



PROMETHEUS PROFILE

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Valley Healing Centre



Arriving from the Netherlands in 1995 with their two sons, Peter and Neeltje Bollen purchased 30 acres of land in White Bulls Valley, near Kaeo in Northland. Their intention from the start was to build a living community on the land, 12 acres of which was in mature native bush, and they set about doing that with enthusiasm.

The property as they found it had substantial existing accommodation with a Lodge and visitor cabins. They made improvements by installing a living water system (Puron), adding more cabins and installing eco-friendly sewage and grey water systems. Through the succeeding years the property was used for a variety of purposes, including a retreat and workshop centre and a venue for youth at risk programs.

However, the goal of establishing an enduring community was never realised. When the Bollen's sons reached an age where they wished to move on and follow their own paths, Peter and Neeltje found they no longer wished to pursue that goal. The opportunity came about for others to "pick up the baton".

The informal community that had formed about White Bulls Valley then started looking at ways to purchase the estate from Peter and Neeltje. The energy and inspiration for this was provided by a small core of people. However, some of those key players found in the process that having provided impetus and direction they then felt more comfortable to stand back and let others continue.

As a result, one of the main enthusiasts for seeing a community emerge on this land, Emma Gilbert, decided a bridging step was necessary to make the end goal more accessible. The Valley Healing Centre Ltd was established to purchase the land, with a substantial investment from Emma and additional assistance in the form of a loan from Prometheus.

The intention is for the company to manage the property and arrange the sub-letting of spaces for retreat, workshop and healing purposes. The advantage of this interim solution is that a clear and simple ownership vehicle is established which ensures the continued operation and accessibility of the Valley's facilities.

The next stage is to encourage the growth of the community by inviting committed members to purchase shares in the company, thus spreading the ownership and management responsibilities more widely. It is intended from this starting point to build towards the type of eco-village community that was initially envisaged by Peter and Neeltje Bollen when they first arrived in New Zealand and saw this inspiring valley.

for more information or to visit please call Emma Gilbert on 09 405 1091 or write to: The Valley Healing Centre, Hikurua Road, RD 1, Kaeo, Northland

Cord Wood House



The past six months has been a period of unusual and unique loan applications for Prometheus. The unique feature of Carolyn Simon's application for finance to build an eco-house was its uncommon construction, featuring walls made of plastered cord wood - "firewood" for the uninitiated.

Carolyn lives and practises as a qualified naturopath, medical herbalist and craniosacral therapist on a 1.3 hectare bush-clad property in Onekaka, which she owns with her brother Stephen. Apart from the space taken by her current

limited accommodation/studio space and the cleared building site, the land is all in regenerating native bush.

Her aim is to continue living and working on the property and provide stewardship for the re-establishment of native species within a dynamic and balanced ecosystem. She also intends to develop a nature garden that can be a source of many of the herbal tinctures and flower essences that she uses and an organic vegetable garden that can be a source of living food for her table and others'.

When Carolyn approached us last year for finance to build her cord-wood eco-house we were intrigued and interested in this unusual project. The house is designed around a flat low-pitched roof supported on poles and beams, with non-load bearing in-fill walls of mortared and plastered cordwood construction. The roof is designed for simplicity and ease of rainwater collection. The house incorporates passive solar heating, composting toilet, flowform treatment of greywater.



The attraction for Carolyn of cordwood walls are several. They utilise a relatively cheap and abundant renewable resource in wood offcuts from the local mill. She was able to use crushed glass from the local recycling operation in the mortar mix. "I mixed eight parts of glass with two parts of sand and one of cement. It makes good strong walls and hardens quickly." In addition, the wall has good insulation properties, especially when enhanced by pumice mixed in with the mortar and lends itself to freeforms and curves in the wall design.



We were impressed with the thoroughness with which Carolyn had prepared and planned her house, the professional engineering design work she commissioned and the experienced builder she engaged to bring her dream to realisation. After requesting a second opinion from a quantity surveyor as to the robustness of the budget for this project, Prometheus was very pleased to confidently approve this loan and support the realisation of Carolyn's dream home.

We have since been impressed with the efficiency of the building process and the beauty of the house she is creating. We wish her all the best in her new living space and look forward to an opportunity to visit in the near future.

Blueskin Bay

In October last year we received a refreshing letter from a young man, Oliver Mitchell, who had been looking for finance to purchase some neighbouring land in Blueskin Bay, Waitati. He had little success in approaching the mainstream financial organisations and wrote "they all feel that my income isn't sufficient ... I know that Prometheus isn't your average bank (sic) so thought I might as well try you ..."



Oliver's aim in purchasing the neighbouring block was to protect and preserve the abundance of mature native trees on the slopes overlooking Blueskin Bay and estuary. He felt this was an essential support to his plans for planting his current section in natives "with an emphasis on trees and shrubs that are a source of food and berries" for the growing native bird population in the area.

As he explained in his loan application - "Blueskin Bay and estuary is rated as having the most biodiversity in North Otago. It's a bird feeding and nesting area and host to Australian Royal Spoonbills. The river which feeds into it has the most native fish in the area. The whole top of the valley has a DOC covenant ... (and there is) a proposal to fence it, eradicate the pests and introduce endangered species and establish an information centre."

The neighbouring land that Oliver had his eye on also contained a further prize - a 36 square metre 1920's "crib". For those not familiar with the term, it describes a small cottage or bach which is usually of very basic construction. As Oliver noted in his letter, "it's quite a basic crib in average condition with power and water on ...". It was, however, quite an enticement compared to the housebus he had been living in on his current section.

Given Oliver's vision and commitment, allied with his good savings record with Prometheus and his growing income as a jewellery maker and teacher, Prometheus was pleased to approve this loan. We look forward to seeing his plans advance over the years ahead and anticipate further requests for finance in the future as he seeks to expand his regenerating paradise.

Harmony on the '309'

The '309' road on the Coromandel is a much-loved and well known scenic and tourist route from the Coromandel township side of the peninsula across to Whitianga. Its largely gravelled length takes one past many sites of interest, not least of which is the Waiiau Waterworks well known for its ingenious water sculptures and interactive waterworks - it is indeed World-Famous in Coromandel.



Also on the old prospecting road was the extremely popular Harmony Gardens. The gardens gave both foreign and kiwi visitors to the Coromandel the chance to walk through native New Zealand bush, sit and relax under a stand of mature trees and picnic beside a cool, crisp stream.

The return from overseas last year of the owner of the Harmony Gardens saw them closed to the public as he sought more peace and quiet than was compatible with keeping the gardens open. This closure was felt as a significant loss by other tourist ventures on the '309', as it was seen to reduce the overall appeal of a day-trip along that route.



Responding to the urgings of these other tourism operators and, indeed, to their own realisation of the opportunity that was presented, neighbours Dan and Alessandra Keighley arranged to purchase the goodwill of the previous business and re-create the Harmony Gardens on a slightly larger scale on their own bush-clad land. Dan felt his own bush was equal to that of the original garden site as although much of it had regenerated naturally it had been helped along with additional plantings of Kauri, Titoki, Nikau et al by both himself and the previous owners.

To fulfil his ambition of creating this sustainable tourism attraction and, ultimately, generate the income to fund further planting, Dan approached Prometheus to finance the necessary development work. This included improving the existing network of old miner's paths through the native bush on his land by installing underground drainage and the gravelling of paths to ensure year round access in this high-rainfall catchment.

He also wished to erect a shop to offer refreshments and mementoes to visitors, a DOC-designed composting toilet and a gold-panning area down by the river.

This latter is aimed to give visitors an accurate experience of old-time prospecting and is "salted" with "fool's gold" to add realism. Families are invited to swim and picnic at the river and are welcome to stay in the gardens all day for the single entry price.

We were impressed with the thoroughness of Dan's market research, planning and budgeting. We were later even more impressed with his commitment and persistence when, despite good planning, the development process kept throwing up unexpected surprises, both in terms of logistical and budgeting difficulties. Prometheus was, as a result, pleased to have approved the loan and happy to be able to play a part in restoring Harmony to the '309'.



If you are visiting the Coromandel and would like to visit Harmony Native Gardens there are maps and information available at the Coromandel township visitor information centre

Education in Motueka

The Steiner education impulse in Motueka has been on a long and steady development path that took another significant step forward early this year with the establishment of a lower school. That impulse traces its roots back to the early 1980's with the start of an education study group for young parents. From this group one of its members, Yvonne Vincent, went to the Hawkes Bay for training in Steiner education before returning to found a kindergarten in Motueka in 1985.

For the first six years the kindergarten operated from leased premises before it reached the stage where it felt it could afford to purchase larger and more central premises in Wallace Street in 1992. The Motueka Steiner School Trust was formed and the property purchase was initially financed via a private loan. Relatively rapid repayments saw the initial loan halved by 1996 and the remainder refinanced through Prometheus to allow a restructuring of the Trust's finances and better remuneration of teachers. The remainder of that loan was also repaid rapidly with full repayment made by early 2001.

Over that ten-year period the property was substantially redeveloped to create a well-landscaped and welcoming open-plan kindergarten. Although the kindergarten also developed well in terms of attendance it suffered from a steady loss of children as families that wanted their children to continue in Steiner education beyond kindergarten continually moved away from Motueka in search of Steiner schools.

The Trust and the parents together had recognised this problem for some time and were keen to establish a school in Motueka. Finding appropriate and affordable premises not too far from the kindergarten was the key constraint. The Trust also recognised that it was critical to keep the financing costs down in the early stages. Any new school takes time to properly establish and build up pupil numbers sufficiently to become financially sustainable.

Early last year the property neighbouring the kindergarten came on the market. The Trust decided the time was ripe to purchase that building and start a school. Initial approaches to the parent body revealed considerable direct financial support in the form of interest-free loans for this purchase. The Trust then approached Prometheus for the remainder of the necessary finance.

Prometheus secured the loan using the existing mortgage over the kindergarten building, thus avoiding the need for further Solicitor's fees and further keeping the Trust's costs down. We were happy to be able to assist in the establishment of this new school and the further consolidation and development of the plans first set in motion back in 1981.

GE-Free Music

Another "first" loan in recent months came about when musicians Dave Ferguson and Cameron Budge approached Prometheus for assistance to finance their planned band tour of the US and UK. They had experienced some difficulty getting finance approved by other financial institutions and were feeling they had run out of options before inspiration hit over a coffee at one of Napier's more popular café's - which just happened to be opposite Prometheus' Napier office.



The motivation for their planned tour had come from an approach by Satellite Management Company which, having heard some of their music, invited them to meetings in the US to discuss possibilities. In response to this encouragement the band decided this was their chance to have a serious crack at the international scene and proceeded to arrange meetings in Los Angeles, New York and London with not only Satellite but also ANR Management Company and Virgin Records.

Their band, Gramsci, has been receiving increasing attention in New Zealand over the past six months having completed two South Island tours and one NZ tour with Anika Moa. They have recently recorded a single with Anika which is due for release shortly. The band covers a range of themes in their music though has a strong position pro-peace and anti-GE. They will be performing at a major peace concert at the Brixton Academy as part of their tour of the UK.

Prometheus approved this loan on the strength of the commitment that the band members have shown in their efforts to develop their music and their willingness to fully explore the opportunities that have come to them. They have also made clear their commitment to repay the loan regardless of the success of their tour. We wish them well on their travels and know they will be making the most of this exposure.

The band can be contacted at gramsciband@hotmail.com

Electro-Magnetic Radiation

Prometheus was approached recently with a loan application in an entirely new field (for us). Swiss electrician Peter Kerpen, resident in New Zealand for the past nine years, had a long held desire to start his own company, providing assessment and remedial services to households and businesses affected by electromagnetic radiation

While this is a relatively unfamiliar issue for many in New Zealand, it has a strong pedigree in Europe, particularly in Germany, where electromagnetic interference is a widely recognised cause of significant health problems.

Life has evolved on Earth over millions of years with a natural frequency/radiation background that is seen as having been very low. It is claimed that over the last 100 years the explosion of electromagnetic frequencies in our world has increased our everyday exposure at least 10,000 times. It is argued that the impact on the Earth's natural geomagnetic resonating frequency has been to increase it from 7.8Hz up to its current 12Hz and to contribute to significant adverse effects on human health.

International research suggests there are potentially serious biological and human health effects from multi-level exposure to electromagnetic frequencies and fields. These include; infertility, memory loss, headaches, dizziness, nervousness, insomnia, hypertension, nausea, hormonal changes, chronic fatigue, flu-like illness, immune system dysfunction and irritability.

Research by Dr Neil Cherry at Lincoln University, Christchurch, into the effects of radio frequency exposure alone, supports the above. He found it to be associated with accelerated aging - enhanced cell death and cancer - as well as depression, suicide, anger, rage and violence. He found that the causal link runs primarily through the alteration and flow of cellular calcium ions within the brain and the disruption of the normal melatonin/serotonin chemical balance within the human body.

Peter's business plan is centred around purchasing recognised EMR detection equipment and offering both services and products, such as mains disconnection relays and shielding products, that will alleviate electromagnetic radiation problems in the home and business. These products include shielding cases for mobile phones.

While this is a relatively new and little understood field in New Zealand we were impressed by Peter's research information as well as his commitment and dedication. He has no hesitation in asserting that he wishes his new business to succeed but his motivation for that is largely to do with the benefits he sees that bringing to his customers rather than the income it would generate for him. Prometheus was pleased to be able to support Peter in this new venture and we wish him success and prosperity - as it will be by doing good that he does well.

For further information or to contact Peter about the services he is offering, phone 021 337 180 or write to Peter Kerpen, c/- Ananda Electro Interference Company, PO Box 270, Motueka

Solar Energy

New round of interest free loans

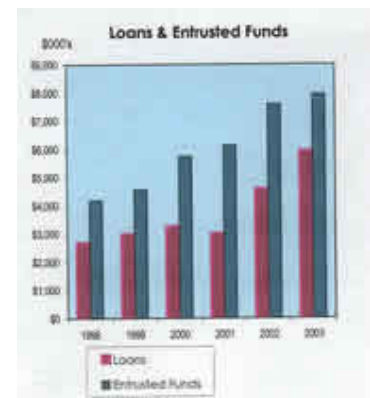
We are pleased to announce that Prometheus, in partnership with the distributor of Solahart, has been successful in the tender process for the Energy Wise Solar Water Heating Grants Scheme 2003. This grant is offered by the Energy Efficiency and Conservation Authority (EECA), a government agency, to provide interest free loans to purchasers of Solahart hot water systems. We will be able to make 100 interest free loans for three years with a maximum amount of \$5,000.00. These solar units not only make good economic sense, but are also an excellent example of renewable energy technology.

If you are interested in finding out more about this offer the contact details for the distributor of Solahart hot water systems are: Synergex Systems NZ Ltd, P O Box 35 588, Browns Bay, Auckland 1330. Freephone 0800 769 3771

Prometheus News

The past year can be best explained as a story of two very different financial ratios and their implications for Prometheus. The first of these is the required reserves to total assets ratio that is required by our Trust Deed. The second has been our lending to deposit ratio and our own aim to improve that to ensure funds entrusted to us are made the most use of.

With regard to the former, the requirement that we build our reserves to meet the required ratio of 8% of total assets by end-March 2004, has significant implications for Prometheus' growth. Put briefly, if our deposits were to continue to grow as they have in recent years we would experience a

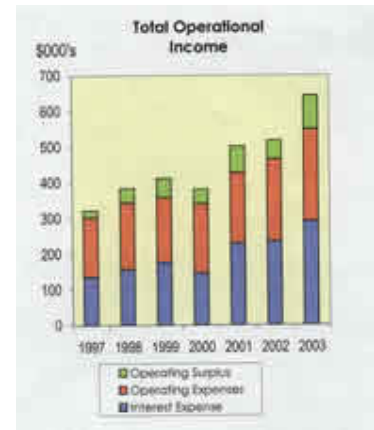


commensurate growth in total assets and the goalposts of our required level of reserves would be rising along with that.

To ensure that we remained on track to reach the 8% reserves target, we restricted our marketing for new deposits over the past year. As a result, consolidated deposit figures for Prometheus Credit Union and The Prometheus Foundation have increased only a modest 5% (to around \$8.0 million) over the year to end March 2003.

With regard to the lending to deposit ratio a quite different story emerges. Our continued marketing drive for new loans resulted in another year of substantial growth in our loan portfolio. Provisional figures suggest that total loans will be nearly \$6.0 million at the end of March, an increase of \$1.5 million or 30% for the year. The combined effect of these lending and deposit growth results for the past year is a projected increase in the loan to deposit ratio from just over 60% to 75%. This was the target we set for ourselves two years ago.

One of the key effects of this increase in the lending to deposit ratio has been a marked increase in Prometheus' interest income. Provisional figures show a projected operating surplus for the year of \$95,000. This will be a considerable help in building our reserves to meet the reserve asset ratio requirements of our Trust Deed.



Outlook

The above results demonstrate both the growth that Prometheus is capable of (as per lending) when operating without any external constraints, while also showing the effects (as per deposits) of operating in a tightly constrained environment. Of course the latter will feed through to have a direct impact on the former. The constraint on our ability to grow our deposits, now that we have reached our target lending to deposit ratio, will also start to restrict our ability to approve new loans at the rate we have over the past two years.

It is for these reasons that Prometheus is exploring with Perpetual Trust, our Statutory Supervisor, the possibility of establishing a new legal structure under which we have other options for building reserves other than having to rely on our net operating surplus alone. If this is possible it will give us more flexibility over our growth strategy and allow us to continue growing at a pace consistent with the growing demand for ethical financial services in New Zealand.

Green Acres

It is our hope that Belinda and Darryn Griffiths take no offence at the title used to head this article. It is just that their recent loan application seemed so reminiscent of that well-known 70s TV show, though without the "not-so-bright-blonde" elements glamorously provided by Zsa Zsa Gabor.



Belinda and Darryn's dream was to purchase a 9 acre block of land they had found in Onga-Onga, Central Hawkes Bay, to have the room to grow organic vegetables commercially and to make a home for their growing menagerie of animals. They currently have riding and miniature horses, a milking goat and, of course, several cats and dogs. They seemed keen to get even more animals once they had the space. Both have experience in organic growing. Belinda has very relevant skills and experience, working as she does as fresh produce manager at Chantal's organic store in Napier. Darryn has complementary skills in animal

husbandry and works as a farrier/blacksmith throughout the Bay from Wairoa to Waipukurau.

However, they experienced considerable difficulty getting mortgage finance approved by the mainstream banks, despite the property including a very tidy, though modest, dwelling and despite having additional security in the form of a significant second mortgage from Darryn's father. It seemed the other institutions were primarily uncomfortable with lending on property in what they saw as a small rural New Zealand town which they regarded as having uncertain future prospects.

Little account seemed to be taken of the character of the applicants and their commitment to make this venture succeed, their strong income position and ability to manage the repayments, or their additional mortgage security in booming Havelock North.

Fortunately, just before their persistence failed them, they were encouraged to approach Prometheus and, after satisfying ourselves that the project was well-grounded and achievable, we were happy to approve the loan. We wish them every success in this commitment and particularly look forward to sampling the products of their growing efforts when those eventually reach Chantal's shelves.

Earthsong: Stage One Complete

Our April 2002 issue of Profile highlighted the path-breaking Earthsong Eco-Neighbourhood development in Ranui, Waitakere City. As explained in that issue the project is based on a co-housing philosophy employing eco-housing principles and permaculture design in a medium-density urban environment. That article also explained that Prometheus had provided completion finance when the project encountered some difficulties towards the end of Stage One.

That has not been the limit of Prometheus' involvement. As that earlier article noted, Prometheus had been involved from an early stage in meeting with the community and discussing both community and individual financing requirements. There was strong interest from community members in borrowing from Prometheus, primarily because of our similar principles and aims.



Given the size of the project, with 17 units being built in Stage One, it seemed likely that there might be more demand for loans from us than we could prudently approve. Consequently, we made it clear that we would need to restrict the total amount of lending below a pre-determined ceiling. This ceiling was introduced simply to reduce the risk that would be inherent in having too large a proportion of Prometheus' loan portfolio in one project.

It was left to the community as a whole to decide which of its members would apply for loans from us and which would apply to other finance providers. This process appeared to work relatively smoothly and as a result we approved four loan applications. Three of these were secured against unit titles in Earthsong and totalled just below the finance ceiling we had set while the fourth was secured against a different property and so could be treated as being outside of that restriction.

To some extent this selection process was determined by the ease with which members could gain access to finance from other sources. Prometheus was willing to look at factors other than strict income and equity ratios in approving loans. We were thus able to approve loans for some community members that more conventional finance organisations might not have.

Of the four homes we have provided finance for to date, two of these loans enabled families into their eco-houses, and a third enabled an individual to purchase a studio unit and join the community. The remaining loan

was for a women's co-house with a formal partnership agreement specifying ownership shares between the three women co-owners. The women's co-house had been a long-held dream of one of the early members of the community.

Prometheus' involvement with Earthsong will not end at this stage. We have negotiated finance provision for a newly-formed company, Walk To Work Ltd, that will purchase the front-of-site on Swanson Road for future retail and small business development. Prometheus is also open to providing finance for Stage Two of Earthsong which, it is intended, will be built in blocks rather than as a whole. When this stage is complete it will see a further fourteen units added to the existing ones and the establishment of the long-awaited community house.



We wish the community at Earthsong all the best with their current landscaping and beautification work and hope they are able to thoroughly enjoy the fruits of their combined labours over the years ahead.

For further information and for those interested in being part of Stage Two of Earthsong see www.ecohousing.pl.net or to go on a site tour phone Geraldine on 09 832 5558

GENESIS: re-forestation

A new beginning for the Genesis Reforestation Project started in November 2000 when the Trust received funding from the Community Employment Group (CEG) and the World Wildlife Fund-NZ (WWF) to enable the development of their native tree nursery into a commercial business.

Genesis' aim over the years has been to work with environmental education in schools and restoration work with community groups through its "Trees for Hawkes Bay" program. The re-focus on nurturing trees in their nursery for sale commercially was to enable them to reach financial self-sufficiency, thereby sustaining the existing community projects.



CEG provided funding to employ a "key worker" to establish and co-ordinate the nursery business and to cover the administration expenses. WWF provided funding towards the nursery manager and nursery worker's wages. The Trust's income from sale of trees has been growing strongly and steadily over the two years since this funding was put in place though has yet to reach a level that will ensure self-sufficiency.

In particular, Genesis finds that during the summer months when tree sales are low they have difficulty generating enough income to cover the portion of the nursery manager and workers' wages that they need to raise themselves. They reduced the financial stress by laying off the nursery manager and key worker over the summer, with the responsibilities of those positions being taken up temporarily by the trustees.

In addition, they approached Prometheus late last year for a modest loan to cover both materials and wage costs for the nursery workers until autumn this year when both their sales income improves and their next round of grant income is received. We were very happy to respond positively to their request and support the continued development of Genesis and the excellent work it is doing throughout the Hawkes Bay.
