

Development

Nutrition

Relief

Water

Wellness



Development ☐ Nutrition ☐ Relief

ANNUAL REPORT 2010



non-profit organization
No 001-306

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CONTACT INFORMATION

OFFICES	PERSONNEL	EMAIL	TELEPHONE	FAX
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	Administration Manager: Cheryl Wearne	cheryl@mail.ngo.za ohadmin@mail.ngo.za	(011) 902-4000 (011) 865-5203	(011) 865-5203
Gauteng	Regional Coordinator: Jeffrey Mulaudzi	ohgauteng@mail.ngo.za ophunger@mail.ngo.za	(013) 265-1235 (011) 902-4000	(013) 265-1235 (011) 902-2537
Limpopo	Regional Coordinator: Frans Themba	ophunger@mail.ngo.za	(013) 265-1235	(013) 265-1235
	Office Administrator: Saronah Kubjane	ophunger@mail.ngo.za	(013) 265-1235	(013) 265-1235
Mafikeng	Regional Coordinator: Leonard Davids	ophunmaf@mail.ngo.za	(018) 381-3650 (013) 265-1235	(018) 681-5299 (018) 381-3657
Port Elizabeth	Fieldworker/Office Administrator: Hillary Viljoen	ophunec@mail.ngo.za	(041) 484-7891	(041) 484-1151
Cape town	Regional Coordinator: Clement Summerton	ophunma@mail.ngo.za	(021) 706-6060	(021) 706-6060
	Fieldworker/Office Administrator: Christine Sackanary	ophunma@mail.ngo.za	(021) 706-6060	(021) 706-6060
Kwazulu Natal	Regional Coordinator: Ulaine Peters	Ulaine1@gmail.com	(039) 695-1136	(039) 695-1136

MISSION STATEMENT

To create partnerships between vulnerable households and caring people to combat malnutrition which, when suffered by children, undermines the nation's health, education and economic potential. As such, Operation Hunger concentrates its efforts in marginalised communities serving “the poorest of the poor”.

AIMS AND OBJECTIVES

? To promote and improve the nutritional well-being of vulnerable communities by means of educational programmes covering a wide range of activities and media usage.

To engage with communities, organisations and authorities in partnership ventures/projects to combat circumstances that contribute to malnutrition, such as debilitating and potentially life-threatening conditions including HIV/AIDS, TB and malaria; environmental situations such as inadequate water and sewage facilities and social factors such as unemployment, single parent and child-headed families.

? To promote and participate in sustainable self-help projects that contribute towards the quality of life and independence of individuals and communities.

WHO IS OPERATION HUNGER?

Operation Hunger came into existence in 1980, as a registered fund-raising organisation, and has a history of concern for the nutritional condition of people in South Africa. The organisation has established an extensive network and infrastructure that provides staff with unique access to vulnerable people in some of the most remote areas in the country. This reality opens a significant gap for Operation Hunger to set in place workable, effective and replicable systems for the delivery and monitoring of targeted, systematic and development oriented programmes.

During 1994/95, Operation Hunger broadened its approach from relief work to include more focus on development work. The organisation engaged in a pilot programme designed to test an integrated development programme approach in pilot sites in six of the nine provinces. This integrated development programme was designed to clarify and attempt to resolve the multiple factors contributing to chronic malnutrition and poverty.

In summary, the pilot programme:

- Demonstrated the strengths and weaknesses of the then current development programme and ways in which the weaknesses could be rectified.
- Highlighted the complexity of participatory planning and programming.
- Created the conditions for local development programmes that are integrated, linked to the resolution of chronic malnutrition, have cost recovery measures and local-based training components and include other role players such as the State, private sector, other non-governmental organisations (NGOs) and community based organisations (CBOs).

During 1999, Operation Hunger registered with the Department of Welfare in terms of the Nonprofit Organisations Act No.71 of 1997, and has become one of a growing number of NGOs that meet the criteria required to partner government departments in the alleviation of poverty. Operation Hunger works with local communities to initiate locally specific development programmes designed to create an environment conducive to child growth. The organisation has strengthened its capacity in the areas of water supply, environmental sanitation, health/hygiene education, income generation, small-scale agricultural projects and goal oriented food support to provide much needed assistance to vulnerable communities throughout the country. Furthermore, South Africa is increasingly recognising the need for collaborative efforts between development agencies and Operation Hunger works with key role players such as the State and other development NGOs as partners in the process of poverty alleviation.

Operation Hunger has extended its work to include HIV/AIDS prevention and AIDS home-based care projects as well as TB projects. This is because both diseases have devastating consequences with regard to poverty and malnutrition.

Other specific community based projects include:

- Targeted family feeding.
- Soup kitchens, community kitchens and food gardens, to assist communities in self-help food provision.
- Water projects.
- Crèche projects.
- Income generating projects such as bakery projects, poultry projects and brick-making projects.
- Sanitation and health and hygiene projects.
- Wellness programmes



CHAIRPERSON'S ANNUAL REVIEW



During the past year, the number of soup kitchens either established and supported, or which continued to be supported, rose from last year's 30 to over 60, with more being set up each month. More than 185 000 people, of all age groups, benefit from these kitchens. Apart from the long established units in the Eastern Cape, new ones have been opened in the Western Cape, KZN and Gauteng. Here we are particularly grateful to our new sponsors, the SPAR Group, who are supporting developments in several outlying areas.

In the area of water availability, a further 148 rainwater tanks have been built in Limpopo, the North West and Western Cape, and an additional 76 Hippo water rollers distributed in KZN and the Western Cape. 10 Boreholes were refurbished.

In conjunction with the water availability programme, vegetable gardens continue to be developed and training is being given in sewing and in chicken farming.

As will be seen in the Annual Audit Report, although actual income recorded for the year under review was only R 3.0m, this did not include the R 2.7m received in May 2010 from the National Lottery for funds applied for in a previous year. In addition, large contributions have recently been received for the New Year from SPAR (R 1.6m,) Lingo (Irish Aid – who are donating R 0.3m / quarter,) with a further R 1.3m being forthcoming from USAID. These, together with many donations either received or anticipated, augur well for Operation Hunger's work programme in 2010 / 2011 and to all our donors, large and small, new or consistent, we are extremely grateful.

Your Trustees are once again appreciative of the considerable efforts made by our staff to achieve the Organisation's objectives, whilst I would be remiss not to single out the support given to me by two of our Trustees, Mavis Arthur and Errol Gerhard.

Thank you.

Gordon Hood

Community Involvement

Operation Hunger's emphasis on participatory work is a product of the organisation's 20 years of experience in working with vulnerable people throughout South Africa. Operation Hunger has long understood the importance of forming constructive partnerships with vulnerable South Africans to address the problems associated with chronic malnutrition and poverty in an effective manner. The organisation has recognised that vulnerable people are not passive recipients of exogenous development but active agents of change. The participatory programmes employed by Operation Hunger enhance the capacity of the organisation to engage in long-term processes that clarify when, how and if Operation Hunger can assist local development initiatives.

Operation Hunger's approach to development is premised on the principles of reconstruction and development, Masakhane and integrated community development.

The organisation believes in linking development initiatives to alleviate and combat poverty and malnutrition in a holistic manner. The route follows a problem identification, planning and implementation programme cycle and is based on the development of capacity within the community.

In each project there are various phases that ensure community ownership and sustainability of the project.

The Role of Volunteers

Volunteers assist Operation Hunger nationally and regionally, both in committee structures and in fundraising activities. The Board of Trustees and Chapter committees are made up of volunteers. All community committees for water, sanitation, nutrition and health, are volunteers.

Organisational Structure

- Organisational Capacity

Operation Hunger has a national office in Germiston and regional coordinators in Eastern Cape, Gauteng, Kwa Zulu Natal, Limpopo, North West Province and Western Cape.

A Constitution provides for a Board that elects a Management Committee to oversee the affairs of the organisation.

The regions have varying capacities and staff components, depending on the amount of work and funding available to them. All Operation Hunger field staff have received training in Participatory Rural Appraisal (PRA) methodologies and are capable of managing the development programmes outlined above.

- National Role and Relationship with Provincial Structures

The Board elects a Management Committee to oversee the affairs of the organisation. Sub-committees, Development, Finance & Fundraising, report to the Management Committee.

A National Manager reports to the Management Committees. The national office offers technical and administrative support to regional programmes as required. Operation Hunger head office:

- Coordinates the activities of the organisation at a national level.
- Serves a national advocacy role.
- Liaises with donors and provides the necessary reports to account for grants and donations.
- Is responsible for the financial accounts of the organisation.
- Hosts the Management, Development, Finance and Fundraising Committees and the Annual General Meeting.
- Provides training support as appropriate.

Regional staff are responsible for:

- Implementing development programmes in their region in liaison with head office.
- Serving a regional advocacy role.
- Liaising with donors where appropriate.
- Reporting to head office on a monthly basis.

Public donations enable the vital work of Operation Hunger to continue.

Credit Cards donations can be made via the secure online facility on the Operation Hunger Website, **www.operationhunger.co.za** or donations may be deposited directly into the Operation Hunger bank account:

Bank : FNB (First National Bank)

Branch : Bedford Gardens

Account No: 505414591258

Branch No : 252155

Please email details of your deposit to ohfinance@mail.ngo.za

or fax your deposit slip with your details to Fax: +2711 902 2537.

PROJECT ACTIVITIES

Pre-project phase

The pre-project phase ensures that once the project commences the community is aware, not only of the development of infrastructure, but that the project aims to benefit them. This means that by the time the project commences, the community is already able to identify the project as its own. This goes a long way in addressing risk management, as communities are bound to protect what belongs to them.

Phase 1

- Conceptualisation and familiarisation of communities (beneficiaries) with the project.
- Formation of a project steering committee with relevant community structures. Relevant structures would include community health workers, the nutrition committees, teachers from local schools and youth groups.
- Baseline data is collected with assistance from these groups.
- A participatory needs analysis is conducted with the community.

Phase 2

- Planning sessions and an auditing of skills are conducted with community members.
- A Project Committee is chosen.
- Training for capacity building and empowerment of the project committees is conducted to enable them to participate in all stages of the project cycle.

Phase 3

- Training of communities with assistance from the project steering committees. This involves community workshops, the promotion of a “child-to-child” programme in schools, AIDS days, nutrition and wellness.
- The project steering committee's roles and responsibilities are consolidated to ensure the sustainability of the project.

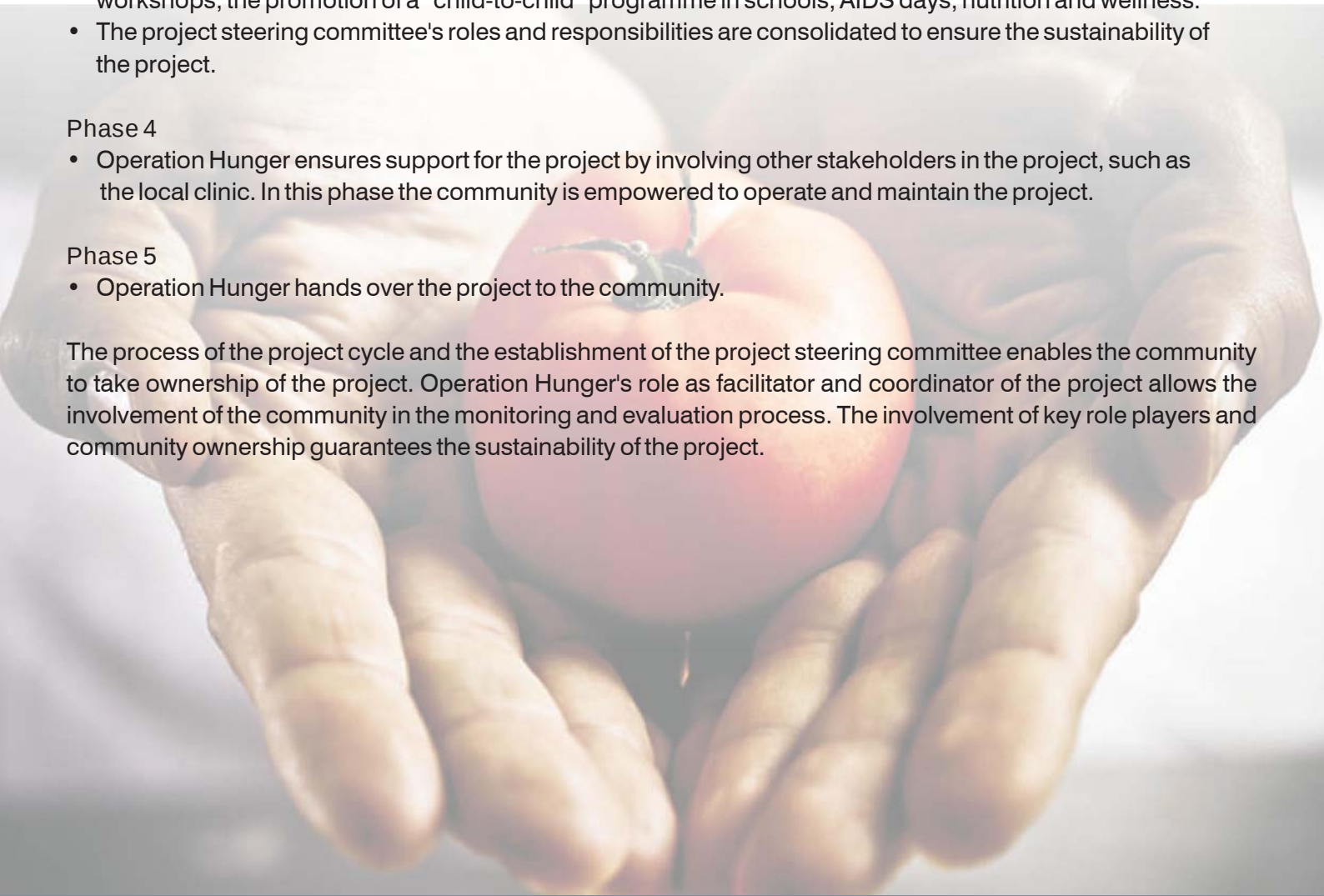
Phase 4

- Operation Hunger ensures support for the project by involving other stakeholders in the project, such as the local clinic. In this phase the community is empowered to operate and maintain the project.

Phase 5

- Operation Hunger hands over the project to the community.

The process of the project cycle and the establishment of the project steering committee enables the community to take ownership of the project. Operation Hunger's role as facilitator and coordinator of the project allows the involvement of the community in the monitoring and evaluation process. The involvement of key role players and community ownership guarantees the sustainability of the project.





Targeted food support

In the past, Operation Hunger's feeding programmes were broad-based, with only limited targeting. Whilst Operation Hunger no longer sees gifts of food as the solution to malnutrition, it has found that food aid can be an important tool if it is carefully targeted and used to heighten community awareness of beneficial feeding practices. Where growth monitoring identifies a child who is not growing well, community nutrition workers visit the child's home, try to determine the cause of the problem and recommend an appropriate intervention.

Sometimes the problem can be adequately addressed through education or medical care, but in other cases the severity of the malnutrition, or the poverty of the household, indicates a need for short-term feeding.

Feeding

Operation Hunger continues to initiate and support feeding programmes wherever there is a need. Funding has been received from many individual donors as well as the Lottery, The City Lodge Group, and during 2010, the SPAR Group. A soup kitchen and crèche is being supported in Tembisa, as well as groups of poor people in Johannesburg, the Sisters of Charity AIDS orphanages and some Old People's Homes in Germiston. In the Ugu (Port Shepstone/Port Edward) areas of KZN, 120 AIDS orphans are fed daily and 3 soup kitchens serving TB and AIDS patients have been started in conjunction with the clinics. In the poorer areas of Port Elizabeth, 42 soup kitchens are supported weekly. The majority of these are within crèches and the teachers have been trained in nutrition and early childhood educational activities. Our staff in the Western Cape supports 14 soup kitchens weekly. These are within informal settlements and nutrition surveillance of the children is done monthly in order to assess the impact of feeding on these malnourished children. In partnership with SPAR, soup kitchens with development programmes in Khayelitsha, Helenvale, Mthatha, White River, Tzaneen and Kimberley have commenced. They are managed from Head Office with assistance from 3 Regional Coordinators. Once the Launches are complete and the soup kitchens started, the development needs will be assessed and relevant training commenced starting with gardens and water.



Jane Furse Gardening

Beneficiaries

Area	Male	Female	Children	Disabled/Elderly
Gauteng	600	1380	420	
KZN			366	
Eastern Cape	8184	12636	49716	324
Western Cape	2460	5880	30000	1332

Locally-managed growth monitoring programmes

The nutritional well-being of children remains Operation Hunger's greatest concern. Feeding alone will not solve the problems of chronic and acute malnutrition suffered by so many South African children. Thus nutritional surveys and weight monitoring are seen as critical to any programme intended to improve household health.

Operation Hunger runs growth monitoring programmes where children in each community are weighed each month to ascertain their progress. Operation Hunger field-staff work in conjunction with clinic nurses and community health workers in order to spread appropriate messages about nutrition and health. Local residents are trained to administer the growth monitoring programme, thereby strengthening skills so that residents themselves can identify the causes of malnutrition and decide upon appropriate responses.



Water supply

It has been well documented that access to clean water is a major priority in the fight against malnutrition. Operation Hunger is involved in water and sanitation programmes that are designed to strengthen the capacity of rural people to manage and maintain their water and sanitation systems. Water supply systems, such as hand pumps, spring protection and rainwater harvesting and by distributing Hippo rollers for water collection. The programme includes a comprehensive training component to teach people how to manage and maintain their systems.



Water tank for collecting rainwater

Water supply

Water Tanks:

Area	Tanks Built	Families benefitting	Schools benefitting
Limpopo	124	122	2
Western Cape	10	12	4
North West	14	21	2



Visit from Mrs. Obama (Left)

Hippo Water Rollers:

Area	Number distributed	Families benefitting
KZN	26	26
Western Cape	50	54



Bore hole

Refurbishment of boreholes:

Area	Number refurbished	Families benefitting	Communities benefitting
Limpopo	10	50	3



Sanitation facilities

The sanitation programme is designed to develop and spread appropriate knowledge about sanitation facilities to rural people. The aim is to achieve the full potential benefits available from improved access to water and sanitation facilities. The creation of short-term and long-term jobs is critical to the alleviation of poverty and malnutrition in South Africa.

Health/hygiene education and promotion



Effective health promotion depends upon offering people realistic, low-cost behaviours and compelling reasons for adopting them. Operation Hunger's health/hygiene education programmes promote simple, low-cost behavioural changes that can significantly improve household health, such as: hand washing; increasing the number of times children are fed each day; breast-feeding; increasing the understanding of growth monitoring and encouraging the use of locally-appropriate, high-energy weaning foods. Often, as in the case of weaning foods or breastfeeding practices, beliefs, practices and the availability of foods vary from province to province and even community to community. It is crucial that education materials and approaches be adapted (and translated) to meet local needs. Operation Hunger is therefore developing a resource base of locally-appropriate educational materials and techniques.



Agricultural production and income generation programmes



Operation Hunger provides both direct and indirect support to local initiatives that are income generating. Examples include community vegetable gardens, brick-making programmes, fence-making projects, labour intensive public works programmes and livestock programmes.



Malemati Poultry project

Operation Hunger offers financial and management training; training in production and marketing; training in fund raising and product management in the promotion of these objectives.

Crèches and Street Children

Feeding and development activities for children are an ongoing activity in Operation Hunger. Assistance is given with training of teachers, targeted family feeding and growth monitoring of children.



Wellness programmes

Wellness is a position of the body, mind and spirit which allows each individual to live within the limits of the situation to the best of their ability. It includes good nutrition, cleanliness, coping with stress and having self respect. Poverty affects every person or community and disrupts wellness. Operation Hunger includes in all its projects, simple learning skills which assist individuals and communities to cope with the problems of poverty and to improve their lives.

HIV/AIDS and TB projects



In view of the high prevalence rates of both HIV/AIDS and TB in South Africa, and the bi-directional impact on nutrition and development, Operation Hunger has a number of community projects which address these diseases. Projects are both donor and government funded and are implemented in close cooperation with the national initiatives. The HIV/AIDS and TB projects target areas that are presently underserved and hard to reach. HIV/AIDS programmes concentrate on information, education and home-based care for persons with AIDS. TB projects are designed to help fill the gap in the Department of Health's National TB Programme and Operation Hunger works in collaboration with local health services. Effort is mainly concentrated on community sensitization projects and assistance with the Directly Observed Treatment Short-course strategy.

OPERATION HUNGER MEMBERSHIP

Individuals and organizations are invited to join Operation Hunger as Life, Corporate or ordinary members. Each member is entitled to the right to vote at any Annual or Special General Meeting and each member will be kept informed of the organisation's activities through a newsletter

Annual Subscription for Membership

Ordinary members – R200

Corporate members – R5,000

Life members – R10,000



2010





MEMORIES

FEEDING SCHEME LAUNCH
Development - Nutrition - Relief
Feeding Impoverished Communities
SPAR good for you

OPERATION HUNGER
WE CAN'T WAIT FOR YOU

Skills Development



During 2008 Operation Hunger started a tank building project funded by Irish Aid, in the village of Ga-Molepane. As part of the project, volunteers were identified to assist with building and to learn the techniques of brick laying, plastering and repairing guttering



Sinah Moraila - Assistant Fieldworker

and downpipes. One of these volunteers, Sinah, faithfully worked with our staff and, when asked, was happy to move with the team to other villages. She has become an expert at tank building and is able to train others in her own village as well as help in the surrounding areas. It was with great joy that she accepted a post with Operation Hunger in 2010 and became part of the team working for the improvement of others' lives in Limpopo.

Staff

Area	Name	Designation
Head Office	Felicity Gibbs	National Manager
	Cheryl Wearne	Administration Manager
	Salomie Mitchell	Finance Officer
	Errol Gerhard	Finance Officer P/T
	Sibonile Maphosa	Fieldworker/Administration
	Maria Moyo	Domestic Worker (P/T)
	Ishmael Kamele	Watchman/gardener (P/T)
Limpopo	Frans Themba	Regional Coordinator
	Jeffrey Mulaudzi	Regional Coordinator
	Sello Legadimane	Fieldworker
	Cosmos Chenjelani	Fieldworker
	Sinah Moraila	Fieldworker (assistant)
	Jeffrey Makotanyane	Watchman
	Saronah Kubjane	Administration Clerk
	Stephina Moela	Domestic Worker (P/T)
North West	Leonard Davids	Regional Coordinator
Eastern Cape	Hilary Viljoen	Fieldworker (P/T)
	Koliswa Dyeku	Fieldworker (Nurse) (P/T)
	Dorothy Luppnow	Administration Clerk (P/T)
	Elizabeth Ncanywa	Domestic Worker (P/T)
Western Cape	Clement Summerton	Regional Coordinator (WC & EC)
	Christine Sackanary	Fieldworker/administration
KZN	Ulaine Peters	Regional Coordinator

BOARD OF TRUSTEES 2009/10

POSITION ON BOARD	PERSON	PROFESSIONAL EXPERIENCE
PERMANENT TRUSTEES : Honorary Life Member & Honorary President Life Member Honorary Life Member Member Member Member	Mr Mervyn King Mr Gordon Hood Dr Selma Browde Anglican Diocese of TVL Central Islamic Trust Methodist Care	Chairman : Brait SA Limited Judge & Professor Retired: CEO OK Bazaars Retired Lecturer (MBCHB): WITS Univ Representative: Rev. P Moseki Representative: Mr. Y Talia Representative: Mr C Cornelson
ELECTED TRUSTEES : Chairperson : Operation Hunger Board & Management Committee's Member Member Member Member Member	Mr. Gordon Hood Professor Mavis Arthur Mr Errol Gerhard Mrs Sandy Geffen Mr Raymond G Hipkin Mr Merafe Ramono	Retired: CEO OK Bazaars Retired Professor : University of JHB Retired: Accountant - Anglo American Executive: Lew Geffen Estates CEO – Viva Bingo Attorney
CHAPTER COMMITTEES: Chairperson Limpopo	Mr Charles Mosehle	Headmaster: Jane Furse Comprehensive School

Meeting Schedule

APRIL 2009 TO MARCH 2010

MONTH MANAGEMENT/BOARD/AGM

April	Thursday 16th (Manco)
May	-
June	Tuesday 9th (Manco/Board)
July	-
August	Tuesday 25th (Manco)
September	-
October	Wednesday 7th (Board/AGM)
November	Monday 23rd (Manco)
December	-
January	-
February	Tuesday 16th (Manco)
March	Tuesday 30th (Manco)



Development ☐ Nutrition ☐ Relief

OPERATION HUNGER SUPPORTERS

APRIL 2009 - MARCH 2010

In terms of the Income Tax Act, Operation Hunger has a section 18A registration which will allow tax relief to all donors. Please contact Operation Hunger administration department regarding your donation.

CORPORATES	INDIVIDUALS	FOUNDATIONS, TRUSTS & LEGACIES
CITY GROUP FEDICS ORGANIZATIONS & BUSINESSES ADCORP BARROW CONSTRUCTION PTY LTD BOWMAN GILLIFAN BRELKO DALIB INVESTMENT (PTY) LTD EMMANUEL PERSONNEL GC FOURIE EXPERT CONSULTING SERV. GRANT THORNTON JOBVEST KRUGERSDORP HIGH SCHOOL OHLHORST AFRICA (PTY) LTD PALMIN FURNITURE INDUSTRY CC QFSS FIELD SERVICE QUEST PERSONNEL SANKFIN THE SET TRANSVAAL ELECTRIC MOTORS UNITED INTERNATIONAL PICTURES ZAWADI ITHEMBA COLLEGE	BARNARD, RHG CALLANAN, KEVIN CEBEKHULU, ZE DOYLE, BB DUIGAN, AM DUVAL, CY FRIEDMAN, ADRIAN HARRIS, DM HARTLEY, CL HENECK GP HEUER, HM HOFMEYER, MB HUFFORD, JF ISAACSON, N JONES, WA LURIE, REV BN MACHELE, RV MACNAMARA, RM MAKHUBU, ELIJAH MCWHIRTER, MA MOGOTSI, STT MORAILA, NKOANA SINA MPHORENG, L MAELANE PATEL, RM PERUMAL, CJ PILLAY, R SHIPHAM, I SINGH, S SINGH, RI STRACHAN, AK VAUGHAN, M VERNCK, JA VON MALTITZ, M WEGNER, MN WIECHERS, HNS WOODS, C WOODS, JB	ANNA GRONINGER TRUST AP MCDONALD CHARITY TRUST ESTATE - E/L EJ BLAND BEQUEST - E/L POMERANS EDDIE POLKROY CHARITABLE TRUST CIECINSKY TRUST E/L I A CARRICK CRAWFORD BROWN TRUST ESTATE LATE MAMIE CARL & EMILY FUCHS FOUNDATION PSG KONSULL TRUST TIMOTHY HANCOCK CHARITY TRUST PROJECT FUNDING BISHOP SIMEON TRUST IRISH AID GOVERNMENT NATIONAL DEVELOPMENT AGENCY NATIONAL LOTTERY SEMESTER AT SEA DEPARTMENT OF WATER AFFAIRS GOODS IN KIND ESPT PRINT & DESIGN (PTY) LTD FOOD BANK OF SOUTH AFRICA JOHN DOUGAN SOUTH AFRICA REVENUE SERVICES SOVIET JEANS YADARAHON & MICHAEL TSEDOKAH

We would also like to thank our many anonymous supporters for their contributions made during the year.

Report of the Independent Auditors

To the shareholder of OPERATION HUNGER

We have audited the accompanying financial statements of OPERATION HUNGER, which comprise the trustees' report, the statement of financial position as at 31 March 2010, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 19-27.

Trustees' Responsibility for the Financial Statements

The organization's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those 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 the trustees, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organization as of 31 March 2010, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 27 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



HANCKE POTGIETER
Registered Auditors

Per: PR Potgieter
Partner

22 September 2010

76 Lynburn Road
Lynnwood Manor
Pretoria
0081

OPERATION HUNGER

(Registration number 001-306NPO)

Financial Statements for the year ended 31 March 2010

Trustees' Responsibilities and Approval

The trustees are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the organization as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the organization and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organization and all employees are required to maintain the highest ethical standards in ensuring the organization's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organization is on identifying, assessing, managing and monitoring all known forms of risk across the organization. While operating risk cannot be fully eliminated, the organization endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the organization's cash flow forecast for the year to 31 March 2011 and, in the light of this review and the current financial position, they are satisfied that the organization has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the organization's financial statements. The financial statements have been examined by the organization's external auditors and their report is presented on page 19.

The financial statements set out on pages 22-27, which have been prepared on the going concern basis, were approved by the board on 22 September 2010 and were signed on its behalf by:



Chairperson



Trustee

OPERATION HUNGER

(Registration number 001-306NPO)

Financial Statements for the year ended 31 March 2010

Trustees' Report

The trustees submit their report for the year ended 31 March 2010.

1. Review of activities

Main business and operations

The organization is engaged in not for profit organization and operates principally in South Africa.

The operating results and state of affairs of the organization are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Post balance sheet events

The trustees are not aware of any matter or circumstance arising since the end of the financial year. Attention is drawn to the following significant donations that were received after year end.

These include the following:

29 April 2010 :	Spar	R 100,000
10 May 2010 :	Semester on sea	R 105,115
12 May 2010 :	National Lottery	R 2,710,514
21 May 2010 :	National Development Agency	R 311,440
07 June 2010 :	Irish Aid	R 300,000
16 July 2010 :	Spar	R 1,500,000

3. Authorized and issued share capital

There were no changes in the authorized or issued share capital of the organization during the year under review.

4. Trustees

The trustees of the organization during the year and to the date of this report are as follows: Name

KG Obama (Patron)

M King (Honorary President)

G Hood (National Chairperson)

S Browde (Permanent Trustees) M Arthur (Deputy Chairperson) RG Hipkin (Elected trustee)

S Geffen (Elected Trustee)

C Mosehle (Elected Trustee)

M Ramono (Elected Trustee)

E Gerhard (Elected trustee)

Anglican Dioceses of the Transvaal (Permanent Trustee)

Central Islamic Trust (Permanent Trustee) Methodist Care (Permanent Trustee)

5. Secretary

The organization had no secretary during the year.

6. Auditor

HANCKE POTGIETER will continue in office in accordance with section 270(2) of the Companies Act.

OPERATION HUNGER

(Registration number 001-306NPO)

Financial Statements for the year ended 31 March 2010

Statement of Financial Position

Figures in Rand	Note(s)	2010	2009
Assets			
Non-Current Assets			
Property, plant and equipment	2	232,960	44,569
Current Assets			
Trade and other receivables	3	39,340	172,621
Cash and cash equivalents	4	620,419	1,632,778
		659,759	1,805,399
Total Assets		892,719	1,849,968
Equity and Liabilities			
Equity			
Retained income		164,686	828,941
Liabilities			
Current Liabilities			
Trade and other payables	5	120,871	102,542
Project fund liability		607,162	918,485
		728,033	1,021,027
Total Equity and Liabilities		892,719	1,849,968

Statement of Comprehensive Income

Figures in Rand	Note(s)	2010	2009
Other income		3,032,355	4,951,793
Operating expenses		(3,727,811)	(4,124,585)
Operating (loss) profit		(695,456)	827,208
Investment revenue	6	31,353	97,562
Finance costs	7	(152)	(7,170)
(Loss) profit for the year		(664,255)	917,600
Other comprehensive income		-	-
Total comprehensive (loss) income		(664,255)	917,600

OPERATION HUNGER

(Registration number 001-306NPO)

Financial Statements for the year ended 31 March 2010

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 April 2008	-	(88,659)	(88,659)
Changes in equity			
Total comprehensive income for the year	-	917,600	917,600
Total changes	-	917,600	917,600
Balance at 01 April 2009	-	828,941	828,941
Changes in equity			
Total comprehensive loss for the year	-	(664,255)	(664,255)
Total changes	-	(664,255)	(664,255)
Balance at 31 March 2010	-	164,686	164,686

Statement of Cash Flows

Figures in Rand	Note(s)	2010	2009
Cash flows from operating activities			
Cash used in operations	9	(487,119)	590,150
Interest income		31,353	97,562
Finance costs		(152)	(7,170)
Net cash from operating activities		(455,918)	680,542
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(245,119)	(8,387)
Cash flows from financing activities			
Movement in project liability		(311,323)	655,384
Total cash movement for the year		(1,012,360)	1,327,539
Cash at the beginning of the year		1,632,778	305,236
Total cash at end of the year	4	620,418	1,632,775

OPERATION HUNGER

(Registration number 001-306NPO)

Financial Statements for the year ended 31 March 2010

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognized as an asset when:
it is probable that future economic benefits associated with the item will flow to the organization; and
the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognized.

Property, plant and equipment are depreciated on the over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Item	Average useful life
Motor vehicles	25%
Office equipment	20%
IT equipment	33%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Tax

In terms of Section 10(1)(can) of the Income Tax Act no taxation is recognized or calculated.

OPERATION HUNGER

(Registration number 001-306NPO)

Financial Statements for the year ended 31 March 2010

Notes to the Financial Statements

Figures in Rand

2010

2009

2. Property, plant and equipment

	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Motor vehicles	337,224	(109,448)	227,776	92,105	(53,728)	38,377
Office equipment	99,253	(99,253)	-	99,253	(99,252)	1
IT equipment	97,884	(92,700)	5,184	97,884	(91,693)	6,191
Total	534,361	(301,401)	232,960	289,242	(244,673)	44,569

Reconciliation of property, plant and equipment - 2010

	Opening Balance	Additions	Depreciation	Total
Motor vehicles	38,377	245,119	(55,720)	227,776
Office equipment	1	-	(1)	-
IT equipment	6,191	-	(1,007)	5,184
	44,569	245,119	(56,728)	232,960

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Depreciation	Total
Motor vehicles	61,404	-	(23,027)	38,377
Office equipment	11,507	-	(11,506)	1
IT equipment	6,909	8,387	(9,105)	6,191
	79,820	8,387	(43,638)	44,569

3. Trade and other receivables

VAT	30,636	159,282
Staff loans	8,704	13,339
	39,340	172,621

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,543	855
Bank balances	618,876	1,631,923
	620,419	1,632,778

5. Trade and other payables

Trade payables	-	1
Leave pay	51,148	59,004
Sundry creditors	69,723	43,537
	120,871	102,542

6. Investment revenue

Interest revenue		
Bank	31,353	97,562

OPERATION HUNGER

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Financial Statements for the year ended 31 March 2010

Notes to the Financial Statements

Figures in Rand	2010	2009
7. Finance costs		
Interest paid	152	7,170
8. Auditors' remuneration		
Fees	47,368	(5,600)
9. Cash used in operations		
Loss before taxation	(664,255)	917,600
Adjustments for:		
Depreciation and amortization	56,728	43,637
Interest received	(31,353)	(97,562)
Finance costs	152	7,170
Changes in working capital:		
Trade and other receivables	133,280	(139,472)
Trade and other payables	18,329	(141,223)
	(487,119)	590,150

OPERATION HUNGER

(Registration number 001-306NPO)

Financial Statements for the year ended 31 March 2010

Detailed Income Statement

Figures in Rand		2010	2009
Figures in Rand	Note(s)	2010	2009
Other income			
Sundry income		273,056	-
Donations and grants received		452,888	523,904
Project fund income released		2,306,411	1,882,881
Profit on sale of investment		-	665,888
Donations received from Lotto		-	1,879,120
Interest received	6	31,353	97,562
		3,063,708	5,049,355
Expenses (Refer to page 15)		(3,727,811)	(4,124,585)
Operating (loss) profit		(664,103)	924,770
Finance costs	7	(152)	(7,170)
(Loss) profit for the year		(664,255)	917,600

Operating Expenses

Figures in Rand	Note	2010	2009
Accounting fees		(3,596)	(5,828)
Administration and management fees		(164)	-
Advertising		(1,247)	-
Auditors remuneration	8	(47,368)	5,600
Bank charges		(6,050)	(1,883)
Cleaning		(1,378)	(1,702)
Computer expenses		(2,997)	(5,221)
Consulting and professional fees		(478)	-
Depreciation, amortization and impairments		(56,728)	(43,637)
Donations		-	(100)
Employee costs		(798,731)	(373,069)
Project expenses		(2,352,223)	(3,529,197)
Insurance		(34,923)	(31,520)
Lease rentals on operating lease		(62,295)	(22,271)
Motor vehicle expenses		(176,332)	(30,240)
Postage		(2,008)	(954)
Printing and stationery		(6,141)	(6,770)
Repairs and maintenance		(7,907)	-
Security		(4,200)	(4,756)
Staff expenses		(70,144)	(55,911)
Subscriptions		(1,228)	-
Telephone and fax		(64,637)	(23,391)
Travel – local		(27,036)	6,265
		(3,727,811)	(4,124,585)

The supplementary information presented does not form part of the financial statements and is unaudited





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