Commerce Commission and Financial Markets Authority to improve social justice and ensure the credit environment continues toward a safer path for those on low incomes.

Despite the Covid-19 pandemic, NTM continued to evolve and expand. A highlight was the launch of the Iti Rearea Collective in April. This collaboration of Foundation North, NTM, Catalysr, University of Otago and WEC (Women Entrepreneurship Centre), is an Auckland-based initiative to enable migrant entrepreneurs to achieve financial independence and social inclusion by creating profitable enterprises. NTM, with the support of Kiwibank, is providing and managing small seed loans for the entrepreneurs when they have completed their business training and developed their plan.

This financial year began during the Covid-19 pandemic. As our staff have always been home-based, the most dramatic impact was the inability of potential loan applicants to meet with financial mentors as, remarkably, they were not considered to be essential workers. Financial mentors have always been and will always be an essential element of NTM.

Huge thanks to all those individuals and organisations helping NTM to achieve its goals.

Kia kaha Aotearoa.

Dr M. Claire Dale

Kiwibank are proud supporters of Ngā Tāngata Microfinance

We know that 2020 created a lot of change for everyone. Ngā Tāngata Microfinance was no different, with the change in the way we all conducted business during Covid-19 providing them an opportunity to support more New Zealanders to access safe and fair credit. As Ngā Tāngata Microfinance's provider of capital, we have been really pleased to see the level of growth that the organisation is experiencing.

It was particularly exciting to see the results of the Social Impact report, released in November 2020, which shows the value NTM is providing back to the people of Aotearoa. It was great to be able to host Impact Lab and NTM at the launch of this report in our new Auckland head office, and even more exciting to see that the social value that they are delivering is \$3.71 for every dollar invested. As this is something that will continue to be measured and reported every year, we hope to see this return on investment continue to improve. The validation of the key stages of the change journey that NTM provide to clients, specifically around creating a financial safety net; building financial skills and developing financial stability demonstrate the sustained change that Ngā Tāngata is creating for their clients, which ultimately will lead to more Kiwi being more financially secure and better off over the long term. It was also particularly impactful to see the outcomes that NTM creates – from reduced violence, addiction, smoking to improved mental health.

Within this report, there are some specific insights that showed that it was people who tend to have lower levels of debt (under \$1000) who accrued the most interest as a percentage of principal (in some cases up to 7 times the amount of principal). This provides invaluable insight to help us understand how we can support NTM to ensure that people are receiving support when it matters most. It also demonstrates the real benefit that NTM provides.

We've also been looking at how we can increase the awareness of NTM's work, and have this year included new information about the financial mentoring support available a number of our regular customer communications. It is great to see our partnership and the work that we are creating being represented in the Safer Credit and Financial Inclusion Working Group action plan. This group has worked to refresh their action plan to ensure that it is meeting the needs of Kiwi in a post-Covid environment, and it's been great to be able to meaningfully contribute to this work.

We know that there is a lot more work to do to ensure that people have the right access to the support that they need, however, we are excited at the progress NTM has made in the past 12 months and really excited to see what they can do in the next 12 months and beyond.

Julia Jackson

Sustainability Lead
Kiwibank





Case 1 - Jude's Story

Jude used a GetControl Loan to repay crippling debts.

Jude and her husband raised their family of four children in Wellington and owned their own home. When their youngest child was three years old, Jude went back to work and worked until she reached retirement age.

"We lived like so many people do – spending all that we earned. It was never a struggle, but we didn't put anything away either. We had no insurances. When I look back, we didn't do as well as I thought."

Later in their married life, Jude's husband purchased a business in Palmerston North where they lived for 14 years. "We purchased the business, sold the house and moved to Palmy where we rented. While things went well initially, the business didn't do well and it was eventually folded. My husband didn't want to declare bankruptcy, so for many years we paid back our creditors and weren't able to get back to the financial position we'd been in."

For Jude, there was a sequence of life events that led to her being in financial hardship. "When we reached retirement age, we moved to Foxton beach and rented a house there, which was wonderful. Then my husband lost most of his memory after a near-drowning incident and this was quickly followed by cancer of the oesophagus. While I was caring for him, I paid less attention to what I was spending and things started to get out of control," says Jude. "Caring for my husband in his final months was all I thought about and I spent what I needed without giving it any thought."

It was only after Jude's husband passed away that she started to realise the extent of their debt. Combined with her credit card debt and a reduced fixed income, this debt suddenly put her in severe financial hardship. "When you're working, paying \$50 towards something is nothing, but when you're on a fixed income, even \$10 is a lot. I was drowning in interest repayments and couldn't see any way ahead."

“

I was drowning in interest repayments.

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"One night, I realised I needed to get help and I went to the local budget advisor. I was so nervous and embarrassed at my age to have to go there. After the first visit I thought, 'actually, there are a heck of a lot of people like me here.'"

"The budget advisor was amazing. She helped me in so many practical ways including suggesting getting a GetControl Debt Relief loan from Ngā Tāngata Microfinance," says Jude. "The loan made such a difference. Even though it has taken me two and a half years to pay it off, not paying any interest or fees has made a huge difference. To see the balance go down rather than stay the same because you're paying such high interest is incredible."

Jude has nearly paid off her loan and has decided that she's going to divert the repayments she's been making to a savings account once she has cleared the debt.

"I've learnt so much and I'm determined now to start saving. The loan from Ngā Tāngata has saved my life. I can't express how to thank them enough."





Case 2 - Sonam's Story

Sonam used a GetControl Loan to get back on her feet financially.

At age 28, Sonam discovered she was pregnant to her long-term partner – however, he didn't want the baby at the time and was planning to leave the relationship. On top of that, her family couldn't support or help her as they don't live in New Zealand and their Visas were rejected when trying to come here for her baby's delivery. "I had to go on the 'single mum' benefit. I was very grateful for it, but it wasn't enough," she explains. "I had previous debts from when I was working – things like the car, insurance – all of the things that come with life and children."

Fortunately, WINZ put her in touch with a financial mentor at Pakuranga and Howick Budgeting Service. He recommended that Sonam apply for a GetControl Debt Relief Loan from Ngā Tāngata Microfinance – and helped her with her application. "The \$2,000 loan helped me to pay off my overdue bills and some debts. My financial mentor also helped me apply for emergency funds from my KiwiSaver and referred me to a local foodbank for help. I can't thank him enough - he really helped me to get my money sorted," she says.

Sonam says getting her finances under control was a huge relief. "I had a lot of debt – three credit cards and several overdue bills - and I didn't want to go down the debt collection path." By the time Sonam had her daughter in September 2019, she was almost debt-free. "Even though the loan was just \$2k, which seems like a small amount, it made a huge difference. And the fact that it was interest-free and the payments were really reasonable helped – I haven't missed any payments and have paid off the loan now." While getting her finances under control, Sonam was finally able to put money aside every week into a savings account. She had a goal to have \$1000 in savings for emergency use (which she achieved), and she's now working towards her goal of saving more money by the end of 2021.



I'm really proud of myself.



My child's father is now in her life and is very supportive, but I have real pride that I managed on my own during my entire pregnancy," she says.

Sonam admits that getting herself into a better situation wasn't easy. "I did a lot of things as well as getting help from Ngā Tāngata Microfinance. I couldn't go to the foodbank every week, so I asked friends and neighbours if I could cook meals for them – on the condition that I would take a share of the meal. That gave me a cooked meal for myself and my son, and helped me save money." For Sonam, the best part about getting the interest-free loan and working with a financial mentor is that she has learnt to manage her money better and stand on her own two feet. "I was determined to become more financially stable before my baby was born," she explains. "I did it all myself, using my income from the benefit as well as the NTM loan - I managed to have everything organised before my child was born. I even found Family Success Matters online and joined them – a social worker was assigned to me who helped me arrange a cot and clothes for my baby. My midwives were also amazing."

"I needed to ensure I could give my children a better life – on my own. I reached out to everyone that I could for help – it's really important that women do that and not shy away from it or be afraid of being judged." Sonam says she was really amazed at how much support is out there. "If I didn't seek help, I wouldn't have known it was available. After I had the baby, I couldn't walk because of scoliosis and arthritis, so my midwife and social worker arranged a healthcare worker to help out - and my baby's father was supportive during this time too. The Salvation Army in Howick also helped me, so now I volunteer there, packing Christmas food parcels – it's my way of giving back and supporting them."

Sonam has not only got herself into a better financially situation, she's now launched her own business, a luxury women's clothing brand called 'MOI'. "I'm so glad I found my financial mentor - he was so helpful. He said he sees so many people in his work, but he's never seen someone as determined as me to sort out my money! Thank you so much."

Note: some names including those of the loan companies have been changed. Any re-publishing of these case studies needs the permission of Ngā Tāngata Microfinance Ltd.





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.



We are pleased to have the support of the Ministry of Social Development as part of our service to provide fair, interest-free financing to low income New Zealanders, and to help our clients improve their financial literacy.



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.



J R McKenzie Trust provided funding for research and development to Ngā Tāngata Microfinance. Our strategy 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."

Thank you to supporters Mint Design and The Good Registry along with generous private donors.



Loan committee members

- | | |
|-----------------|------------------|
| Claire Dale | Craig Manley |
| Julie Timmins | Brian Robertshaw |
| Liz Moore | Cory Pearson |
| Leanne Corfield | Angela Wright |
| Holly Styles | Robin Briant |
| Peter Sykes | Brittany Teei |
| Nicholas Jack | Chris Wong |
| George Ebbett | Tim Swann |
| Gwyneth Wills | Janet McAllister |
| Nina Herriman | Robert Choy |
| | Ben Bracey |

Staff

- | | |
|---|--|
| Natalie Vincent
General Manager
Kaihautū Matua | Marcela Mingoti
Finance Manager
Tumu Pūtea |
| Emilie Dobinson
Loans Officer
Kaitirotiro Nama | Bronson Perich
Community
Engagement Coordinator
Whakakahohi Hāpori |

Volunteers



Guanhong (Guan) Li



Claudia Bonsall



Linda McCallum
Budget Service
Engagement Coordinator

Kaiwhakareretahi Ratonga Tahua

Staff Profile

I am the Budget Service Co-ordinator for Ngā Tāngata Microfinance and my role is to liaise with Financial Mentors all around Aotearoa, learning, teaching and sharing on financial capability building and microfinance. I have a background in financial mentoring working in several different centres and budget service formats, including this role with NTM which is unique but enables me to use all my skills and experience in financial mentoring. I am motivated and inspired when I see others working hard in the community with clients in difficult financial situations with complex backgrounds. I think for many people it would be difficult to step into their shoes to see the issues, and a terrifying thought that they could possibly find themselves in this very situation. I congratulate the hard work of financial mentors and love to be part of making a difference to individuals. I am grateful to the founding members of NTM especially Dr Claire Dale for bringing NTM into existence 11 years ago in speaking out against financial inequality as the primary goal. My experience working with NTM for 6 years has been one of enjoying working with people who all have the same desire towards the vision of a financial inclusive Aotearoa. There is a great team of people to be working closely with who have a variety of skills to share. It was very inspiring to see we are also making a difference in dollar terms of wellbeing deliverance in Aotearoa from our work, shown in 2020 research.

THANK YOU



Since we began we have issued **688** loans totalling **over \$1.6 million**.



In the 2021 financial year we issued **140** loans totalling **over \$315,000**.



We estimate we have saved our clients **over \$4 million** in interest, fees and admin costs.



65% 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 28th February 2021

Legal Name of Entity

Ngā Tāngata Microfinance Ltd

Type of Entity and Legal Basis

Charitable Company 3035163 and Registered Charity

Registration Number With Charities

CC45547

Mission Statement

To provide safe, fair and affordable finance options that enable financial inclusion and capability, and challenge structural and economic forms of financial exclusion.

Entity Structure and Governance

The shares in Ngā Tāngata Microfinance Ltd are owned by the Ngā Tāngata 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 four 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 Government contract, grants from philanthropic organisations, private donations and bank interest.

Main Methods Used To Raise Funds

Contract with the Ministry of Social Development, fundraising grant applications with philanthropic organisations and private donations.

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 28th February 2021

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 2021	Budget 2021	Actual 2020
Application For Nils And Drs Loan	217	220	151
Loan Approval Rate	65%	80%	58%
Repayments on Time From Clients	94.5%	90%	92%
Leakage Rate of Loans (% of \$ Loaned)	2.2%	4%	2%
Budget Services with MOU/agreements	34	35	34

Statement of Financial Performance For the Year Ended 28th February 2021

	Note	2021 \$	2020 \$
Provision of Goods or Services	4	-	-
Donation/Fundraising	4	308,586	231,309
Investment Revenue	4	2,591	6,153
Other Revenue	4	217	-
Total Revenue		311,394	237,462
Expenses			
Volunteer and Employee Related Costs	4	249,592	224,280
Costs Related To Providing Goods and Services	4	85,310	12,914
Other Expenses	4	2,796	619
Total Expenses		337,698	237,813
Net (Deficit) Surplus For The Year		(\$26,304)	(\$351)

Statement of Movements in Shareholder's Funds For the Year ended 28th February 2021

	2021 \$	2020 \$
TRUSTEES' FUNDS AT BEGINNING OF THE YEAR	112,119	112,470
Net (Deficit) Surplus for the Year	(26,304)	(351)
TRUSTEES' FUNDS AT END OF THE YEAR	\$85,815	\$112,119

Statement of Financial Position As at 28th February 2021

	Note	2021 \$	2020 \$
TOTAL TRUSTEES' FUNDS		\$85,815	\$112,119
This is represented by:			
CURRENT ASSETS			
Bank Accounts		266,805	366,108
GST Refund Due		2,599	-
Trade and Other Receivables		323,111	230,215
Less Doubtful Debts		(5,331)	(2,293)
Prepayments		2,125	2,447
Total Current Assets		589,309	596,477
NON-CURRENT ASSETS			
Fixed Assets as per Schedule		13,872	3,108
Total Assets		603,181	599,585
CURRENT LIABILITIES			
Trade and Other Payables	5	150,097	160,022
NON-CURRENT LIABILITIES			
Kiwibank Business Term Loan		367,269	327,444
Total Liabilities		517,366	487,466
Net Assets		\$85,815	\$112,119

For and on behalf of the company;

Director *M. Gale*

Date 12 May 2021



Statement of Cash Flows For the Year Ended 28th February 2021

	2021 \$	2020 \$
OPERATING ACTIVITIES		
Cash was provided from:		
Donation / Fundraising	297,814	231,309
Receipts From Providing Goods and Services	217	-
Investment Revenue	2,604	6,225
	300,636	237,534
Cash was applied to:		
Payments to Suppliers and Employees	(336,797)	(248,459)
	(336,797)	(245,459)
Net Cash Inflow (Outflow) From Operating Activities	(36,161)	(10,924)
INVESTING ACTIVITIES		
Loan Repayments by Clients	222,197	248,357
	222,197	248,357
Cash Was Applied To:		
Acquisition Of Property, Plant & Equipment	(13,560)	(3,126)
Loans Advanced To Clients	321,779	(240,143)
	(335,339)	(243,269)
Net Cash Inflow (Outflow) From Investing Activities	(113,142)	5,088
FINANCING ACTIVITIES		
Net Increase (Decrease) In Cash Held	(149,304)	(5,837)
Opening Cash	8,664	14,501
	(140,639)	8,664
Closing Cash	(140,639)	8,664
This Is Represented By		
Bank Accounts and Cash	266,805	366,109
Kiwibank Business Term Loan (Before Offsets)	(407,444)	(357,444)
Closing Cash	(140,639)	8,664

Schedule of Fixed Assets & Depreciation For the Year ended 28th February 2021

Asset	Cost Price	Book Value 01/03/2020	Addition Disposals	Depreciation			Accum Deprec 28/02/2021	Book Value 28/02/2021
				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	86		3	40.0% CP	66	1,288	0
2 HP Probook 450 Laptop	3,126	3,022		12	40.0% CP	1,250	1,354	1,772
Laptop NP Pro			1,560	5	40.0% CP	260	260	1,300
Website			12,000	3	40.0% CP	1,200	1,200	10,800
Total	7,402	3,108	13,560			2,796	7,090	13,872

Notes to the Financial Statements For the Year Ended 28th February 2021

1. STATEMENT OF ACCOUNTING POLICIES

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

Ngā Tāngata 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:

- Property, Plant & Equipment**
All property, plant & equipment except for land and buildings is stated at cost less depreciation.
- Goods & Services Tax**
Ngā Tāngata Microfinance Ltd registered for GST during the year ended 28 February 2021 and the financial statements have been prepared accordingly.
- Income Tax**
Ngā Tāngata Microfinance Ltd is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.
- Revenue**
Interest income is recognised using the effective interest method.
- 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 (2020:\$0).

Ngā Tāngata 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 28th February 2021

4. ADDITIONAL INFORMATION

	2021 \$	2020 \$
REVENUE		
Donations	20,314	31,309
Fundraising & Grants	288,272	200,000
Interest Received	2,591	6,153
Other Revenue	217	-
Total Revenue	311,394	237,462
EXPENSES		
Expenses related to public fundraising		
Volunteer and employee related costs		
Staff Training and Development	206	249
Course and Conferences	-	35
Meeting Expenses	287	373
Accident Compensation Levy	27	261
Wages & Salaries	249,072	223,362
	249,592	224,280
Costs Related to Providing Goods and Services		
Accountancy Fees	1,495	-
Advertising	24,897	463
Bank Charges	9	27
Management Systems	20,766	1,010
Administration Costs	3,080	3,242
Insurance	3,060	3,266
Professional Services	-	51
Printing, Stationery & Postage	1,015	131
Research & Development	27,427	-
Subscriptions	547	55
Reimbursements (Communications/Travel)	3,014	4,669
	85,310	12,914
Other Expenses		
Depreciation	2,796	619
Total Expenses	337,698	237,813

Notes to the Financial Statements For the Year Ended 28th February 2021

5. TRADE AND OTHER RECEIVABLES

Accounts Payable	544	148
Unused Donations & Grants	147,444	158,216
Client Trust Funds (NILS/DRLS)	2,109	1,658
	150,097	160,022

	2021 \$	2020 \$
Accounts Payable	544	148
Unused Donations & Grants	147,444	158,216
Client Trust Funds (NILS/DRLS)	2,109	1,658
	150,097	160,022

Statement of Disclaimer For the Year ended 28th February 2021

We have compiled the attached accounts including a Statement of Receipts and Payments for the year ended 28 February 2021 and a Statement of Resources and Commitments as at 28 February 2021 for Ngā Tāngata 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 Ngā Tāngata 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
10 May 2021



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