



PIMD Annual Report 2005

Partners In Micro-Development Inc.
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Letter from the President

Dear Friends

First let me thank all our members, volunteers, and other supporters for your generosity and ongoing commitment to the work of PIMD throughout 2005/2006. This has been a very eventful period, beginning with the dual teacher training courses in October in Sri Lanka and subsequent deployment of computers in the schools.

Sadly, our partners in Sri Lanka were affected by the tsunami of December 26th 2004 both personally and in relation to the schools. While progress on the ground slowed down considerably as a result of the tsunami, we are now back on track.

Last year we identified that, in order to fulfil our vision for our Sri Lanka project, and be in a position to replicate the program in other countries, we must address some fundamental issues of sustainability as an organisation. In addition our stated goal for the 2004 – 2005 financial year was to be fully funded for all future activity from donations (including fund raising activities) and grants.

We have made progress in regard to these goals but we have a long way to go. For this reason we are now actively recruiting new members and ramping up our fund-raising activities. At our fund-raising dinner in June 2005, not only were we able to fund the next round of computers for the schools but we also made contacts which enabled us to obtain tax deductibility for donors and some addition technical expertise for the program.

We still have a long way to go in Sri Lanka, however we are making contacts with NGOs in other regions and countries in this region which may form the basis for a partnership model enabling our program to be easily and cost effectively replicated.

I wish to thank our members, partners, and other supporters for your contributions so far and invite and encourage you to stay with us as the journey continues !

Yours sincerely,

Mahesan Kandaiya
President



PIMD Overview

- Purpose
 - Partners In Micro-Development Inc. is formed for the purpose of undertaking development projects in Australia and overseas at a grass-roots community level focusing on education for children and adults, small business capacity building, and community level ICT services.
- Objectives
 - The objectives of the association are to build sustainable communities at the grass-roots level by enabling them to access development resources more readily than is possible through macro-level aid and development programs; and to accelerate development at area and country levels by linking these communities together to share resources.
- Activities
 - The main activities of the organisation include but are not limited to :
 - (a) Build partnerships with other capable organisations to carry our projects.
 - (b) Develop tools (e.g. teaching resources) for use by projects and elsewhere.
 - (c) Raise funds for projects through :
 - (i) donations and sponsorship including member fees/subscriptions;
 - (ii) multi-lateral and bi-lateral aid agency funding programs; and
 - (iii) provision of consulting and other fee-based services.
- Values
 - Partners in Micro-Development (PIMD) is dedicated to improving access to education in developing countries and communities. In doing so, we value:
 - 1. Building partnerships
 - with those in the developing communities so that the real needs of the local people can be discerned, and so that they participate in determining their development priorities.
 - in our own community in order to foster increased understanding of our mutual development needs in both developed and developing countries.
 - amongst global organisations involved in development initiatives.
 - 2. Eradicating poverty through targeted education programs – so that through increased levels of basic language and ICT literacy, grass-roots communities are empowered to take effective hold of their destiny.
 - 3. Respecting and promoting the dignity of each human being – through enhancing and developing the knowledge and skills required to create a sustainable community environment.



Management Committee 2004-2005

- The main office bearers in our Association have a wealth of experience in the fields of ICT and education and include qualifications in international development, business management and accounting :
 - Mahesan Kandaiya, President has a Bachelor of Engineering degree and over thirty years experience in the IT industry having worked in Sri Lanka, Australia, and in pan-Asia Pacific roles.
 - Donna Vaughan, Vice President has a Bachelor of Arts and Bachelor of Law degrees, and over twenty years experience in ICT, project management, and management consulting. Donna also has a Graduate Certificate in International Development and is currently undertaking a Masters In Social Science (International Development).
 - Monica Vaughan, Treasurer has a Bachelor of Arts and Diploma in Education, over twenty-five years experience in teaching, and ten years experience in business management. Monica also holds a Bachelor of Theology and Post Graduate Diploma in Accounting; she is actively involved in community development within her own locality. Monica plays a key role in our ESL and computer skills project for grades 1 and 2, having developed the curriculum which we are introducing in Sri Lanka.
 - Judy Hawkes, Secretary has a Bachelor of Arts (Mathematics and Sociology) and over twenty years experience in ICT management and consulting both in the USA and Australia.
 - Helen McLeod, ESL and Special Education Consultant, has a Bachelor of Arts, Graduate Diploma in Education, and a Masters in Special Education (Sensory Impairment, TESOL). Helen is an experienced teacher and plays a key role in our ESL and computer skills project for grades 1 and 2, including development and delivery of teacher training in Sri Lanka.
 - Noelene Kelly, responsible for organisational development, has a Master of Arts, and a Graduate Diploma in Education. Noelene is an experienced teacher at secondary and tertiary levels and has held worked in organisational development and life coaching.
 - Desne Doman, Marketing and Technology, has a Bachelor of Science and a Masters in Business Administration and over twenty years experience in ICT and project management. Desne has managed projects in the United Kingdom, South Africa and Australia.
 - Taline Babikian, Chair of the PIMD fund-raising committee, has qualifications and extensive experience in information and records management, and knowledge management.



Achievements 2004 - 2005

- The highlight of the year was the field trip in October 2004 during which we held two teacher training courses : a Computers in Education course in Kilinochchi, and an ESL Methods Course for a second stream of teachers in Trincomalee. The training was led by Monica Vaughan, Helen McLeod and Lyn Buchanan. The feedback from both courses was excellent both in terms of ratings and suggestions for the future.
- In November 2004 the first shipment of computers cleared Customs in Sri Lanka and deployment to the schools began. Unfortunately a series of technical problems and the tsunami on December 26th 2004 meant that the computers were not used for the first half of 2005. All issues have now been resolved and all schools in Stream 1 are now operational.
- We also commenced, with the assistance of a highly qualified new volunteer in Melbourne, the research and design for a wireless school network for Stream 1 schools. In 2005/2006 we will progress this with more detailed planning to support grant applications.
- In August 2004 we held our first fund-raising event – a cocktail party for friends and colleagues. Then in June 2005 we held a dinner, open to the public at Nilgiris Restaurant Crows Nest and co-sponsored by Nilgiris and Herbies Spices. This was even more successful and is a model which we would like to repeat.
- As a result of contacts made at the above dinner, we have since formed an Association with Rotary Australia World Community Service (RAWCS) which enables us to offer donors tax deducibility for their donations.
- To support the teachers between field visits, we launched a Newsletter in February 2004 (two editions have gone out) which provides the teachers with advice and resources to help them with the program.
- We have formed a three way partnership with a large corporate in Sydney who will donate 100 computers and Work Ventures – a local non-profit organisation – who will refurbish the computers for us at cost. This enables us to have improved quality control for the computers we ship and will also give us a higher configuration.
- Advanced Software has agreed to donate additional copies of Phonics Alive so that each school in Stream 1 will have a copy, and Protea Textware have agreed to donate 30 copies of their adult English software for the teachers.



Priorities for 2005 / 2006

- In 2005 – 2006 we will continue to :
 - Grow our base of volunteers who are professionals in our chosen areas
 - Form partnerships with industry, professions, and donors
 - Build a sustainable funding base for a continued professional delivery
 - Maintain current management, governance and financial structure and review on an annual basis
- We will begin the process of packaging the Sri Lanka program for replication and developing partnerships with other NGOs who can deliver the program in their chosen area of operation
- We will further develop the remote support dimension of the program in Sri Lanka including a schoolnet so that the schools have access to the Internet, and e-learning material based on our current teacher training courses.



Financial Report – Management Committee Report for the Year Ended 30 June 2005

- PIMD is incorporated as an association under the NSW Associations Incorporation Act 1984 . The date of incorporation is 16 June 2003, Incorporation No. INC9879930.
- PIMD is governed by a Management Committee. The Management Committee for PIMD present their report together with the full financial report of PIMD for the year ended 30 June 2005.
- The principal activity for the period under review was the ESL and Computer Literacy for Grades 1 and 2 Village School Program in Sri Lanka.
- All activities of PIMD in this period were funded mainly from member loans plus contributions in kind from members (time and expertise).
- It is anticipated that the activities of the subsequent period (July 2005-June 2006) will be similar. However funding requirements will largely be met by fund-raising activities (donations) and support in kind through partnerships.
- A decision was taken by the Committee to delay application for AusAID Accreditation for another two years. The benefits of accreditation can also be achieved through our association with RAWCS.
- PIMD adheres to the ACFID Code of Conduct.



Audited Financial Report – Statement of Financial Performance (Profit and Loss) as at 30 June 2005

Partners in Micro-development Inc. Statement of Financial Performance for the Year Ended 30 June 2005

	2005 \$0.00	2004 \$0.00
REVENUE		
Donations and gifts – monetary & non-monetary	52,759.70	2,912.66
Legacies and bequests	0	0
Grants	0	0
▪ AusAID	0	0
▪ Other Australian	0	0
▪ Other overseas	0	0
Investment income	0	0
Other income (member fees, bank interest, refunds)	46.55	261.26
Total Revenue	52,806.25	3,173.92
DISBURSEMENTS		
Overseas projects		
▪ Funds to overseas projects	19,973.42	8,886.20
▪ Other project costs	8,875.15	0
Domestic projects	0	0
Community education	0	0
Fundraising costs	3,977.27	0
▪ Public	0	0
▪ Government, multi-lateral and private	0	0
Administration	1,444.32	4,219.10
Total Disbursements	34,270.16	13,105.30
Excess of revenue over disbursements (shortfall) before extraordinary items	18,536.09	(9,931.38)
Extraordinary items	500.00	0
Excess of revenue over disbursements (shortfall) after extraordinary items	18036.09	(9,931.38)
Funds available for future use at the beginning of the financial year	(9,931.38)	0
Amounts transferred to reserves	0	0
FUNDS AVAILABLE FOR FUTURE USE AT THE END OF THE FINANCIAL YEAR	8,104.71	0



Audited Financial Report– Statement of Financial Position (Balance Sheet) as at 30 June 2005

Partners in Micro-development Inc.
Statement of Financial Position as at 30 June 2005

	2005 \$0.00	2004 \$0.00
ASSETS		
Cash	8,452.43	3,041.39
Investments	0	0
Property, plant and equipment	0	0
Other	0	0
Total Assets	8,452.43	3,041.39
LIABILITIES		
Creditors and borrowings	0	12,990.00
Provisions (GST)	347.72	(17.23)
Total Liabilities	347.72	12,972.77
Net assets	8,104.71	(9,931.38)
EQUITY	8,104.71	(9,931.38)
Reserves	0	0
Funds available for future use	8,104.71	(9,931.38)
Total equity	8,104.71	(9,931.38)



Audited Financial Report– Statement of Cash Flows

Partners in Micro-development Inc.
Statement of Cash Flows for the Year Ended 30 June 2005

	2005 \$0.00	2004 \$0.00
Cash Flows from Operating Activities		
Revenue (cash – interest)	30,914.55	591.00
Interest	26.55	10.26
Payments	(25,895.01)	(10,532.64)
Net GST movement	364.95	(17.23)
Net cash used by operating activities	5,411.04	(9,948.61)
Cash Flows from Financing Activities		
Member loans		12,990.00
Net movement in cash held	5,411.04	3,041.39
Cash at the beginning of the financial year	3,041.39	0.00
Cash at the end of the financial year	8,452.43	3,041.39
Components of cash		
Cash at bank	8,452.43	2,925.39
Undeposited funds	0	100.00
Petty cash	0	16.00
Cash at the end of the financial year	8,452.43	3,041.39



Audited Financial Report – Table of Cash Movements for Designated Purposes

Partners in Micro-development Inc.
Table of Cash Movement for Designated Purposes Year Ended 30 June 2005

	Cash available at start of year	Cash raised during year	Cash disbursed during year	Cash available at year end
Appeal August 2004 for purchase of computers	\$0.00	\$2,055.00	\$0.00	\$2,055.00
Appeal June 2005 for purchase of additional computers and Stage 2 project costs	\$0.00	\$4,162.28	\$0.00	\$4,162.28
Total for other purposes	\$3,041.39	\$25,088.77	\$25,895.01	\$2,235.15
Total	\$3,041.39	\$31,306.05	\$25,895.01	\$8,452.43



Audited Financial Report – Notes

Notes to Statement of Financial Position

- Loans made by members during the previous financial year have been forgiven. Members have relinquished any future claim to these monies.

Notes to Statement of Financial Performance

- Donations and Gifts included non-cash components of:
 - Prior year loans forgiven \$12,990.00
 - Volunteer time calculated according to RDE guide \$ 8,875.15
- Other Project Expenses include non-cash component of volunteer time of \$8,875.15
- Donations expended were \$500 to Tsunami appeal, comprising
 - \$200 from PIMD Inc. and \$300 from member through PIMD account. This \$300 is also included in cash donations given.
- Fund-Raising-August Cocktail Party – entry by donation and income from event is included in donations.

▪ Cash collected	\$2,555.00
▪ Expenses (cost of food - \$500)	<u>\$ 500.00</u>
▪ Net proceeds	\$2,055.00

 - The specific focus of this appeal was for the supply of computers. Computers were purchased from world computer exchange for \$4,388.34 but payment was made from operating account due to insufficient funds and transfer of available funds to operating account to contribute to this expense had not been made at end of financial year.
- Fund-Raising-June Appeal – Dinner at Nilgiris and raffle

▪ Cash collected	\$7,639.55
▪ Fund-raising expenses	<u>\$3,477.27</u>
▪ Net proceeds	\$4,162.28

 - As this fund-raising event was held at end of financial year funds will not be disbursed until the next financial year.

Notes to Statement of Cash Flows

- Revenue excludes donations in kind (expenses met by members) and prior year loans forgiven
- Net GST movement is calculated as follows

▪ GST balance at start of year (GST paid)	(17.23)
▪ GST balance at end of year (GST collected)	<u>347.72</u>
▪ Net movement	\$364.95



Audited Financial Report – Management Committee Members Declaration

In accordance with Section 27 of the NSW Associations Incorporation Act 1984 and as authorised by resolution of the Management Committee, the undersigned office bearers certify that this financial report ⁽¹⁾ has been submitted to the members at an annual general meeting of the incorporated association, held at Gladesville on 19th November 2005 and has been accepted as a true and fair view of

- (a) the income and expenditure of the association during its last financial year,
- (b) the assets and liabilities of the association at the end of its last financial year,
- (c) the mortgages, charges and other securities of any description affecting any of the property of the association at the end of its last financial year.



Mahesan Kandaiya, President



Dated this 20th November 2005



Audited Financial Report – Auditor's Report

Audit Report to Members

Independent Auditor's Report to the Members of Partners in Micro-Development Incorporated.

Scope

I have audited the financial report of Partners in Micro-Development (PIMD) for the year ended 30 June 2005 as set out in pages 9 to 13 of the Annual Report. The members of the Committee of Management are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to members of PIMD.

My audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, being the Associations Incorporation Act 1984 (NSW), so as to present a view which is consistent with my understanding of PIMD's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of Partners in Micro-Development Incorporated as at 30 June 2005 and the results of its operations and its cash flows for the year then ended.

Ronald J. Hill FCPA
91 Champion Road
Tennyson Point NSW 2111
31 December 2005.