



PROMETHEUS PROFILE

Newsletter no 21, April 2000

WindPower

A new New Zealand renewable energy company is about to be formed with the objective of establishing local manufacturing of state-of-the-art wind turbines for power generation, starting with a "Windflow" turbine rated between 500-1000KW.

One of the driving forces behind this proposal is Aeolian Property Company Director Geoff Henderson. Geoff has worked in the wind turbine industry, chiefly in the UK, for most of the last two decades. Geoff, a long-standing client of Prometheus, approached us recently with a request for loan finance to enable the issue of a prospectus aimed at launching this new company, Windflow Engineering Ltd

That prospectus will promote a share issue of 2 million shares at \$1.50 each, which, if successful, will fund the first stage design completion and local manufacturing of NZ's first domestically produced wind turbine.

The Windflow design is expected to compete well with imported technologies because it has several NZ specific design features. In particular, it is designed for the more turbulent wind conditions and for the higher mean wind speeds that prevail in Australia and New Zealand. Furthermore, the focus on local manufacturing will reduce exchange rate risk, lower transport costs and allow better product support. Additionally, Geoff's own engineering design contributions to the UK industry will be employed here - a now proven Torque-limiting gearbox technology which eliminates fatigue loads, reduces weight requirements and hence lowers production costs.

Once this first stage is successfully completed a further share issue will fund the first production run of 6-10 turbines aimed for sale on the Australian market. Despite the good conditions for wind power generation in New Zealand, demand for wind generation capacity is currently low.

In contrast, demand for the same in Australia is strong and projected to grow further with the Australian government's target of 2% renewable electricity generation by 2010. That is expected to result in the installation of at least 1000 MW of renewable generation capacity in the next 10 years. It is estimated that as much as half of that capacity could come from wind power.

In the last two decades there has been a marked increase in the installation of wind power generation technology worldwide - mostly in Germany, California, Denmark, India, Spain, Britain and other European countries. The rate of installation has accelerated markedly through the 90's with an average growth rate of 20% p.a.

New Zealand, despite being one of the most promising sites for wind power generation has lagged considerable behind this international trend. It is expected that this will change over the next two decades and that Windflow Engineering can contribute to that change. For those possibly interested in being part of that change copies of

the Prospectus will be available from Aeolian Property Company Ltd, 12 Scotston Avenue, Christchurch 5, New Zealand.

Winterwood Collective

In mid-1999 a group of five enthusiastic individuals approached Prometheus for support in realising their vision of forming a collective to purchase land near Springs Junction. They had been living communally in urban Christchurch for several years and wished to move as a group to a rural location that would enable them to explore their aspirations of community with each other and guardianship of nature.



Their expressed aims are:

- To nurture and protect vulnerable areas of natural habitat
- To provide a positive environment for human dwelling
- To promote ecological awareness.

The land itself, bordering the Grey river, comprises over 20 acres of mixed regenerating beech forest and partially drained alpine peat. The collective sees this land as ideal for pursuing its aims of guardianship, including pest control, and of creating a pleasant and secure home where they can practise growing their vegetables organically and develop their existing craft activities.

Between them, the members of the collective are experienced in weaving woollen textiles, including some working with possum fibre, harakere (flax weaving) and sewing. They currently supply several retail outlets in Christchurch and attend the larger craft fairs. One of their dreams is to combine with other craftspeople in the area to open a crafts shop at Springs Junction.

We were impressed with their dedication and sincerity and the strength of the relationships within the group. As Adam so simply put it, "Above all else I'm looking forward to spending quality time with my wonderful friends and co-caretaking such a special place"



A Community Garden

Fraser Hesketh and Karen Palmer, existing clients of Prometheus, had a dream of developing their 14 acre mid-Canterbury property into a community garden. They envision their land as a place where like-minded individuals can seek refuge from the stresses of urban living, enjoy the experience of living in and working with nature, and explore the rewards of creating and participating in a co-operative community.

Fraser and Karen bought their land 40kms north west of Ashburton in 1996. The first stages to realising their dream involved building an eco-friendly home using non-toxic building materials and developing a small organic home garden. They pump their own water by windmill and live an electricity-free lifestyle.

To help realise the next stage of their dream they approached Prometheus earlier this year seeking finance to build accommodation and purchase materials for their planned garden. They hope their garden and the scope it gives for the exploration and creation of community relationships will act as an antidote to many of the ills they see in current society, especially the social dysfunction that results from escapism, isolation and loneliness.

As a second stage in the relationship with Prometheus they have also requested approval in advance for the refinancing of their current mortgage arrangements when that becomes due. In Fraser's own words, refinancing with Prometheus gives them considerable "peace of mind, knowing that our work and energies are helping others of like wholistic interest." This reflects the reciprocal nature of the relationship between Prometheus and our clients. It is not just that that we provide an avenue for investors to support projects they approve of and

would like to see proliferate, our presence also allows those individuals who borrow from us to contribute to building the momentum of ethical finance and promoting it's availability to others.

The Wairoa Community Co-operative Society Ltd

We reported in the last Profile a loan to Geoff and Ali Hole to help them with Stage 1 of their dream to purchase outright the old Gaiety Theatre in Wairoa, so they could complete its renovation and restoration prior to re-establishing it as a cinema.



The second stage was intended to involve the establishment of a Theatre Company to raise funds through the community from shareholding and a further loan from Prometheus for completing the refurbishment. That would involve fitting out the Theatre with modern projection and sound equipment, as well as seating and all the other accessories needed for a fully functioning picture house.

These plans evolved as the project progressed and resulted in the formation of The Wairoa Community Co-operative Society Ltd to fund and operate the cinema. Donations were received from the Wairoa community to a total of \$50,000 and, along with an additional loan from Prometheus, the second stage was completed in January this year.

The first screening was held early in the new millenium and attendance figures for the first three weeks exceeded all expectations. Business has been quieter in the succeeding fine summer weather though this is in line with expectations based on usual seasonal cinema attendance patterns.

Not only has this project produced a much needed and appreciated Community resource and venue space but has also inspired the formation of a strong co-operative which has hopes of going on to establish other projects and employment generating businesses in Wairoa.

Dada Afrika

First featured in Profile in August 1993 Dada Afrika, an Auckland retail outlet featuring an impressive range of African art, carvings, jewellery, fabric , musical instruments and tapes, continues to flourish with the aid of finance from Prometheus.



Our first loan to Dada Afrika's owners, Sharlene and Seydou Diallo, enabled them to expand their business in several key ways. These included importing larger volumes of stock selected in person by Seydou and relocating their Auckland shop to larger and better-sited premises in Ponsonby Road.

At that time Seydou explained the importance to himself of being able to travel to West Africa and deal face-to- face with the craftspeople he was buying from. Not only was this culturally appropriate and preferred by artisans in Africa, allowing for conversation and relationship-building over meals and cups of tea, but also meant there was no need for a middle-man - thus ensuring better returns to the individual artisans.

These goals remain a core part of the business and explain why Prometheus has been so content to support the growth of Dada Afrika over the past 6 years.

We have since funded additional re-stocking missions over the intervening years and the display space has grown steadily with renovations to the rear of the shop. This current loan is to fund a larger than-usual restock as Sharlene and Seydou see the need to increase the range of goods they offer. All these developments are evidence of the continuing growth and popularity of this fascinating outlet for African arts and culture.

Current Refugee Loans

We continue to make a number of loans available to recent refugee arrivals in New Zealand to help them bring their spouses or other family members to join them. Our experience of these loans is broadly positive, though it is true they do tend to be in a higher risk category due to the financially vulnerable position many new arrivals face, and they can also be administratively time consuming, hence more expensive, due to language and cultural differences.

As a result of these factors we recently decided to adopt a self-imposed ceiling of \$30,000 for total loans of this type. We felt this was a necessary discipline as the majority of applications are from individuals whose family members are often in quite serious "at-risk" situations. While we would like to be able to offer more support we felt it was not financially sustainable to overextend ourselves in this area

We have, nevertheless, funded a number of applications recently, including:

- A loan to a young Iraqi woman to help bring her sister and brother to New Zealand from a reportedly "unsafe" refugee camp in the Middle East. This loan was initiated by the Auckland Refugees as Survivors Centre.
- A loan to an elderly Somali woman and her daughter to bring other members of their family to New Zealand. This loan has been negotiated and strongly supported by the members of the Women's Loan Fund in Wellington.
- To bring a young boy from a camp on the edge of the war zone in Sierra Leone, where he had been living with his mother, to resettle with his father in NZ and give him a chance of a normal life and resume his schooling.
- A loan to members of the St. Andrews Church Social Justice Group in Wellington to provide the balance needed, after substantial fundraising, to bring four Somali refugees to NZ.
- To enable a previous client, who had just completed repayment of a loan to bring his wife to New Zealand, to now bring his brother from Ghana as well.

Ex-Refugee loan

We had the gratifying experience recently of receiving a small business loan application from a previous client. A client who had been our first refugee loan applicant back in May 1995. At that time Charles Turkson approached us seeking a loan to bring his wife and five children from Ghana - he had not seen them in five years.

Although we had not previously lent to refugees and had no specific policy in this regard, staff at the time were so impressed by Charles' sincerity and commitment that we initiated refugee loans as part of Prometheus' practice. Many families have since benefited from this development.



Having long since paid off that loan we were pleased to receive another loan application recently from Charles and his wife Janet. Janet had graduated last October from Manukau Polytechnics School of Hairdressing and wished to start her own business. To that end she had bought all the major items of equipment she needed out of savings and applied to Prometheus for finance to cover the shop fitting.

Prometheus News

The last six months have been a period of consolidation at Prometheus of the many changes introduced over the previous half-year.

The new computer software package we installed in the third quarter of last year has performed well, in line with expectations. In particular, it has proven a significant efficiency booster in terms of timely end-of-month financial reporting. We experienced no Year 2000 compliance problems.

There has been a strong level of interest in Prometheus with considerable demand for copies of our new brochure and other publicity documents. The documents themselves have been well received and have contributed to steady growth on both sides of the balance sheet. As at mid-March our level of deposits had risen to \$5 ¾ million.

Marketing strategy has been further developed with new networks adding to our exposure and a continuing steady response to our existing advertising outlets. In the former respect our mailout through the Koanga Gardens catalogue and our exposure on the Planet internet business pages have contributed to steady growth.

Our next steps on the marketing front include development of a Web site, which is currently being put together, and the production of postcard stands for distribution to wholefood/organic retailers, health practitioners and other interested outlets. If any clients/supporters would like card stands (with postcards) and/or posters to promote Prometheus could they please contact us.