

Our Responsibility مسؤوليتنا



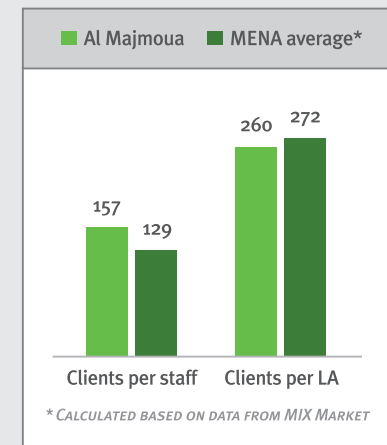
Dr. Youssef Fawaz, the Executive Director of Al Majmoua

"Managed growth and adherence to the double bottom line continued to guide Al Majmoua in 2012, helping us reach our targets in line with social responsibility towards clients and staff. This year, we further grew our client base, portfolio, and outreach; strengthened our client protection mechanisms; and adhered to equitable development of our human capital. Thanks to the collective spirit which has always brought us together at Al Majmoua, we are able to renew our commitment to help create an increasingly inclusive financial system."

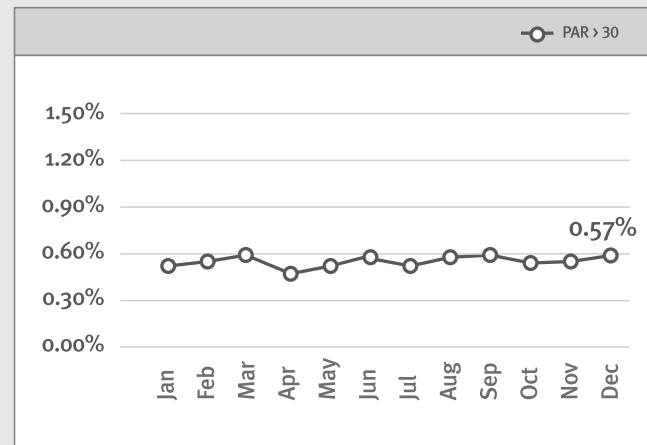
تستمر المجموعة بالنجاح في تحقيق أهدافها المالية والإجتماعية، ملتزمة بالمسؤولية الإجتماعية تجاه مقترضيها وموظفيها. شهدنا في العام ٢٠١٢ مزيداً من النمو على صعيد عدد المقترضين، وكذلك في حجم المحفظة والإلتزام؛ كما قمنا بتعزيز آليات حماية المقترض والتنمية العادلة لرأس مالنا البشري. فبفضل الروح الجماعية التي طالمتنا جمعتنا في المجموعة، نستطيع دوماً تجديد إلتزامنا بالمساهمة في خلق نظام مالي أكثر شمولاً.

Socially responsible lending...

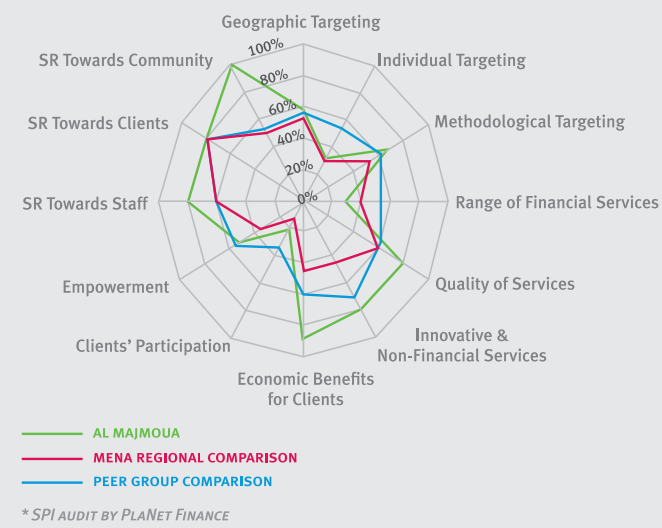
...through efficient operations



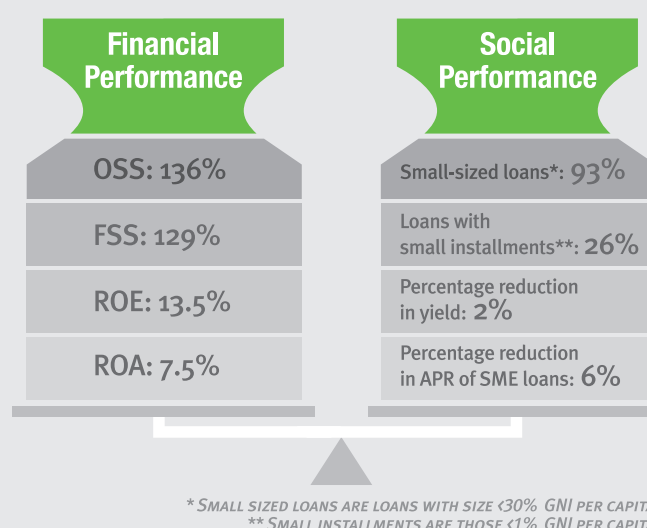
...and high portfolio quality



...demonstrated through external audit*



...and double bottom line results



Our Clients مقترضينا



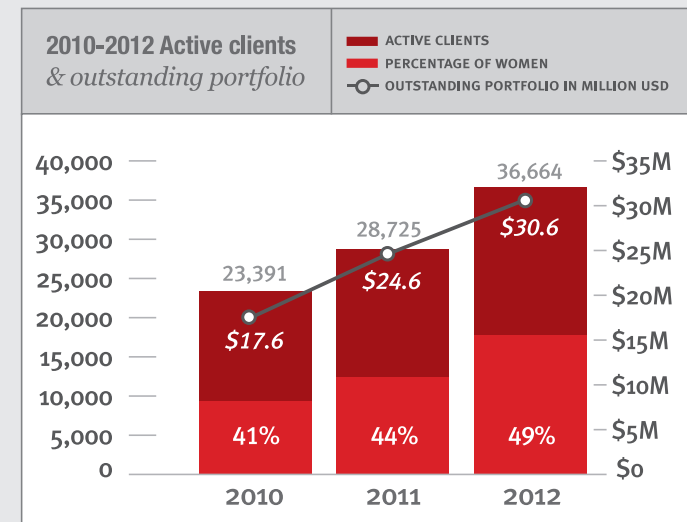
Bariia, multi-purpose store owner from Metn, Mount Lebanon

"Al Majmoua encouraged me when I mostly needed the support to fulfill my dream to establish and expand my own business. With its easy procedures and respectful treatment, I worked my way to success with dignity."

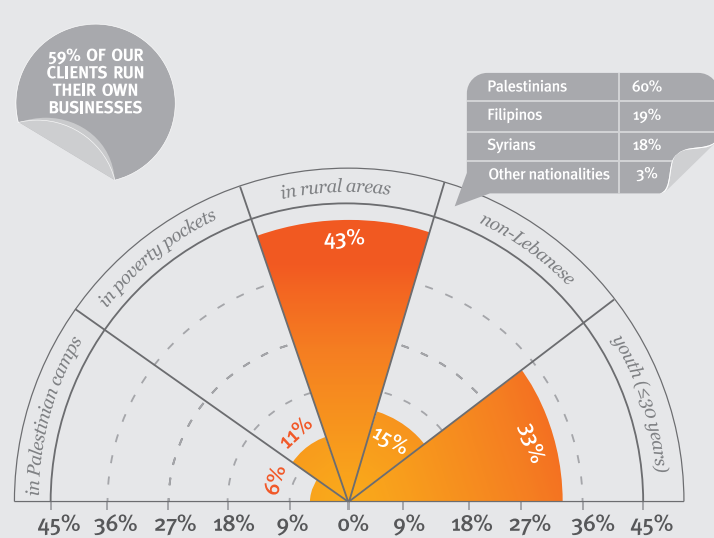
Since 2007, Bariia has a cumulative borrowing history of USD 6,000 through 6 group loans & 1 micro-entrepreneur loan.

المجموعة وقفت معي لما كنت بأمس الحاجة لمين يشجعني على تحقيق حلمي بإنشاء وتوسيع مصلحة. يتعاملن السهل والمقدرهم بدون تعقيدات أو واسطة، حافظت على كرامتي وبلشت بشغلي وكفيت في عرق جيبيني.

Expanded outreach...



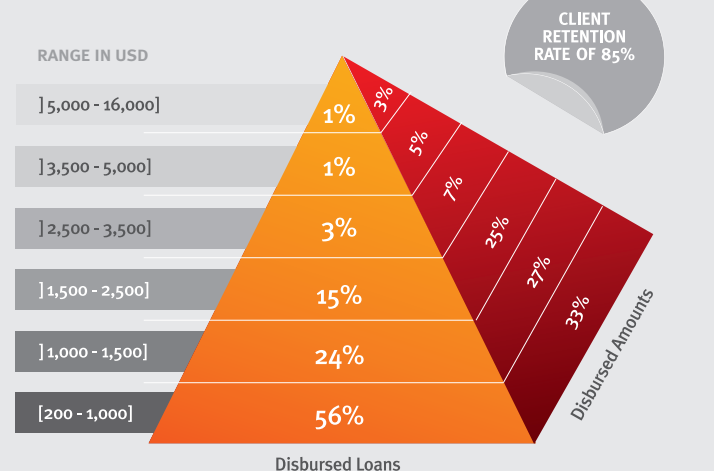
...to the vulnerable & marginalized



Financial inclusion...



...of the bottom of the pyramid



...through new targeted loans

SME loan
(Jan - Dec)
directed to owners of small or medium enterprises.

USD 1.2 million disbursed to 145 clients of which 12% were women.

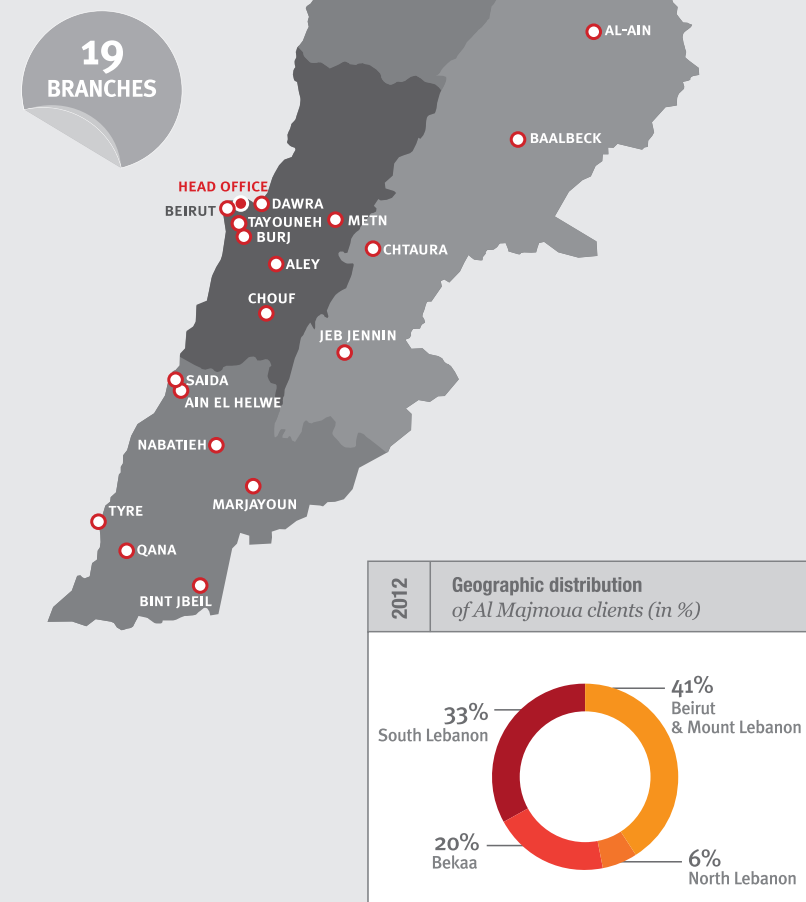
Back to School loan
(Sep - Dec)
to finance the schooling expenses of clients' children.

USD 502,100 disbursed to 1,049 clients of which 83% were women.

Palestine Investment Fund loan
(May - Jul)
directed to clients living in Palestinian camps.

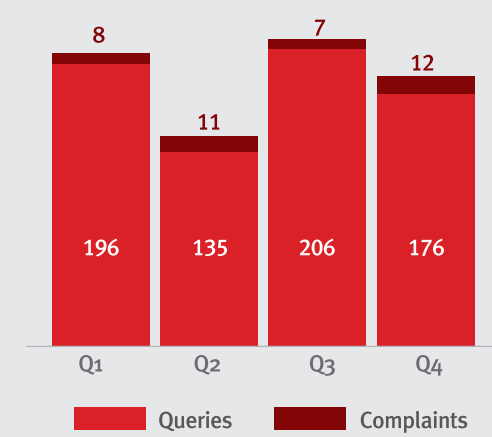
USD 250,000 disbursed to 160 clients of which 22% were women.

...all over Lebanon



Listening to them...

...through the customer care hotline



...and focus group discussions



Socio-economic empowerment



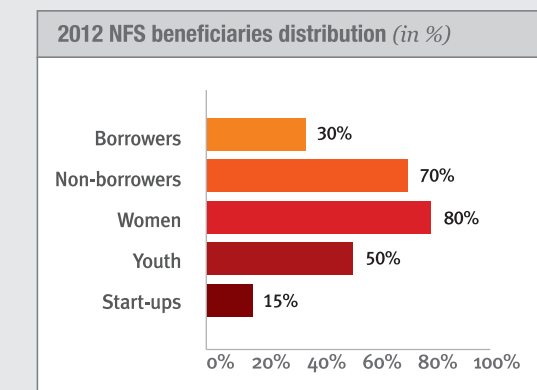
Tahani, beneficiary of an advanced vocational training on chocolate design from Ain El Helwe, South Lebanon

"I feel happy because I am doing something of value in my life; I love my life more now! On my son's birthday, I made a variety of chocolates myself. My ambition is to learn more, develop my capabilities further and open my own shop."

Since 2008, Tahani has a cumulative borrowing history of USD 200 through 2 group loans.

حسيت بالفرحة إنني عم بعمل شي إلو قيمة وحبيت حياتي أكثر! بعيد ميلاد ابني عملتو بإيدي أنواع كثيرة من الشوكولا. طموحي إنو إتعلم أكثر وطور حالي وإفتح محلي الخاص.

Non-Financial Services (NFS)	Beneficiaries	Highlights
BUSINESS DEVELOPMENT SERVICES	704	Youth Entrepreneurship Program in collaboration with UNICEF benefiting 61 young people from Ain El Helwe & Rachidiyeh Palestinian camps.
PRODUCT IMPROVEMENT, MARKETING AND NETWORKING	279	Supplier trips in collaboration with PlaNet Finance were provided to a group of 30 women to visit chocolate design & fabric suppliers in Lebanon.
PERSONAL DEVELOPMENT	322	Women empowerment to over 300 women from different regions through sessions on gender awareness, women rights and domestic violence.
TOTAL	1,305	



Timeline of Activities and Events

- Crossing the 35,000 active clients mark
- Opening of a 17th, 18th & 19th branch in Dawra (Mount Lebanon), Ain El Helwe (South Lebanon) & Jeb Jennin (Bekaa)
- Geographic Information System (GIS) mapping of clients
- Launching the SPM Committee
- Launching the internal newsletter
- Launching the Palestine Investment Fund (PIF) loan & the Back to School loan
- Loan agreement with Blue Orchard, Habitat for Humanity, Palestine Investment Fund, responsAbility Investments AG & Triple Jump
- Joining the networks of Women's World Banking and MicroFinance Network
- Completing the CERISE SPI Audit by PlaNet Finance
- Releasing Mifos 2.5.0 (Q3) under the name Samiha J, one of our borrowers, by Microfinance Community for Open Source

2012

Our Staff موظفينا



Burj branch, best performing branch for 2012

"Infinite thanks: thanks for being part of Al Majmoua family; for the assistance and support; and for the honor of winning the best branch award. We can't describe enough our feeling of joy, enthusiasm, responsibility and appreciation."

During 2012, the Burj branch disbursed a cumulative value of USD 3.8 million through more than 3,000 loans.

شكر ما يند: شكرًا على الإنتماء لعيلة المجموعة: على المساعدة والدعم؛ وعلى التكريم بالفوز بجائزة أفضل فرع. مستحيل نوصف شعورنا من الفرع والحماس، والمسؤولية والتقدير.

Auditor's report



Independent auditor's report to the directors of The Lebanese Association for Development – Al Majmoua

Report on the financial statements

We have audited the accompanying financial statements of The Lebanese Association for Development – Al Majmoua ("the Organisation"), which comprise the balance sheet as at 31 December 2012, the statements of comprehensive income, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organisation as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Beirut, Lebanon
17 May 2013

Balance Sheet as at 31 December 2012

	2012 USD	2011 USD
ASSETS		
NON-CURRENT ASSETS		
PROPERTY AND EQUIPMENT	140,175	133,189
INTANGIBLE ASSETS	52,890	59,094
LOANS TO CUSTOMERS	10,792,371	8,190,066
STAFF LOANS	52,674	53,826
TOTAL NON-CURRENT ASSETS	11,038,110	8,436,175
CURRENT ASSETS		
PREPAYMENTS & OTHER RECEIVABLES	152,844	96,629
LOANS TO CUSTOMERS	19,669,023	16,349,376
STAFF LOANS	124,879	135,197
CASH AND CASH EQUIVALENTS	1,442,076	1,484,929
BANK DEPOSIT	1,000,000	1,000,000
TOTAL CURRENT ASSETS	22,388,822	19,066,131
TOTAL ASSETS	33,426,932	27,502,306
NET ASSETS		
FUNDS FROM DONORS	8,548,989	8,462,083
ACCUMULATED SURPLUS	9,648,214	7,436,958
TOTAL NET ASSETS	18,197,203	15,899,041
LIABILITIES		
NON-CURRENT LIABILITIES		
BORROWINGS	8,900,222	8,826,006
RETIREMENT BENEFIT OBLIGATIONS	528,343	334,691
TOTAL NON-CURRENT LIABILITIES	9,428,565	9,160,697
CURRENT LIABILITIES		
TRADE AND OTHER PAYABLES	797,027	538,944
DEFERRED REVENUE	789,303	400,327
BORROWINGS	4,214,834	1,503,297
TOTAL CURRENT LIABILITIES	5,801,164	2,442,568
TOTAL LIABILITIES	15,229,729	11,603,265
TOTAL NET ASSETS AND LIABILITIES	33,426,932	27,502,306

* THE COMPLETE FINANCIAL STATEMENTS INCLUDING THE NOTES ARE AVAILABLE UPON REQUEST.

Statement of Comprehensive Income for the year ended 31 December 2012

	2012 USD	2011 USD
INCOME		
INTEREST INCOME - LOANS TO CUSTOMERS	8,218,288	6,312,356
INCOME FROM SERVICE FEES AND PENALTIES	383,708	335,904
INTEREST INCOME - LOANS TO STAFF	13,751	14,833
TOTAL INCOME	8,615,747	6,663,093
EXPENDITURES		
EMPLOYEE BENEFIT EXPENSES	(3,933,255)	(2,753,202)
DEPRECIATION AND AMORTIZATION	(56,168)	(46,666)
PROFESSIONAL FEES AND CONSULTANCY	(302,820)	(220,972)
OTHER EXTERNAL SERVICES	(247,965)	(171,486)
TRANSPORTATION, PTT, ELECTRICITY AND WATER	(108,092)	(85,699)
CONSUMABLES	(175,667)	(151,220)
RENT	(127,732)	(100,820)
FIELD EXPENSES, LODGING AND TRAVEL EXPENSES	(126,185)	(111,093)
IMPAIRMENT ON LOANS TO CUSTOMERS	(377,775)	(359,456)
IMPAIRMENT ON LOANS TO STAFF	-	(36,720)
OTHER OPERATING EXPENSES	(287,107)	(268,501)
RESULTS FROM OPERATING ACTIVITIES	2,872,981	2,357,258
FINANCE COSTS - NET	(665,797)	(514,946)
NON-OPERATING INCOME	4,072	42,556
SURPLUS OF INCOME OVER EXPENDITURES	2,211,256	1,884,868
FUNDS FROM DONORS	86,906	589,574
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,298,162	2,474,442

New partners
responsAbility



New network memberships



2012 awards



Citigroup Micro-Entrepreneurship Awards (CMA)



Certificate of Transparency from the Mix

AL MAJMOUA

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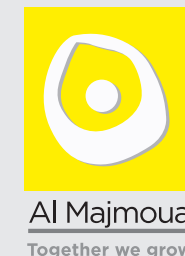
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Al Majmoua

annual report

2012

