

Five Talents

Fighting Poverty, Creating Jobs, Transforming Lives

Annual Report 2006



Mission Statement

Five Talents' mission is to fight poverty, create jobs and transform lives by empowering the poor in developing countries using innovative savings and microcredit programs, business training and spiritual development.

“Master,” he said, “You have entrusted me with five talents. See, I have gained five more.” His master replied. “Well done, good and faithful servant! You have been faithful in a few things; I will put you in charge of many things; enter into the joy of your master.” Matthew 25:20-21

Fighting Poverty:

Five Talents goes Global

During 2006, we witnessed talents multiplying around the globe in both the lives of entrepreneurs and in the life of Five Talents. Tom and Linda Waddell joined Five Talents through a partnership with the South American Missionary Society and the Chalmers Center for Economic Development, to coordinate our Latin American program and to prepare training curriculum for worldwide use.

A newly opened United Kingdom office in London led by Tom Sanderson will support the ongoing efforts of Five Talents International. Five Talents, along with the Church of Uganda, consolidated three small microfinance programs – Kabale, Kasese and Kampala - under one legal organization, Five Talents Uganda.



Five Talents provided business training for women in India after the tsunami.

Five Talents also added representatives in San Diego, San Antonio, North Carolina, Connecticut and Washington state.



Children around the world are growing up on \$1 a day.

How We Work

Five Talents targets those at the bottom of the economic ladder through a grassroots network of indigenous organizations partnering with the Anglican Church. We identify and support these partner organizations that work in microenterprise development serving their communities with integrity and transparency. We use regular reporting and on-site visits to ensure good stewardship of our donors' generosity. The Anglican Church has a global network covering virtually all of Asia, Central and South America and Africa with a membership estimated at 80 million. This provides a powerful network to reach the poor.

On average, each \$100 loan creates one job, which supports about six people.

12,000 microloans

More than
70,000 lives
transformed!



From the Chairman Emeritus

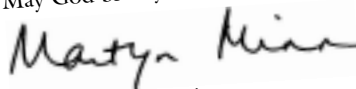
Five Talents began as a conversation in Northern Virginia with Bishop Simon Chiwanga of the Diocese of Mpwapwa, Tanzania. Since that initial conversation in 1998, Five Talents has grown like a mustard seed, a little each year until today we can say, we have helped more than 220,000 of the poorest in 14 countries.

I don't think we ever dreamed of the impact our conversation would make worldwide. We have trained literally hundreds of church leaders and development workers in Christian microenterprise development, funding tens of thousands of loans. We also provided opportunities for business people from the West to travel into the poorest areas of the world to share their talents with budding entrepreneurs living on

\$1 a day. I am motivated by the call of a Bishop's wife who told a group of more than 100 guests at a Five Talents reception at the 1998 Lambeth Conference: "This idea better not just be talk. We hear talk all the time. We want action."

So, I am pleased as I step down as Chairman that this annual report will show Five Talents did not let her down.

May God bless you,



Rt. Rev. Martyn Minns

Letter from the Executive Director

My favorite picture of 2006 is a group of women in a fishing village in Southern India busily huddled over their notes and their savings books. In late 2004, these same women watched in horror as the Tsunami took away everything within minutes. Now, thanks to your generosity more than 2,200 have found hope through microcredit and business training.

Overall in 2006, we became a global organization establishing both Five Talents Uganda and Five Talents UK. We shared our work at a microfinance roundtable at Lambeth Palace in London that was chaired by Archbishop of Canterbury Rowan Williams. We held an art auction to raise money for our Knippers Education Fund in memory of our founding board member Diane Knippers. I was honored to speak at the Microcredit Summit Campaign, a worldwide gathering of microfinance practitioners including Dr. Muhammad Yunus, the winner of the 2006 Nobel Peace Prize.

Together with our UK office, Five Talents raised almost \$1.2 million, with significant contributions from the Anglican Church of Kenya for our work there. We continue to be good stewards of funding and recently passed the rigorous application process to become members of the Evangelical Council for Financial Accountability.

In all we do we believe in the intrinsic value of human dignity. Many of the women we visit are told they are worthless. This is a terrible lie that traps them in a life of despair. Please continue to support Five Talents with your time, prayers and generous gifts. Together we can help the poor use their talents to transform their lives!

Yours in Christ,



Craig Cole

From the Chairman

I am humbled and yet excited by my new role as Chairman of Five Talents International, and I am committed to ensuring that we stay true to the parable that gives us our name. Since its beginning, Five Talents has communicated a message that God gives us all skills and talents, each according to our own abilities.

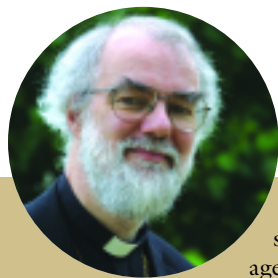
This is a very liberating message for the poor and one that is carried out through our innovative savings and microcredit programs, business training and spiritual development. It was this idea of holistic development that first attracted me to Five Talents. I learned about the organization through a mission fair at St. Andrew's in Burke, Virginia, my home church. I quickly became involved as a volunteer and then joined the board in 2002 having also served on the program review committee, which ensures proper accountability and excellent quality of the programs we fund. I have traveled on several "Business as Mission" trips and witnessed, first hand, the astounding impact Five Talents has on the poor and the communities in which they live. I joined the board of Five Talents Uganda in 2006 to provide accountability and spur growth in this new microfinance institution. This was especially exciting for me as I am a Ugandan.

While I have recently retired after more than 25 years in development finance at the World Bank, I see that God has been preparing me for this new role as Chairman through a variety of experiences in developing countries and in my own spiritual journey. I want to thank you for your support of Five Talents and ask for your prayers and your generous giving to help us impact the lives of those Jesus Christ asks us not to forget.

God bless you,



Fred Kalema-Musoke



Microfinance is now center stage of the development agenda. The 2006 Nobel Peace Prize was awarded to a Bangladeshi microfinance bank and its founder – the Peace prize, not the Economics prize. This testifies to the broad impact that microfinance has on communities and livelihoods, helping the poor while preserving their dignity.

Microfinance works. It is aligned with personal interests and responsibilities, while the group method brings accountability, and the savings component encourages planning. It is also an extremely cost-effective means of contributing to the Millennium Development Goals. The Church has a distinct advantage in delivering microfinance services, through its local presence, credibility and network. I am pleased that Five Talents joins those who are taking forward this vital work in the worldwide Communion.

Dr. Rowan Williams, Archbishop of Canterbury
International Patron of Five Talents



Creating Jobs

We give people the opportunity to lift themselves out of poverty by providing access to basic savings and microcredit services built on their trusted community traditions. We provide biblically-based business training to help the poor start small businesses and begin to build their future. Five Talents supports indigenous institutions working in microenterprise development providing the following services and programs:

- Training and education for savings and microcredit programs.
- Loan capital for the poor.
- Materials that promote Biblical business principles.

Philippines

Carmelita Pasya is a widow with six children. Through a Five Talents-funded program, Camelita received a loan for \$180. This enabled her to expand her business of making gloves, sweatshirts, and hats.

Her business now brings in enough income to cover all of her family's expenses, and she says she no longer worries about her financial needs because God has blessed her business.

In spite of hardships in life, Carmelita is thankful that "God never forgets her family." She said that "through our weekly fellowships, I have learned to go back to God and be humble before Him."



The Origins of Five Talents: Famine, Disease and Despair

Five Talents was created as a long term response to the ravages of poverty that debilitate communities in developing countries. With nearly 3 billion people in the world living on less than \$3 a day, poverty threatens to destroy generations of families. Life expectancies in many countries are dropping, AIDS/HIV affects 1 in 4 in some countries and famine is a consistent threat in many regions of the world. Immediate relief with food, clothing and medical supplies are important but more is needed to make long lasting changes and turn desperation to hope. The founders of Five Talents, including the Anglican Church leaders, discussed these issues and the plight of the poor during the 1998 Lambeth Conference in which Five Talents was commended in a resolution passed by the Bishops of the worldwide Anglican Communion. They wanted to respond not only with assistance, but to also guard the dignity of the poor by supporting them in small businesses.

Five Talents name comes from a biblical parable that teaches stewardship and wise investment. (The Gospel of Matthew, 25:14-30). Our mission is to Fight Poverty, Create Jobs and Transform Lives by empowering the poor in developing countries using innovative savings and microcredit programs, business training and spiritual development.

Today, Five Talents is headquartered in Vienna, Virginia, outside Washington, D.C. In addition, we have offices in London, England and Kampala, Uganda. In Chattanooga, Tennessee, we have an office where work on training curriculum and Latin American programs is coordinated. Further, we are supported by hundreds of volunteers across the world.

Financial Position as of December 31, 2006

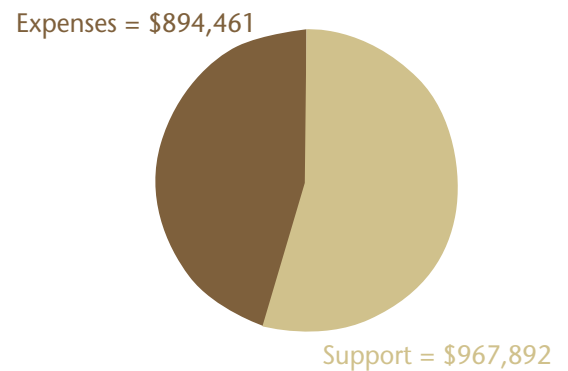
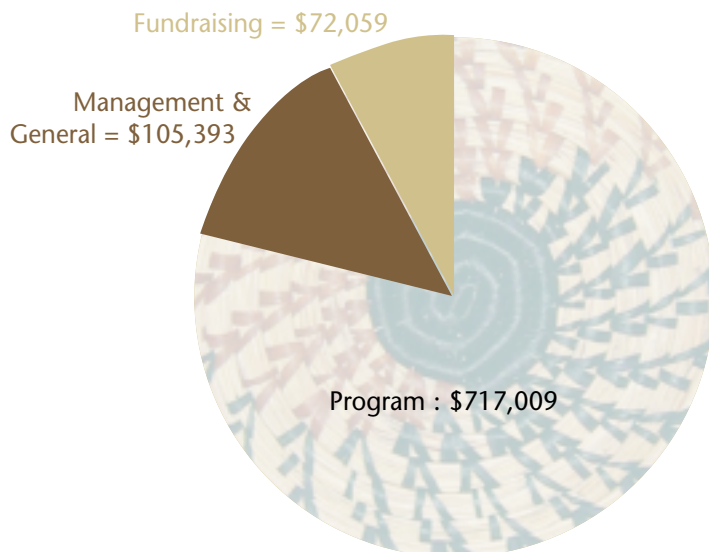
	U.S. operations	U.K. operations	Combined International Five Talents
Cash	134,832	68,504	203,336
Contributions Receivable	49,909		49,909
Other assets	19,011	1,567	20,578
Fixed assets	16,874	7,444	24,318
Total Assets	220,626	77,515	298,141
Accounts Payable	44,715	3,013	47,728
Accrued Expenses	8,714		8,714
Notes Payable	11,790		11,790
Total Liabilities	65,219	3,013	68,232
Unrestricted Net Assets	(16,943)	70,849	59,835
Temporarily Restricted Net Assets	172,350	3,653	170,074
Total Net Assets	155,407	74,502	229,909
Total Liabilities and Net	220,626	77,515	298,141



Financial Operations for Year Ending December 31, 2006

	U.S. operations	Combined U.K. operations	International Five Talents
Contributions	947,569	260,789	1,014,858
In-Kind Contributions	20,323		20,323
Other income	1,353	4,797	6,150
Total Revenue & Support	969,245	265,586	1,176,331
Program funding	411,763	93,839	447,102
Personnel costs	303,167	60,205	363,372
Staff training	3,476	151	3,627
Professional fees	31,905	2,620	34,525
Travel	32,380	7,426	39,806
Conventions & Events	43,350	16,736	60,086
Printing & Reproduction	12,676		12,676
Postage & Delivery	5,239	1,780	7,019
Telephone	4,899	1,380	6,279
Insurance	1,793		1,793
Office Costs	19,935	1,373	21,308
Occupancy Costs (1)	17,107		17,107
Depreciation & Amortization	6,771	3,530	10,301
Total Expenses	894,461	189,040	1,025,001
Net Income	74,784	76,546	151,330

(1) Both the US & UK offices operated in donated office space.



* Pie graphs reflect U.S. operations only.



India



Indonesia Republic



Kenya



Peru



Philippines



Uganda

Five Talents Activites

No. branches /projects

No. clients at end 2006

Grants from Five Talents UK

Grants from FT International

Loan capital outstanding

Notes

3 projects	1 branch	2 projects	3 communities	8 branches	3 branches
1,918	425	502	1,320	6,400	1,403
0	5,000	7,500	16,000	3,500	18,500
22,000	35,000	38,000	12,000	21,000	59,000
7,332	6,362	15,662	120,555	192,239	112,806
Grants mainly for technical assist.	Started 2005, 2006 grants made Dec.	Grants for training costs and loans	Extended to 1 new community in 2006	3 new branches in 2006	Grants include creation of National Office

Five Talents has provided business training Bolivia, Dominican Republic, Honduras, Tanzania, Madagascar, Rwanda, Cameroon and Nigeria.

(1) Seed funding for UK establishment costs. (2) Five Talents International also sent a total of 12,000 to other places including Nigeria & Bolivia - mainly for technical assistance, assessing potential programs and training.

Transforming Lives

Philippines

Vicky Navarro, who lives in Manila, Philippines, learned about Five Talents seven years ago through a neighbor. She used her first loan of \$60 to start a variety store. Within six months, she received another \$60 loan, which she again used to buy stock for the store. With these loans, Vicky added fresh vegetables and bakery breads to her inventory. Still looking to improve, she decided to start selling cooked food. Her husband, Boy Surposa, who works as a farmhand, agreed, and they began selling meat, fish, and vegetable dishes, as well as rice.

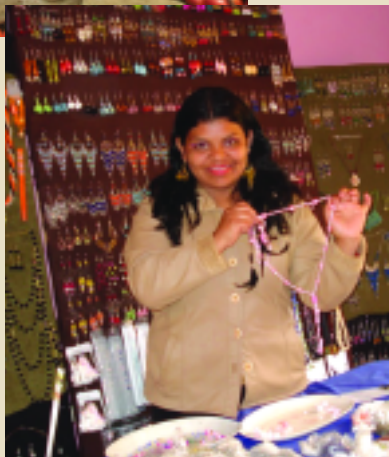
In 2003, a friend told Boy and Vicky that several small parcels of land were being sold in the neighboring town of Antipolo. They grabbed the chance to someday build their own their own home and made a down payment on the land. Today, after seven years with Five Talents, Vicky and her husband are faithfully paying back their loans. They've never missed a payment, and Vicky has been able to save \$224!



Kenya

Sarah, who lives near Nairobi, Kenya, agonized over how to care for her disabled son. She knew he was a special gift from God, and she loved him very much, but she couldn't afford the expensive medical attention he needed. A member of a Five Talents loan group nearby told her about the loan program. Sarah obtained a loan to expand her business selling vegetables in the local market.

With her increased income, she is overjoyed to be able to take excellent care of her son, who has been transformed into a happier, healthier little boy.



Peru

Yssela Milagros Moncada Montes grew up in Lima, Peru and studied at a technical school to learn a trade and help support her parents. When she was 14, two friends helped her learn to make jewelry. After she married and had a son at age 16, her parents loaned her a small amount to invest in materials and tools to start her jewelry business. She sold her wares on the streets of Lima and at universities and schools and later to wholesalers. Eventually she was able to hire an assistant. The loan she obtained from Five Talents allowed her to expand her business, including exporting merchandise to Spain. She hopes one day to have her own store.

The Diane Knippers Memorial Education Fund

The Diane Knippers Memorial Education Fund was created in 2006 to honor Diane Knippers, a Five Talents founding board member who coined the organization's name, and her passionate commitment to empower the poor in developing countries. This fund was created in part by proceeds from "A Helping Hand: Artists' Exhibition and Sale" that was held Nov. 11, 2006, at the Foxhall Gallery in Washington, D.C. The Knippers Fund will provide scholarships for the next generation of church leaders and poor entrepreneurs, who are living or working in developing countries, with business and management tools needed to transform their communities and churches.



Scholarships will be provided in four categories:

- Local or international certified courses in microenterprise development;
- Intensive training for management and staff of Christian savings and credit projects;
- Leadership and entrepreneurship training courses;
- Research on church-based savings and credit programs.



Diane attended the 1998 Conference of Anglican bishops in Canterbury that voted to commend the new credit initiative that would offer loans and training in small business formation for those not eligible for commercial credit. Writing soon afterward in *The Wall Street Journal*, Diane said that Five Talents was conceived to "link two strengths of the Anglican Communion: the wealth of its North American and British adherents and the outreach of their African sister churches."

Join us in honoring the legacy of Diane Knippers by supporting the Diane Knippers Memorial Education Fund. To make a donation, visit our web site at www.fivetalents.org or call us at (703) 242-6016.

Board of Directors

Mr. Fred Kalema-Musoke

Chairman

Mr. Hooks Johnston, *Treasurer*

Dr. April Young, *Secretary*

Mr. Keith Chua

Mr. R. Hartwell Gardner

Ms. Valentine Gitoho

Mr. Jim Oakes

Mr. Joseph Paulini

The Rt. Rev. Gordon Scruton

Mr. Phillip Merrick

The Rt. Rev. Martyn Minns

Chairman Emeritus (ex-officio)

Mr. David Bussau

Five Talents Founder

Maramatha Trust, Australia

The Rt. Rev. and Rt. Hon.

George Carey

Former Archbishop of Canterbury

England

The Rt. Rev. Simon Chiwanga

Five Talents Founder

Diocese of Mpwapwa, Tanzania

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The Rt. Rev. Frank Gray

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Diocese of Virginia

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Five Talents Founder

Oxford, UK

Ms. Diane Stanton

Five Talents Founder, Dallas, TX

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Communications Associate

Ms. Aimee Davis, *Accountant*

Southeast Office

Tom and Linda Waddell

Latin America Coordinators

Five Talents UK Office

Tom Sanderson, *UK Director*

Advisory Council

Ms. Anna Awimbo

Microcredit Summit Campaign

Washington, D.C.

Five Talents International Office

Mr. Craig Cole, *Executive Director*

Ms. Suzanne Schultz

Director of Program

Ms. Helga Buck

Director of Operations

Five Talents Uganda Office

The Rev. Jonathan Byamugisha

East African Regional Director

Kabale, Uganda

Uganda

John Nyakire, who lives in Kabale, Uganda, started his business with one cow and a Five Talents loan of \$170. With the money, he bought two pigs, which soon had piglets. He sold a few of the piglets and used the profits and another loan to invest in two fish ponds. With a subsequent loan, he bought goats. John is now on his fifth loan, has six employees and just finished building four market stalls that he will rent to shop owners. From pigs to real estate in three years, John is a true entrepreneur!



How Can You Help?

God has called us to love our neighbors and to share with them from our abundance. As we seek to expand our work to new areas of the world, you can:

- **Pray** for the people we seek to serve and also for the Board members, volunteers and staff of Five Talents around the world.
- **Participate** by accompanying Five Talents on a short-term business mission trip to a developing country.
- **Pledge** as your contributions are a true investment in the lives of the poor.

For more information about our programs, please visit www.fivetalents.org.

In the USA, Five Talents is a 501(c)3 organization. Your gifts are tax deductible to the full extent of the law. In the UK, Five Talents is a registered Charity and donations are eligible for Gift Aid.

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