



Report of the Chair of Board of Directors to Annual General Meeting

21st of September 2015.

I have great pleasure in welcoming you to this Annual General Meeting.

This year marks 7 years of Bamboo's operation in Indonesia. On 29 May we celebrated this milestone at MSquared offices in Subiaco, with 35 supporters, who heard presentations from Directors about the history and future plans for Bamboo.

Board Appointments

This year has seen significant changes in the Board, in that Adele Carpenter, Wayne Geddes and Bernie Fisher resigned. Clare O'Connor, David Cook and Dr.Hadrian Djajadikerta were appointed Directors during the year.

Clare is a qualified accountant, has lived in Indonesia for 3 years and has taken on the position of Finance Director.

Hadrian is a Director of Indonesia Institute (with whom we have a close association) and is Associate Professor in the Faculty of Business and Law at Edith Cowan University. He brings not only his intimate knowledge of business in Indonesia, but also his academic expertise in Australia and overseas.

David Cook is an IT expert and lecturer at ECU, with extensive involvement in Indonesia. He is currently assisting in upgrading our website and associated media issues.

These appointments have complemented the earlier appointment of Rachel Wilson, an international tax consultant and Kristin Marcano, a corporate lawyer. I believe we now have a highly competent Board of Directors, who will assist Bamboo to grow and develop in the future.

"It's not a handout, It's a hand up"



Finances

Income from donations has reduced slightly, probably from the downturn in the WA economy. Total income to 30 June 2015 was \$8470, down from \$10883 last year. Our expenses in Australia continue to be very low, while we have achieved savings in our expenses in Indonesia, by standardizing our payments to partners. We now have surplus funds and we are seeking other partners in Indonesia.

Indonesia partners

Our partners in Indonesia continue to provide strong support. Daya Pertiwi in Malang, since January 2014, have made 128 loans, which exceeded all estimations, principally through their strong positive relationship with local people, their acknowledged integrity and experience in micro finance.

PESAT in Bandung is steadily growing its loan portfolio. Expansion is limited due to the demands of its main concern of installing clean water and sanitation supplies to villages in the outer Bandung area, however the relationship they develop with the villagers shows great potential for expansion of Bamboo loans.

In Bukittinggi, growth has slowed. The local representative, Fikar, has been asked to establish a local *yayasan* (or not for profit organization) to take over management of Bamboo loans and he is in the process of doing this.

Total loans approved at 30 June 2015 was 200, which shows steady growth.

Tax deductibility in Australia

Bamboo made an application for tax deductibility during the year, but, unfortunately, it was unsuccessful. The ATO has given us detailed feedback to our application and we will be submitting a revised application before the end of this year. We are optimistic that our amended application will be successful.

"It's not a handout, It's a hand up"



Directors visits to Indonesia

- In October 2014, for the first time, representatives from all partner agencies and from Bamboo, including our representatives in Bandung and Malang, Colin Singer and Duncan Graham, met together in Bandung over two days. Three Directors came from Perth, Peter Johnston, Chair of the Bamboo Board, Adam Peaty, Vice Chair of the Board and Bob Dannatt.

This was a unique opportunity for all the participants to meet each other, to discuss issues about the management of loans, to exchange ideas about how we could do things better and to socialize together.

- Clare O'Connor visited Malang in April 2015, not long after her election as a Director and met with Made Polak and his staff.
- Peter Johnston went to Indonesia in June 2015 and visited all three partner agencies.
- In each of the last instances, an audit was carried out of partner agency activities in regard to Bamboo loans, their accounts and any issues they face, fulfilling our promise to audit each partner in Indonesia at least annually.

Strategic Plan

As the organization's Strategic Plan was almost 3 years old and many of its points had either been achieved or become redundant through changing circumstances, primarily the growth of Bamboo, the Directors decided to develop a new one which would reflect the current environment and provide a viable plan for the future

In June, Directors met for half a day under the capable guidance of supporter, highly experienced facilitator and past Hon. Secretary, Tony Burgoyne, to develop a Strategic Plan 2015/18.

A summary of key outcomes of that discussion are as follows:

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- Increased income target for 15/16 and going forward, combined with a further submission to ATO for Tax Deductibility, driven by website development, media strategies and corporate partnerships in Australia. Additional partners will be sought in Indonesia.
 - In Indonesia, we will look at training needs of borrowers based on the research being undertaken and also look at potential areas of expansion. Another meeting of Directors and partner staff will be planned.
 - We will plan for growth, not only in income and geographical reach, but also community development in Indonesia, which may involve education and small business.
 - Marketing and Research will be given a high profile, using enhanced website, creation of an audio/visual presentation and increased media coverage.
 - Increased collaborative events will be planned, including linking with schools in Australia teaching Indonesian, involving Balai Bahasa and connections with Asian studies at Murdoch University.

Outcome Research

For some time, Bamboo has been keen to find out if its loan program really is achieving the outcomes that the provision of micro finance to people in poverty in Indonesia promises.

We were fortunate in April 2015 to connect with an Australian student Fletcher Miles at Universitas Parahyangan Katolik (UNPAR) in Bandung, West Java, who was interested to conduct a survey of Bamboo borrowers at all our 3 locations regarding how our loans had impacted their lives.

Fletcher was able to use the research as part of his academic studies and travelled to each of the places where we make Bamboo loans. He interviewed a sample of 30 borrowers and asked questions which were aimed at finding out how the loans had impacted on their lives.

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In summary, his findings revealed that:

- 86% of borrowers interviewed felt that the loan had a positive impact on their standard of living
- 37% said that their loans assisted them to send their children to school
- 37% indicated the their loan gave them increased independence
- Borrowers felt more confident in seeking a loan from a Bank in the future

Funding for borrower training

Bamboo has submitted a funding application to the Australian Embassy in Jakarta for funds to develop a training package for borrowers. The funds will be used to pilot a training program at Daya Pertiwi in Malang, which can be used at any location where Bamboo micro loans are provided.

We are very hopeful that we will be successful, as training in basic financial and business management will enhance the possibility that small businesses funded from Bamboo through its partner agencies in Indonesia, have a better chance of becoming successful.

Peter Johnston

Chair, Board of Directors

September 2015