



KULA LOANS

Annual Report 2021

Investing in rural communities



A woman with her arms crossed stands in a tea plantation. She is wearing a red long-sleeved shirt and an orange sari with a yellow and blue floral pattern. On her head, she wears a green patterned headscarf and a white cloth. She has a bindi on her forehead and a nose ring. In the background, another person in a red sari is visible working in the tea field.

Kula Loans
believes that the
power of true
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1 Introduction

2021 was more of the same as the year of 2020. The corona virus kept the world throughout the year into turmoil. Nobody will ever forget the horrifying images on the news of people in desperation for getting oxygen on the streets of Delhi. The situation of the local communities we serve became also worse. Not only was the number of cases of Covid-19 dramatically high. Also, due to the lockdown, the opportunity to earn a living was minimal. Most of the families had no work or income. With the help of our families, friends, and funders we have been able to assist our local partners to cope with the emergency assistance in the communities we work in.

For this we would like to thank our local partners. Even during the lockdown, the local staff did everything in their power to assist and support the local communities and to keep our livelihood programs running. While risking their own health, their first priority was the health and well-being of the families in the communities they serve. We can only have lots of respect for their efforts.

In addition, we would like to thank all our sponsors (such as Stichting Het Tiende Kind, Triodos Foundation, and Hofstee Stichting, but all others too). Thank you for your trust in our foundation. We believe 2022 will bring hope and prosperity again.

We are very excited that Denise, has joined us in our cause as Board member and with Moritz and Rianne we welcome two new volunteers. Without their efforts it would have been impossible this year, but we did it: we scaled Kula Loans into Colombia! Even though Corona continued to spread, we have been able to start a new strategic partnership in Colombia, aiming to support the entrepreneurial communities. We can be proud of these achievements.

We are looking forward for a bright year ahead. Let us create more joint impact and support more impoverished, but entrepreneurial communities in 2022!



2

Kula Loans

2.1 About Kula Loans International

Kula Loans International is a foundation based in the Netherlands that promotes the well-being of poor communities worldwide. We invest in groups of people that want to implement solutions that foster the well-being of their communities. This way, we give them the opportunity to build a better life, be economically included and jointly grow to become sustainable communities.

2.2 Our drive

At Kula Loans International - 'Kula' means in Sanskrit 'Community of the Heart' - we believe that the power of true transformation lies within any community. We also believe communal well-being to be the cornerstone of a thriving society. While traditional microcredit provides small loans to individuals with household businesses, Kula Loans aims at broadening the possibilities by reaching out to groups, and through group enterprises to the entire community.

We dare to take the risk to provide loans to base of the pyramid community groups, willing to invest in solutions which will be beneficial to all members of these groups, their families and the well-being of their larger communities. Kula Loans International is a foundation that invests in groups of people that want to implement solutions that foster the well-being of their communities.

2.3 Our mission and vision

To improve the wellbeing of poor communities worldwide and furthermore everything that can be conducive to this in the broadest sense.

To contribute to a world where every group and community has the opportunity to participate economically, aiming for increasing the well-being of their own community.

The foundation does not aim at making a profit and consists entirely of volunteers. Through donations our foundation is able to set up a revolving fund dedicated to the poorest communities. This so-called revolving fund is risk-free, trust-based and dedicated to invest in groups to give them opportunities to build a better life, be economically included and build sustainable social businesses.

2.4 Our goals

The foundation tries to achieve this goal by, among other things, the following activities:

- providing cheap and tailor-made loans to groups in poor communities worldwide;
- investing through a revolving fund in projects that provide healthy, sustainable and economically viable solutions for the groups in those communities;
- engaging in capacity building, transfer of knowledge about (group) social entrepreneurship;
- inspiring (online) communities;

2.5 Our strategic plan

Our overall goal is to maximize our impact for Base of the Pyramid communities worldwide. Our strategic aims for the mid-long term can be summed up as follows:

1. Extending our partnerships with our current three local partners in India and Colombia. This way we can help more local communities.
2. Increasing the donation amount we receive per annum. This will increase the size of our revolving fund which can be utilized for our local partners to provide loans to the communities.
3. Build new partnerships in existing and in new countries.
4. Ultimately, all three previous points will build a solid proof-pilot to generate the evidence that the approach/method of group-loans works / grows the well-being of the larger communities regardless of different cultural settings.
5. Intensifying our social media efforts and creating an online community as to inspire others to join and/or follow suit. This effort carries the name "Credits for Communities".

2.6 Guiding principles

We always work through local partners that interact and support the impoverished communities we support, either Non-Governmental Organizations (NGO's) or Microfinance Institutions (MFI's) that have established trust-based relations with the local communities. Our partners are selected because they are committed to dedicate the revolving fund to grow the well-being of the poorest-of-the-poor communities.

We cooperate with local partners that share our vision and work according to the following key operational values:

- Character: integrity, reliability, transparency, accountability, and altruism.
- Compassion: we want to work with organizations with a "heart" for the poor who are truly embedded in the community.
- Competence: we want to work with organizations that strive for efficiency and accuracy and that value strong communication.

Kula Loans works only with local partners that have these values as above stated.

In addition, we follow a rigid selection process. We select our partners based on the following unique set of selection criteria:

1. Each loan from the fund aims to increase wellbeing at large
2. Revolving fund is only disbursing loans to (social) ventures that are:
 - Generating income / have a sustainable business model,
 - Contributing to well-being (in the broadest way, including but not limited to Water, Sanitation, Hygiene (WASH), solar, housing, healthy food)
 - Environmentally sustainable and
 - Empowering
3. Operating area of partner is in the poorest region of the country, or partner is committed to dedicate the revolving fund to the poorest-of-the-poor
4. Credits/Fund for loans for communities is new to the partners
5. After repayment of the loan(s) the "invested/implemented" technologies are owned by the group that took the loan
6. Partners have a proven track record of capacity building and Technical Assistance (TA) to communities
7. Willingness and active contribution to open-source sharing of learnings
8. Partner is committed to manage a sustainable revolving fund
9. No criminal records of Board members, no extreme payment for CEO's, low overhead, high integrity of director (and/or founder)

2.7 Who we are

Kula Loans is a foundation managed by professionals, united by their passion to reduce poverty; They all provide their time, expertise, and network for free, to assure that each donated euro will directly support the beneficiary communities.

Consisting of a small board and several volunteers, Kula Loans International organizational structure is fairly uncomplicated. Currently, our board consists of four people:

- Denise Schelbergen, managing director (Australia)
- Erlijn Sie, chairperson (Netherlands)
- René Pieterse, treasurer (Netherlands)
- Niels Boertje, secretary (Netherlands)

Our volunteers (program managers) around the world:

- Moritz Weinzierl (Germany)
- Rianne Delnoy (Netherlands)
- Brian Golsteijn (Netherlands)

Our volunteers support us with our online communication, content development and other activities.

Our co-founders, Niels and Erlijn, have done relevant activities before. Erlijn is co-founder of Microcredit for Mothers, a foundation aiming to support women in Asia to set up their own business through small loans, provide the opportunity to save and get professional, entrepreneurial and leadership trainings. Currently the revolving fund provides loans to (over) 5000 families per year, in 8 different countries. Niels has been volunteering with Microcredit for Mothers for around 10 years, building the partner network of that organization in the India and Nepal region over the past years.

None of the board members or volunteers receive any salary or financial compensation for their efforts.

2.8 ANBI status

Kula Loans International has been granted the ANBI status (ANBI = "Algemeen Nut Beogende Instelling", a Dutch not-for-profit foundation aiming to create benefits for the society as a whole) on 10th of October 2018.

ANBI: 859247302



3 Our partners

3.1 Our strategic partner NEED

Our first local partnership with NETWORK OF ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT (NEED) has been established in 2018. NEED has many years of experiences in promoting value based economic cum social enterprises, and 15+ years of operations in education, skill training and value based fast growing non-farm & farm sector. NEED operates in Uttar Pradesh, Bihar, Uttarakhand and West Bengal (in the north of India) and covers over 6500 villages.



In our partnership we envision the poor people residing in the Northern region of India, to raise their standard of living, by empowering them to benefit from this solar power available to them, by investing in community- as well as household owned solar-powered solutions, that increase the well-being of (the larger part) of the community in a (self-) sustainable manner.

Together with NEED, we have been able to support many groups, and with their repayments new groups and new investments are made on an ongoing basis. Below and on the next pages we have described a number of solutions where our funds have been utilized for. In 2021 with support of Kula Loans NEED has been able to aid the local communities in different ways.

3.2 Our strategic partner Drishtee

In 2020 we have started a new partnership with Drishtee Foundation. Drishtee Foundation is a social organization working in villages since 2003 towards sustainability and shared prosperity. They work with farming families and local entrepreneurs to ensure availability of services and development of livelihood within the villages. Drishtee helps develop rural and urban linkage through a value chain approach in the field of micro enterprise development or livelihood and through a franchisee model for provisioning of services. The organization stands on the principles of sustainability, value creation and entrepreneurship.



Community development is an approach to bring ownership among community of any development initiatives so that community themselves can respond to their needs. Community development is a holistic approach of Drishtee to enhance local livelihood opportunities and access to basic services within the communities. The initiative focuses on building self-reliant sustainable, interdependent community organization and enable community organizations to design and develop community led economic and social solutions for the betterment of their villages.

We share the common believe that thriving communities are the heart of sustainable development instead of encouraging individualistic enrichment. The aim of Drishtee is to continuously to improve the quality of life through the collective involvement of local community members: 'One Village, One Family, One Community Organization'.

With support of Kula Loans Drishtee has started to build locally relevant business ecosystems among 5 focus areas in Northern India. The groups that have been established work in a production chain, collectively building and growing the local economy. The support given to the villages and villagers is multi-faceted, but it is primarily community driven. The support includes group loans, knowledge support in enterprise development, support in building distribution networks, as well as community empowerment.

Our approach consists of three unique elements: 1. in partnership, 2. building local economies through production chains, 3. providing group loans from a revolving fund.

1. In partnership with Drishtee.

Kula Loans partners with Drishtee. Drishtee has decades of experience in building sustainable communities, both with capacity building and microcredit. They have an approach, as pictured here. On the one hand, they build an ecosystem to support local economies to start and grow, build the distribution network and provide the capital. On the other hand, they support villages to build the basic services and develop micro-enterprise groups (MEGs).

2. Building local economies through production chains,

Together, we will further initiate and grow MEGs that are connected in a production chain, in order to ignite the local economy. Community involvement and participation is key to the success of locally driven businesses. In doing so, we assume local ownership; common decision making regarding the use of common space and reinvesting in the well-being of the entire community

Creating a production chain is crucial, it strengthens local resilience, increases opportunities for income generation for others; e.g. the transportation needed, but also additional things like packaging, jobs that come from the different businesses and the like. It gives an impetus to keep as much value as possible in the local environment.

3. Providing group loans from a revolving fund.

Allowing groups (MEGs) to invest in their business to grow is very unusual because a loan to a group is considered too risky according to the existing institutions. Both Drishtee and Kula Loans believe in the power of community, which is why we have been joining forces to prove that these groups are also creditworthy. We do this by providing a revolving fund, from which we provide group loans to those MEGs, which are linked together in a production chain. After repayment of the group loan, the group will own the solution they invested in. In addition, another MEG can apply for and receive a group loan to invest in their group company.

In 2021, even though the corona crisis, we have been to distribute our first loans to the groups. Please see the managers' report for the highlights.

3.3 A new strategic partnership in Colombia: ColImpactoB

Over a quarter of the population in Colombia lives in poverty, according to the National Administrative

Department of Statistics. According to

the World Bank, the 'gini' coefficient, the number indicating inequality in terms of wealth distribution in a country, ranks amongst the lowest in Latin America.



Colombia is a 'good' country to test our approach and method of group loans to grow the well-being of the larger communities, and income generation for the individual members.

Our local partner ColImpactoB, an accelerator of triple impact projects in rural communities in Colombia, committed to democratizing sustainable development and financial inclusion to communities in extreme poverty. With 5 years of experience facilitating education and impact entrepreneurship acceleration programs for youth and rural leaders and access to water, solar energy, and sanitation solutions.

ColImpactoB operates in the Guajira, a desert region in northern Colombia, composed of indigenous Wayuu communities with difficult geographical conditions, poor infrastructure, lack of access to water, energy, food, and low investment by the government. In the last 3 years, ColImpactoB has benefited more than 1000 indigenous

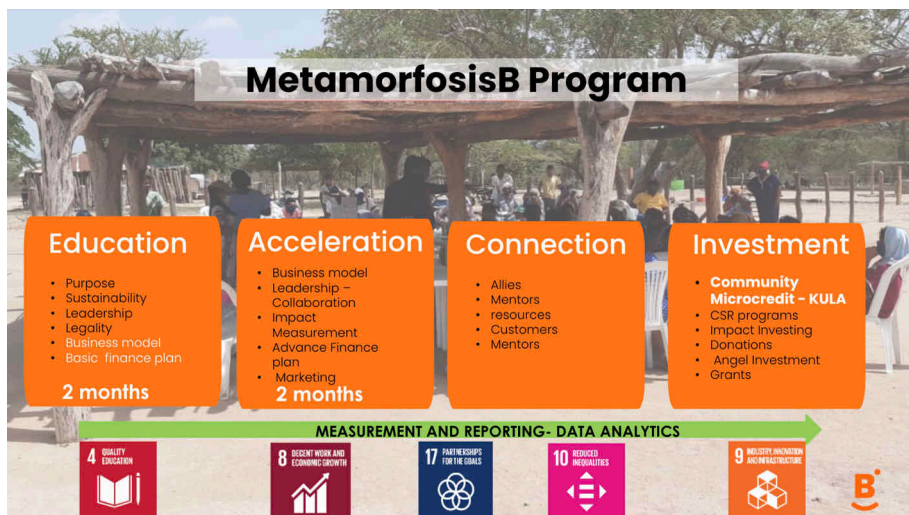
families and 5 educational institutions with its acceleration, education, potable water, and solar energy programs with the active participation of more than 20 national and international partners.

There are 5 different stages in their approach:

1. Providing sustainable solutions for clean water, sanitation and solar energy.
2. Education
3. Acceleration
4. Connection
5. Investment

By providing the communities clean water, sanitation and solar energy, there is a foundation for them to build their new lives and businesses in a sustainable way. They then start with the MetamorfosisB program, where business experts educate them about business, financial planning, business models, collaboration and impact measurement. Once they have completed the incubator and accelerator stage, they will move to the next stage where they get allies and mentors and start to look at where they can find their first customers. This is when they will receive their community microcredit and their start operating their businesses, whilst being empowered by expert business mentors.

ColImpactoB has almost finalized the detailed planning. Groups and project have been identified and are ready to start as soon as the revolving fund will start in 2022





4 Our programs

4.1 Program "Transitioning to solar", with NEED in 2021

In 2021 we were confronted with the serious consequences of covid-19 again and had to battle against the huge impact it had on the livelihood of the families. Both for the team members of our local partner in India, NEED livelihoods, as for the families in the communities.

This annual report will therefore reflect these 2 different support activities:

- families and groups supported with loans for an investment in solar powered devices;
- corona support for the most affected families.

The reasons to provide corona support to our partner were simple; if the team members of NEED could not overcome the crisis, the organization would most likely go bankrupt. If the families in the communities could not overcome their reduction in income, they would never be able to repay their loans and recover. More importantly, we wanted to be there for the most severely affected families.

Families and groups supported with loans for an investment in solar powered devices

Solar lights for village community school for girls

In the Northern part of India, in the state of Uttar Pradesh, in the Lucknow district, in Gohramau village, in another village community school, a group-loans was provided and invested in a solar solution on the roof of the school, with which they power the lights, drinking water installation and fans.



On average such a school has around 150-250 girls coming. Girls pay a small fee, and the school committee used to pay electricity bills from the savings of the fees. However, electricity is very erratic, and costs are high. Some amount of their own savings, as well as the loan, are used to invest in the solar solution on the roof. Savings are directly from the cost they used to pay for electricity. The loan is repaid in monthly payments and is expected to be paid back within 2 years.



This is Pujam, who tells via Zoom, after she travelled 3 hours to Lucknow, the head office of NEED, how the solar has impacted the reality in and around the schools. She shares how the number of families that come to the school has increased, for example with additional services for childcare, after school in the evening hours, when women work, since there is light. But also, how they

now used the solar to power a pump for irrigation, and the school garden is now producing vegetables like carrots.

The community has taken the ownership of benefitting from the school for girls facility to the fullest. Not only the girls benefit from education, with lower cost due to savings of electricity bills. Also, siblings benefit from play & day care facilities, and the growing of vegetables.

Solar-powered lights for shops of all kinds

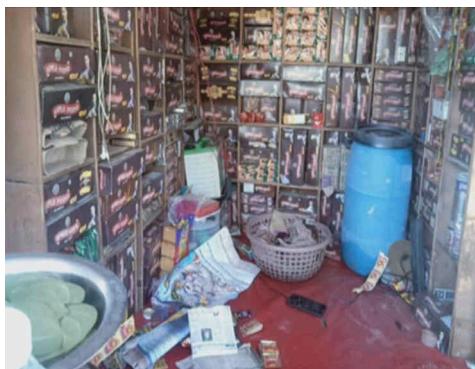
In the Northern part of India, in Shahpur, Lucknow, Mr. Soni Rawat and Shri Ram Niwas, vouched for by the whole group, have taken a group-loan to invest in solar powered lights and for their petty business. The group-loan is 400,- euro. The solar panels are put on the roof of their shops, with which they power the lights.

The shop owner is part of a group of 5 to 6 others, who, as a group vouch for the loan as a group, they have signed a contract and a Code of Conduct. They host monthly group sessions and administer the group-loan and repayments themselves.

The electricity from the grid is very unreliable and pay electricity bills are high. The savings coming from the electricity allow for the repayment. Some amount of their own savings is added to the group-loan amount, which is invested in the solar solution on

the roof. The loan is repaid in monthly payments and is expected to be paid back within 2 years.

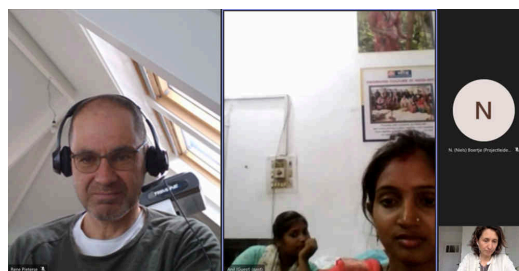
The shop owner says he can keep his shop open (easier) after dark, and the connection to electricity from the grid is too unpredictable, the fee collection is harsh, and quite expensive; On top of this is the supply very erratic. So, mister Soni Rawat wishes to invest in a more trustworthy option to have continuous light and electricity. And after repayment, electricity will be for free. The community at large will of course benefit from less pollution.



Solar-powered irrigation pump for groups of farmers

In the Northern part of India, in Salai Aripur, we're proud some farmers got their irrigation pump running on solar power. Mamta Devi and Rajesh Singh, in collaboration with 4 other farmers with neighboring field exchanged their kerosine-powered (dirty) engine, for a solar-powered one. The farmers have signed a contract and a Code of Conduct, and an amount of their own savings is added to the group-loan amount, which he invested in the solar solution. The loan is expected to be repaid within 2 years.

Most remarkably, this example is having an even deeper impact in the communities. We realized this by the story from Ruma. In our Zoom call, she tells how the examples of solar in the community is catching on, and has inspired her to step up and ask for support from NEED too. Not only did she join NEED as a member, she started saving for the first time in her life, and now has grown as a leader, since she is speaking up on behalf of the young people in her village Baratikana. She is bringing forward two ideas; One, to support livelihood activities for the young unemployed in her village, with solar, she thinks of manually producing packaging from paper or making brooms (made from natural materials/plants). Secondly, she tells about the polluted well they use for water, and asks why they cannot get a solar powered pump that takes the water from a nearby small river. So that it can be channeled by pipes to their fields where they grow flowers, so they can use it to irrigate their flower and vegetables beds.



And many more ...

There are many more farmer families who make a living from rural activities, like this lady who has installed a solar panel in her house, which has helped her not only in producing light, in fact has tremendously helped in the education of her child who is studying online using the same solar based energy.



Corona support - during the lock-down

In India, especially in the Northern parts, there's a dense population where nearly all districts are categorized as poor and vaccination rates in rural areas have been depressingly low. Partly due to low internet access which is needed to use the complex online system for signing up for shots, and possibly because of greater hesitancy among villagers than among city dwellers. As a result, India's Covid-19 vaccine inequity worsens as rural areas languish. Therefore, NEED stepped up to take care of driving a massive awareness campaign for mobilization and vaccination for people of rural communities. Also, to procure vaccines for younger people and booster shots for respected elders above the age of 45 years. Mind you, in these regions covid is rampant: 76% of corona cases in Bihar, 65% in Uttar Pradesh; As so often happens: the poorest get hit the hardest.



Partly due to these efforts of NEED in these regions, and additional financial support from Kula Loans, people in large numbers have managed to get themselves vaccinated, and the extra vulnerable were supported with donated food -Cereals & Grains -. Next to this, we've provided financial support to the families of the team members of NEED, to get through the corona crisis.

Support to staff

As you can imagine, if a lock-down means you cannot go out to make a living, for our local partner NEED livelihood, this meant they could now generate revenue, which partly comes from interest from loan provision. They are not a profit-driven organization, so they would never demand interest, in times this is impossible for the families to repay, which was the case during the covid-19 crisis. This led to the fact that NEED's financial reserves dwindled, in 2020, and they had no more savings to overcome another lock-down. At that time the Executive director, and our friend Mr. Anil, contracted covid himself, as did a large part of his team. On top of all of this, they also lost one of their young staff members, as a consequence of covid. Here's when we jumped in and supported to cover part of the salaries of 23 staff members.



Support to the communities

We are grateful to be partner of NEED, who never failed to be there for the remote and hardest hit villagers. Being out there in the villages with masks and health education, in these times of crisis. Raising awareness, campaigning for vaccination, handing out bags of grains and cereals to the most deprived, as well as masks.



Handing out grains and cereals



Campaigning and vaccination



4.2 Program "Growing local supply chains", with Drishtee in 2021

In 2021, our local partner Drishtee has been able to provide to 13 groups a loan: 8 for food & hand-processed food products, 3 for textile-based products and 2 for poultry. The groups come from 3 different states: 6 from Assam, 3 from Bihar and 4 from Uttar Pradesh. A total amount was sanctioned of INR 5,54,300, approximately 6750 Euro, which is only a part of our available revolving fund at Drishtee.

In addition, more than 30 groups are in the enterprise building phase and are coming up for the next round of lending. Drishtee operates in about 70 plus village cluster locations for its holistic livelihood enablement program in many states in India.

There are so many beautiful and impactful stories to tell. Let us highlight one of the groups that has been able to receive a loan through Kula Loans.

Rupjyoti Swavalamban Goot is a micro enterprise based on grain and pulses value chain from Panchmile, Assam. This group has 10 members and Mafuja Begam is their group leader. The group produce Nimki, Khurma, (Flour based Snacks) and Rice snacks.



In their own words:



"In Panchmile, women were not allowed to work outside, but after receiving the loan amount, we could have confidence to convince our families to let us initiate our small Snacks Production work. We first started making our products at home and selling to neighborhood customers in the village itself and started our earning. Then our husbands allowed us to go outside for selling our products. We have gained enough respect and support from family members. In our village everyone acknowledges our group for processing healthy and tasty snacks. In future we are trying to also introduce our own Bakery and some new products based on guruh (Jaggery) and muri (puffed rice) too."

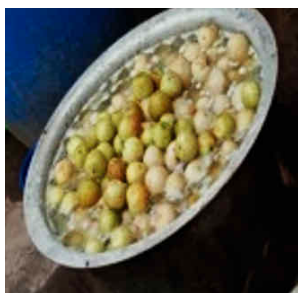
Recently the Rupjyoti group has taken an initiative to sell their products in a Fair during Bihu Festival in nearby town area. Utilizing the loan, they could produce new and improved snack products which were appreciated by urban customers as well as villagers in the fair.



Sanskriti Unnati Udyogik Samuh (District: Varanasi, U.P.), is a group with seven enterprising women, has utilized a Kula loan and invested it to purchase the raw materials like amla, sugar, aloe vera and started their new production of pickled papaya.



The power of the community!



Ayushmaan Mahila Group (District: Uchgaon, Varanasi) is a small group of currently 4 members. They are in a processed food business. This group have come together to create and successfully run a handmade Indian Snacks Production enterprise in the Villahe Lahiya of Varanasi district in India. They have purchased an Oil dryer machine (for Snacks), raw materials and a cooking gas connection by utilizing the loan amount of INR 50,000/- . This infrastructure investment is enabling the Group to have a higher quality Processing of the Snacks like- Bhujija, khatta Meetha Namkeen products. They even get their own group name on the packed items they sell (see the photo below. That is empowering!



4.3 Program "Strengthening community social entrepreneurship", with ColImpactoB (Colombia) in 2021

In our alliance with ColImpactoB we seek to strengthen local impact entrepreneurship that have participated in the acceleration programs and we have identified 3 types of entrepreneurial groups in the territory with recurring activities such as sheep breeding and tourism, which will receive training and get access to community microcredits.



Sustainable sheep breeding - Kaula, is an enterprise specialized in the sustainable breeding and fattening of sheep and goats. They have revolutionized the traditional way of activity with the use of animal feces to produce organic fertilizer to increase the topsoil of the land. It is led by an association of sheep producers and seeks to generate collaborative networks to generate wealth and opportunities in the region. We seek to make this traditional sheep-breeding activity sustainable and to generate alliances between the indigenous communities to open markets and generate economic development in the region. We will be providing financing for animals, infrastructure and inputs for the activity with a payment term of 12 months and the participation of leaders in business training and financial education led by ColImpactoB.

Sustainable tourism - Tardes Wayuu, is an example of one of the most powerful activities in La Guajira, tourism. We seek to strengthen communities in good practices towards social, environmental, and economic sustainability. Tardes Wayuu is a community and cultural tourism venture that emerged in June 2021 as a result of the impact entrepreneurial leaders program led by ColImpactoB. It is composed of 6 entrepreneurs in favor of the Wayuu indigenous communities that offer ethnotourism



experiences of the Wayuu culture in an indigenous, cultural, musical and entertainment space designed for national and international tourists and companies.

Solar energy - In the region of La Guajira, 98% of the Wayuu indigenous communities do not have access to electricity, water, and sanitation, and the vast majority of the communities are led by women artisans, whose way of life is through weaving. This has inspired us to grant microcredits to access solar panels that will help increase handicraft production, in addition to having access to charge their cell phones and the children of the community will be able to study at night. Thirty-five microcredits will be given to the Kayetamana community, comprising 208 people, 88% of whom are women artisan leaders, with a 2-year repayment period.

Loan provision to these groups will happen in 2022.



5 Financial report

2021 was again financially seen, an unpredictable year due to the continuing impact of Covid 19 on both our local partners in India and the fundraising activities in the Netherlands.

The most important financial remarks are:

- A total amount of € 26.277 was raised this year.
- In March the fourth payment of € 10.255 was added to the revolving fund of NEED MFI
- After a call of action to our network it was possible to donate € 13.500 to NEED for Covid emergency support
- Only € 170 of bank charges as cost for management and administration.
- A ratio of 99,4% of our spent is geared to our goals, i.e. every euro donated us used to support entrepreneurial groups, growing the well-being of their own communities
- We have added € 2.382 to the destination reserves.

More details can be found in the Appendix to this document containing our full financial statement.

5.1 Income and expenditure

Income (€)	2021	2020
Income from individuals	1.064	750
Income from companies	6.200	0
Income from non-profit organizations	19.013	19.000
Total income from non-exchange transactions (gifts)	26.277	19.750

Expenditure (€)

Spent on objectives and goals (COVID donations for NEED)	13.500	0
Raising funds	0	0
Cost for management and admin (Bank charges)	170	147
Total of expenditure	13.670	147

Destination net income/(expenditure) (€)

Addition to/withdrawal from

Other reserves	0	0
Destination reserve for expansion of revolving fund(s)	2.382	0
Destination funds (revolving fund NEED MFI)	10.255	19.603
Total	12.637	19.603

Ratio's

Due to the voluntary contribution of the whole Kula team, our ratio's for expenditures continue to be great, having no additional cost except the insurmountable bank charges.

Expenditure for raising funds ratio / total income	0,0 %
Expenditure for management and administration / total income	0,6 %
Expenditure to projects cost + net income /total income	99,4 %

5.2 Balance sheet

Although Covid 19 stalled the issuing of new loans and collection of repayments for months, both NEED and Drishtee managed to survive and support the families in their respective communities. At the end of the year 2021, after the third wave was over employees could go out and get in contact with the people and communities again. Next year it will be evaluated if depreciation of the revolving funds is relevant.

Actuals	2021	2020
Assets (€)		
Fixed Assets		
<u>Financial assets</u>		
Revolving fund NEED MFI	60.338	50.113
Revolving fund Drishtee	12.500	12.500
Liquid Assets		
<u>Cash at bank and in hand</u>		
Rabobank	3.625	1.243
Total asset	76.463	63.856
Liabilities (€)		
Reserves and funds		
<u>Reserves</u>		
Destination reserves	3.375	993
Other reserves (Bank charges)	240	240
<u>Destination fund(s)</u>		
Revolving fund NEED MFI	60.338	50.113
Revolving fund Drishtee	12.500	12.500
Long term debts		
Long term debts	0	0
Short term debts		
Short term debts (Bank charges)	10	10
Total liabilities	76.463	63.856

5.3 Budget 2022

We expect to raise more funds in 2022, hoping that the role of Covid in our daily live will diminish. And, with a larger team, and a new strategic partner and program in Colombia, we will need it. The budget shows for the first time a revolving fund for ColImpactoB, our new partner in Colombia. And, the budget below also indicates our intended growth of the revolving fund dedicated to the communities both NEED, and Drishtee support.

Income (€)

Income from individuals	14.500
Income from companies	27.500
Income from non-profit organisations	30.000
Total income from non-exchange transactions (gifts)	72.000

Expenditure (€)

Spent on objectives and goals	13.500
Raising funds	0
Cost for management and admin	250
Total of expenditure	13.750
Net income/(expenditure)	58.250

Destination net income/(expenditure) (€)

Destination funds	750
Destination funds (Revolving fund with partner NEED MFI)	22.500
Destination funds (Revolving fund with partner Drishtee)	22.500
Destination funds (Revolving fund with partner ColImpactoB)	12.500
Total	58.250



Appendix Financial statement

Financial statement (Income and expenditure)

Actuals	2021	2020
Income (€)		
Income from individuals	1.064	750
Income from companies	6.200	0
Income from non-profit organizations	19.013	19.000
<i>Total income from non-exchange transactions (gifts)</i>	<i>26.277</i>	<i>19.750</i>
Other income	0	0
Total income	27.277	19.750
Expenditure (€)		
Spent on objectives and goals	13.500	0
Raising funds	0	0
Cost for management and admin	170	147
Total of expenditure	13.670	147
Net income/(expenditure)	12.607	19.603
Destination net income/(expenditure) (€)		
Addition to/withdrawal from		
Other reserves	0	0
Destination reserve for expansion of revolving fund(s)	2.382	0
Destination funds	10.225	19.603
Total	12.607	19.603

Addendum Financial statement (Income and expenditure)

Actuals	2021	2020
Income (€)		
<i>Income from individuals</i>	1.064	750
<i>Income from companies</i>	6.200	0
<i>Income from non-profit organization's</i>	19.013	19.000
Total income from non-exchange transactions (gifts)	26.277	19.750
Other income	0	0
Total income	26.277	19.750
Expenditure (€)		
Spent on objectives and goals (COVID donations for NEED)	13.500	0
Raising funds	0	0
Cost for management and admin	170	147
<i>Bank charges</i>	170	
Total of expenditure	13.670	147
Net income/(expenditure)	13.607	19.603
Destination net income/(expenditure) (€)		
Addition to/withdrawal from		
Other reserves (bank charges)	0	0
Destination reserve	2.382	-23.010
Destination funds (Revolving fund NEED)	10.225	30.113
Destination funds (Revolving fund Drishtee)	0	12.500
Total	12.607	19.603

Balance sheet

Actuals	2021	2020
Assets (€)		
Fixed Assets		
Financial assets	72.838	62.613
Liquid Assets		
Cash at bank and in hand	3.625	1.243
Total asset	76.463	63.856
Liabilities (€)		
Reserves and funds		
<u>Reserves</u>		
Destination reserves	3.375	993
Other reserves	240	240
	3.615	1.233
<u>Funds</u>		
Destination fund(s)	72.838	62.613
Long term debts		
Long term debts	0	0
Short term debts		
Short term debts	10	10
Total liabilities	76.463	63.856

Additional information on balance sheet

	2021	2020
Fixed assets		
Financial assets	72.838	62.613
<i>Revolving Fund Drishtee</i>	12.500	12.500
<i>Revolving Fund NEED</i>	60.338	50.113
Liquid assets		
Cash at bank and and in hand	3.625	1.243
<i>Rabobank NL86 RABO 0334 5335 62</i>	3.625	1.243
Liabilities		
Reserves and funds		
<u>Reserves</u>		
Destination reserves	3.375	993
Other reserves	240	240
<i>Bank charges</i>	240	240
<u>Funds</u>		
Destination funds	72.838	62.613
<i>Revolving Fund Drishtee</i>	12.500	12.500
<i>Revolving fund NEED</i>	60.338	50.113
Long term debts		
Long term debts	0	0
Short term debts		
Short term debts	10	10
<i>Bank charges</i>	10	10

Budget

	Budget 2022	Actual 2021	Budget 2021
Income (€)			
Income from individuals	14.500	1.064	2.000
Income from companies	27.500	6.200	5.000
Income from non-profit organizations	30.000	19.013	18.000
Total income from non exchange transactions (gifts)	72.000	26.277	25.000
Other income	0	0	0
Total income	72.000	26.277	25.000
Expenditure (€)			
Spent on objectives and goals	13.500	13.500	15.000
Raising funds	0	0	50
Cost for management and admin	250	170	250
Total of expenditure	13.750	13.670	15.300
Net income/(expenditure)	58.250	12.607	9.700
Destination net income/(expenditure) (€)			
Addition to/withdrawal from			
other reserves	0	0	240
destination reserves	0	2.382	-540
destination funds	750	0	0
<i>NEED</i>	22.500	10.225	10.000
<i>Drishtee</i>	22.500	0	0
<i>ColmpactoB</i>	12.500	0	0
	58.250	12.607	9.700

Ratio's

2021

Expenditure for raising funds ratio / total income	0,0 %
Expenditure for management and administration / total income	0,6 %
Expenditure to projects cost + net income /total income	99,4 %



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