

# Five Talents

Annual Review 2009



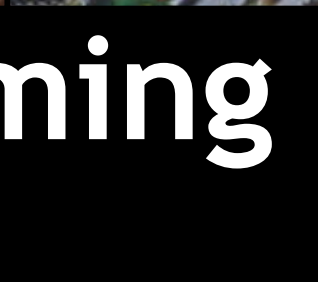
## Fighting Poverty



## Creating Jobs



## Transforming Lives



# 2009 Overview

## *Five Talents is unlocking the talents of the poor.*

We are now directly supporting 20,000 people in 11 developing countries through 12 microfinance programmes - providing business training, savings and loan schemes.

We use a partnership model which focuses on building sustainability at all levels: the microfinance institutions; the programmes and local livelihoods.

Five Talents provides funding to build our partners and their programmes. In each case our partner is linked with the local church for the benefit of the entire community.

### Our target group

We intentionally target the active poor - people surviving on or around \$1 a day and who have an entrepreneurial determination.

These people have got talent. Training and a small loan can unlock their potential and help each person to build a small family business. Jobs are created and whole families and communities are being transformed.

We work with Five Talents in the USA and our International office to raise funds and monitor progress. By the close of 2009 Five Talents' international programmes had:

Direct clients	19,992
Indirect beneficiaries	c. 80,000
Loan capital in circulation	£959,197
Average loan	£68 per person
Repayment rates	89-100%
Accumulated savings	£166,000

Despite the challenging economic circumstances, Five Talents UK income grew by 45% in 2009 and expenditure on microfinance programmes grew by 54%.

By supporting Five Talents you are helping to transform the lives of around 100,000 people worldwide on a sustainable basis - giving them a 'hand-up' not a 'hand-out'. Enjoy meeting some of these talented people in the following pages. Thank you for your support.



Tom Sanderson.  
UK Director



"Five Talents' approach to microfinance brings dignity and economic sustainability to some of the poorest communities in the world.

I am delighted to endorse its programmes, working through established church networks, which bring hope and a route out of poverty for thousands of people."

Archbishop of Canterbury, Dr Rowan Williams  
Patron of Five Talents

# Five Talents in Africa



**“Five Talents is helping to transform the lives of thousands of people in a dignified and sustained way and with a particular impact on womens’ empowerment.”**

**Margaret Sentamu**  
Member, Five Talents’ Council of Reference

## Kenya

There are now 24 ‘trust groups’ in and around Thika town where members are saving their own money. Individuals can borrow from the group savings, but the amount and terms must be agreed by the whole group. Staff at Five Talents’ partner, the Thika Community Development Trust, provide training and monitor the group accounts. This is a very transparent and community-led model of microfinance, which is supported by the Anglican Diocese of Thika. In 2010 the Trust plans to create 10 more groups in Thika, as well as graduate the most mature group to be a village banking model.



**Akot: Lietnhom, Sudan**

Akot’s mother used a small loan to start her food business in Lietnhom, Sudan. Thanks to the income from the business, she’s been able to send all five of her children to school, including 10-year-old Akot, who is in year 1. “When I finish school, I would like to be a doctor,” Akot said. “I will also start a business like my mother and when I get money I will build a house for my mum.”

## Sudan

The village bank in Lietnhom now has 546 member share-holders whose average savings are around £15 each. When a person has savings of more than £20 they qualify for a loan up to £45, repayable with interest. The rules are set by the share-holders and the interest on the loans covers the running costs, with any surplus being paid out as a dividend at the end of the year. The Five Talents trainer, Rev. Thomas Anei, himself a former child soldier, has also helped create savings groups in Wau comprising 205 people. In 2010 Five Talents plans to work with the Mothers’ Union to expand the training and savings programme to other districts in partnership with the Episcopal (Anglican) Church of Sudan.

## Tanzania

Five Talents’ partner in Tanzania is the Mama Bahati Foundation (MBF), a women-focussed programme based in Iringa in the Diocese of Ruaha. MBF is now firmly established with a strong local staff, Board of Directors and operational processes. During 2009 they have extended their outreach to Kilolo, providing unique opportunities for residents to save and borrow safely and affordably. With the help of a generous donation in 2009, Five Talents was able to provide a vehicle for MBF. While the Kilolo extension is expensive to operate, we have intentionally expanded in this direction to meet the local needs. In 2010 Five Talents is participating in the Arcubus Investment Bond (see [www.arcubus.org.uk](http://www.arcubus.org.uk)) and our partnership with Parragon Books will help to expand this programme further.



**Monica: Iringa, Tanzania**

Monica sells all kinds of plastics from her market stall in Kihesa, near Iringa. She is fortunate in having a good location in the market as there are many passers by. “The loans from MBF have brought more stability to our household and my relationship with my husband.” Since taking the small loans, Monica has purchased a plot of land, a sewing machine and some furniture. In the last year she has diversified into making clothes from home for some of her clients.

## Uganda

Five Talents Uganda (FTU) has three branches in Uganda (Kabale, Kasese and Namirembe) and seeks to be self-sustaining from the loan capital in circulation. High commodity prices in 2009, especially in food and fuel, have made it a challenging year. Small business owners have found it hard to make profits and repay their loans on time and with interest. FTU closed the year at 60% self-sustainability and with clear plans to reach full operational sustainability by mid-2011. Five Talents UK is committed to support FTU and the Church of Uganda in reaching these needy communities and indeed expanding in the years ahead.

**Maria: Kasubi, Uganda**



Maria and her sister Pauline attend school thanks to the income their mother Sarah makes from her vegetable stand in Kasubi, Uganda. When Maria’s parents separated, Maria assumed that meant the end of school, a lack of food and no clothing. Now, this 13-year-old thanks Five Talents for what it has done for her family. “With Five Talents’ support to mum’s business, I can continue my education and I am committed to working hard at school,” Maria said. “I can now go to school with confidence in my brand-new school uniform.”

## Key Indicators...

	Kenya	Sudan	Tanzania	Uganda
<b>Model</b>	Savings-led	Savings-led	Credit-led	Credit-led
<b>No. Clients</b>	1,929	751	1,194	2,528
<b>Loan fund in circulation</b>	£135,214	£4,463	£60,845	£274,387
<b>Accumulated savings</b>	£148,476	£8,623	n/a	n/a
<b>FT UK Grants 2009</b>	£30,000	£32,500	£31,000	£30,068

## ...and elsewhere in Africa

Five Talents has begun a partnership with the Mothers’ Union in Burundi to provide training in financial literacy, business planning and the formation of savings groups. We granted £46,406 at the end of 2009 to start this programme which plans to reach 8,800 people (70% women) in the first phase and expansion in subsequent years. We are also exploring a similar partnership with the Mothers’ Union in Sudan and Malawi.



# Five Talents in Asia

*"Most important of all, the extra income enables children to stay on at school longer. Microfinance brings long term benefits for future generations."*

Annette Brooke MP

Chair, All Party Parliamentary Group on Microfinance and Member, Five Talents' Council of Reference

## India

The Five Talents programme in Chennai continues to support the tsunami affected communities north and south of the city, restoring sustainable livelihoods. The savings-led approach adopted by our partner, the Diocese of Madras, empowers the women-based self-help groups to save and borrow from one another. Five Talents has augmented the revolving fund to enable loans of greater amounts to more women. In Nagpur our partner the Community Development Society, operates a microcredit programme where the average loan is just £23 per person and where, as in Chennai, almost all of the clients are Hindu.



**Geja: Pulicat Island, India**

After the 2004 tsunami devastated Geja's village on Pulicat Island, South India, her mother, Selvi, joined a Five Talents Self-Help Group. Selvi had hopes of starting a business to restore the family's income since her husband, a fisherman had no income after the tsunami. Selvi took a £65 loan to start a small shop. Through the income of this business, Selvi is able to send her son and her daughter, Geja, to school and now saves \$10 a month after paying family expenses. Geja says "I dream of becoming a doctor one day."



**Esther: Jakarta, Indonesia**

Esther is thankful for milk. Since her mother Phiong joined Five Talents' partner GERHATI in Jakarta, Indonesia, this family of six now has enough income through a cake business to buy milk, food and to pay for Esther's school fees - she's in kindergarten this year. Esther looks forward to the GERHATI project officer's visits to the family business. She calls him Uncle Yuven. "I'm always excited when Uncle Yuven comes because he is nice and he helps me and my mum," she said.

## Indonesia

Five Talents' microfinance partner, GERHATI, is located in the suburbs of Jakarta and is linked with the local Anglican church and the Diocese of Singapore.

The programme operates in Bekasi and Cipayung amongst the mainly Muslim population and the average loan outstanding is just £15 with 91% repayment rate.

We have been in close contact with GERHATI following the 2009 floods and earthquakes.

During 2010 Five Talents will support GERHATI in their phased expansion plans.

## Key Indicators

	India-Chennai	India-Nagpur	Indonesia	Philippines
<b>Model</b>	Savings-led	Credit-led	Credit-led	Credit-led
<b>No. Clients</b>	3,475	760	2,007	4,904
<b>Loan fund in circulation</b>	£7,813	£17,219	£29,791	£213,381
<b>Accumulated savings</b>	£7,668	n/a	n/a	n/a
<b>FT UK Grants 2009</b>	£22,000	£3,000	£23,000	*

\* Five Talents USA funded this programme in 2009.



## Philippines

The Centre for Community Transformation (CCT) provides microfinance services as well as a range of other practical services amongst the poor in Manila and throughout the country. Five Talents has provided loan capital over a number of years which continues to rotate with over 2,000 loans outstanding at the end of 2009.

We have maintained close communication with CCT following the floods and landslides in 2009.

# Five Talents in Latin America



“Unlocking talents and releasing peoples’ potential for enterprise is an exciting business. It enhances *their* dignity and celebrates *their* achievements. I am delighted that Five Talents is doing this in some of the neediest and neglected places around the world.”  
 Baroness Caroline Cox  
 Member, Five Talents’ Council of Reference

## Bolivia

The ‘Semillas de Bendicion’ (Seeds of Blessing) programme in Bolivia is based in Tarija and is a grassroots savings-led scheme that is growing steadily both in membership and accumulated savings. It is located in a rural area where no other banks or microfinance institutions are present, but where the church is well respected in the community. Five Talents is pioneering a mobile-phone reporting system here which currently collects field reports on group meetings, capturing data such as membership, savings and loans, and soon social impact indicators.



**Juana Reinoz: Santo Domingo, Dominican Republic**

Juana Reinoz’s grocery store was struggling. She wasn’t able to stock the items her customers wanted, so they stopped visiting her store forcing her to close. When this single mother heard about Five Talents’ partner, Esperanza, she decided to take a loan and try again. She opened a similar-type grocery store from a side room in her home. Her stock now includes items that her neighbours readily buy including rice, sausages, plantains, root vegetables, chicken and other ingredients. In her previous shop, her turnover was £8 on an average day. Now she takes between £30 and £50 each day!

## Dominican Republic

Esperanza (meaning ‘Hope’) is Five Talents’ partner linked with the church and operating in La Barquita suburb of the capital city Santo Domingo. Amongst other microfinance providers in the city, Esperanza is known for its training and fair finance to some of the poorest groups in the slums. The church and Esperanza have been assisting in the earthquake relief efforts in neighbouring Haiti and will be considering microfinance amongst the long term recovery needs.

## Peru

ECLOF Peru is providing financial services to poor communities in informal settlement areas to the north and south of Lima. With Five Talents’ help, ECLOF opened a new branch in April 2009 in the rural district of Huancavelica - the poorest region in Peru. Local trainers have now helped to form a total of 189 Community Banks and 422 Solidarity Groups. ECLOF works alongside the Diocese of Peru and distinguishes itself from other microfinance institutions by providing ongoing training and support to clients, including helping clients with their product development and diversification (such as training workshops in jewelry-making etc).



**Paulina: Ucchus, Peru**

Paulina is a mother of seven. She and her husband breed guinea pigs, keep cows and grow vegetables. She also makes knitted and crocheted clothes. She joined a Five Talents loan group in Ucchus, Peru, and has taken a loan of £40 to buy wool to expand her knitting business. She has also formed a craft and guinea pig cooperative with some of the women in her group. Thanks to her loan group, Paulina says, “My family is more united and my children have better clothes.”



**Margarita: Lima, Peru**

Margarita is a widow aged 57 years old. She lives in a two-room house made of corrugated iron with one of her daughters and three of her grandchildren (aged 9, 12 and 13). She is the main bread-winner for them, making fresh salad and soft drinks which she sells in the markets of Lima. Her youngest daughter also helps in the business. Margarita is on her third loan, and is the founder member of her solidarity group ‘Las Margaritas’.

## Key Indicators

	Bolivia	Dominican Republic	Peru
Model	Savings-led	Credit-led	Credit-led
No. Clients	279	174	1,991
Loan fund in circulation	£1,076	£14,246	£200,762
Accumulated savings	£1,076	n/a	n/a
FT UK Grants 2009	£3,000	£10,000	£33,000

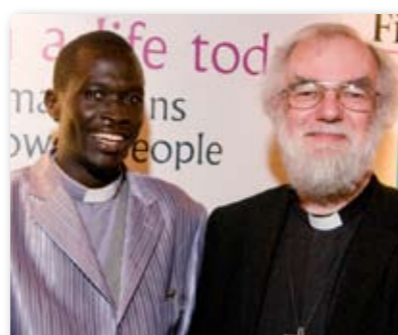
# 2009 Events & Administration

**City of London Award** Five Talents was the overall winner at the 2009 City of London 'Sustainable City Awards', presented in the Mansion House in London. We also won the category for Sustainable and Responsible Finance. This is a tremendous endorsement of Five Talents' work and method, building sustainable microfinance institutions, programmes and client livelihoods.

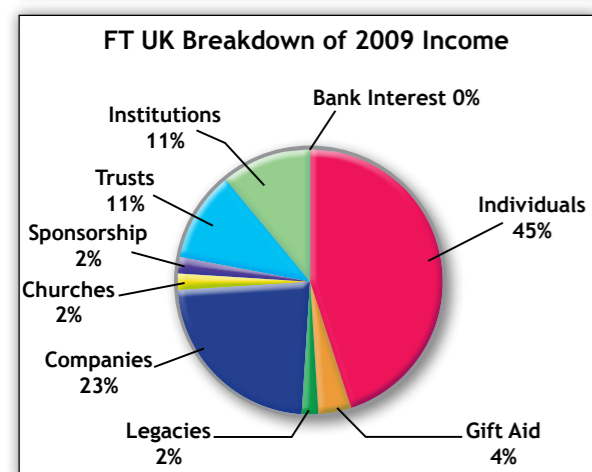
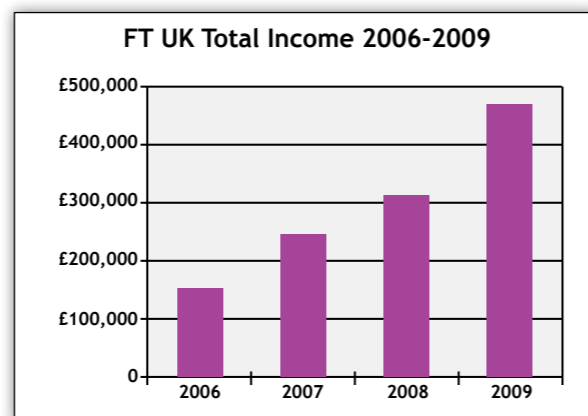
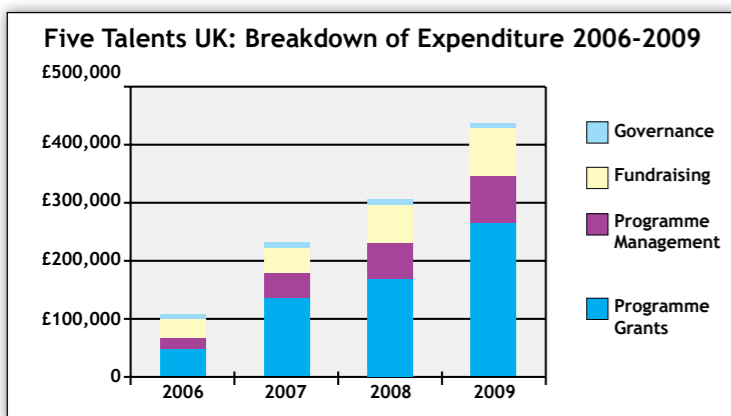
**Corporate Partners** During 2009 we have significantly developed our corporate partnerships - see the logos on the opposite page - with companies that are keen to provide resources to support our work ranging from staff volunteering, gifts in kind and monetary donations. This has been a mutual benefit as staff and directors have been able to share their talents, promote teamwork and give something back. Please contact us if your company would like to become a Five Talents partner.

**Volunteering** We have benefited from a large number of volunteers this year, helping in the Croydon office or from home, at events and overseas. Some have done sponsored challenges: cycling, running or swimming hundreds of miles in support of our work. Thank you all so much.

**Events** Five Talents featured on BBC1 Songs of Praise and we were the charity partner at the G20 pre-Summit debate with the Prime Minister in St Paul's Cathedral. We also held a private viewing of the film Slumdog Millionaire and an African art exhibition as fundraisers during the year. A highlight was the visit of Rev. Thomas Anei (pictured), the Five Talents project coordinator from Sudan and the fundraising reception at Lambeth Palace with our Patron, the Archbishop of Canterbury.



**Finances** The charity income has grown by 45% since 2008 for which we are very grateful to all our donors especially during the harsh economic climate. Expenditure on charitable activities has risen by 54%, such that our ratio of costs spent on fundraising and governance has declined from 26% to 20% during 2009. The charts below summarise the Annual Accounts for 2009. The full accounts including the Trustees' Report are available on the Charity Commission website or from the Five Talents office. We are grateful to our accountants, HW Chartered Accountants Ltd and our bankers, the Cooperative Bank plc.



	2009 (£)	2008 (£)
<b>Income</b>	<b>454,822</b>	<b>308,819</b>
<b>Expenditure</b>		
Loan capital & training	266,670	156,800
Programme management costs	90,350	75,369
Fundraising costs	70,761	64,018
Governance costs	10,339	6,890
<b>Total</b>	<b>438,120</b>	<b>303,077</b>
<b>Residual carried forward</b>	<b>16,702</b>	<b>5,742</b>

Note: Figures omit Gifts in Kind such as the value of all voluntary work, donated services and goods.

# Governance & Supporters

**Patron**

The Archbishop of Canterbury, Dr Rowan Williams

**Council of Reference**

Lord Griffiths of Forestfach (Chair)  
 Dr Maria Akrofi  
 Annette Brooke MP  
 Baroness Caroline Cox  
 Dr Alan Gillespie CBE  
 Philip N. Green  
 Humphrey Norrington OBE  
 Margaret Sentamu

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 Bishop of Birkenhead  
 Editor, BBC World Service

With thanks to the following Trusts and Companies that have supported Five Talents during 2009, as well as many others including churches, organisations and individuals:

**Trusts**

Beatrice Laing Trust  
 Bernard Sunley Charitable Foundation  
 The Findings Trust  
 Greendale Foundation  
 Hilden Charitable Fund  
 John Holland Memorial Trust  
 The Ingram Trust  
 Lakarmissionen  
 Souter Trust  
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