

OPERATION HUNGER

ANNUAL REPORT 2011/2012



Development ☐ Nutrition ☐ Relief



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CONTACT INFORMATION:

Offices	Personnel	Email	Telephone	Fax
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	Admin Manager: Cheryl Wearne	Cheryl@mail.ngo.za	011 902 4000 011 865 5203	011 902 2537
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Cape Town	Regional Coordinator: Clement Summerton	ophunma@mail.ngo.za summerton.clemmy@yahoo.com	021 706 6060	021 706 6060
Eastern Cape	Admin Clerk: Hilary Viljoen	ophunec@mail.ngo.za	041 484 7891	041 484 1151
KwaZulu Natal	Field Worker: Bheki Zuma	Bheki5.zuma@gmail.com	071 179 4915	
Limpopo	Regional Coordinator: Jeffrey Mulaudzi	Jeffrey@mail.ngo.za jmulaudzi@yahoo.com	013 265 1235	013 265 1235
North West, Northern Cape & Mpumalanga	Regional Coordinator: Leonard Davids	ophunmaf@mail.ngo.za	011 902 4000 011 865 5203 076 753 8893	011 902 2537
Operation Hunger Website: www.operationhunger.co.za				

VISION, MISSION & OBJECTIVES

VISION: A South Africa where malnutrition and poverty no longer undermine the nation's health and economic situation.

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

OBJECTIVES:

- To create a relationship with the target communities.
- To educate the community and households on healthy living, nutrition, and hygiene which education is necessary when aiming to improve the well-being of communities?
- To implement food security schemes (soup kitchens, food parcels, food gardens, chickens, growth monitoring programmes) in conjunction with communities.
- To provide clean and accessible water to households where water is not readily available (rain water tanks, water rollers, boreholes/hand pumps, windmills, spring protection).
- To provide training in wellness practices (water cleanliness, gardening, food security, cooking, trauma management and skills development).
- To promote and participate in sustainable and profitable self-help projects that contribute towards the quality of life and economic independence of individuals and communities, including food gardens, cooking, sewing, weaving and brick making skills.
- To foster and stimulate learning, as an aspect of feeding the hungry mind as well as the hungry body, by incorporating small libraries into sustainable self-help projects.
- To assist with the prevention and monitoring of treatment of infectious diseases, especially TB and HIV/AIDS by liaising or partnering with organisations active in this field and to emphasise the importance of adequate nutrition in managing these conditions.
- To engage with communities, organisations and authorities in either liaisons or in partnership projects to combat circumstances which contribute to malnutrition. These include debilitating and potentially life threatening illnesses, environmental situations such as inadequate water, food and sewage facilities, and social factors such as unemployment, single parent and child headed families.

Development ☐ Nutrition ☐ Relief



WHO IS OPERATION HUNGER?

Operation Hunger was started by Dr Selma Browde with a group of caring organisations who saw the need to combat malnutrition in South Africa. Operation Hunger then registered as a fund-raising organisation in 1980 and has a history of concern for the Nutritional condition of people in South Africa. During 1994/95, Operation Hunger broadened its approach from relief work to include more focus on development work.

During 1999, Operation Hunger registered with the Department of Welfare in terms of the Non-profit Organisations Act No. 71 of 1997, and has become one of a growing number of NGOs that meet the criteria required to partner with 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 optimum 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. Operation Hunger has also 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.



CHAIRPERSON'S ANNUAL REVIEW

In the year under review, the number of Soup Kitchens established by Operation Hunger and operated by volunteer workers throughout South Africa, has risen from 76 to 87. In 2010/2011 we provided 200,000 meals each month and this has now increased to over 275,000. Once again, we owe our sincere thanks to the SPAR Group for financing the construction of another 5 Soup Kitchens, bringing the total number that they now support to 15. Meals are served 5 days a week. Construction on a further 4 Soup Kitchens will commence during 2012.

LOTTO and SPAR remain our major sponsors and through their support Operation Hunger managed to reach over 20,800 beneficiaries by providing meals from the Soup Kitchens that have been established.

Both LOTTO and SPAR are also responsible for laying out vegetable gardens. LOTTO supplied 1,163 water rollers which increases the number distributed to date to 1,408.

Operation Hunger through LINGO (a consortium of which Operation Hunger is part) received sponsorship from Irish Aid where 96 community members in Limpopo were trained in the construction of rain water harvesting tanks and 13 people trained in borehole refurbishment. 130 rain water harvesting tanks were built and 97 water rollers distributed.

We wish to extend a special thank you to Stuttford Van Line for their on-going support in assisting us with the distribution of the water rollers.

Funding from the USAID helped Operation Hunger reach 700 beneficiaries with food, TB and HIV/AIDS counselling. 30 Community Health Workers and 3 professional nurses were engaged to work with clinics in 2 Regions, KZN and the Western Cape. They were providing support to patients on TB and HIV/AIDS medication. 3 Soup Kitchens were established but at the closure of the USAID project were taken by the Lotto project in October 2011.

Operation Hunger continued to support other projects which included self-supporting/income generating vegetable gardens; HIV/AIDS prevention training; and book distribution.

Project income for the year amounted to R6,7m, which included R1,5m from the SPAR Group; R1,2m from Irish Aid; R2,8m from LOTTO; and R373,000 from USAID.

To these donor's, as well as to the many others that contribute to our work, our very sincere thanks. Without you, Operation Hunger would obviously no longer exist.

Again, my sincere thanks to our Management and Staff for their dedication to our work. Also my thanks to our Board of Trustees who give generously of their time and skills and here I would particularly thank Mavis Arthur, Errol Gerhard, Michael Erasmus and Carl Peters.

Gordon Hood

ORGANISATIONAL STRUCTURE

Board of Trustees

The Board of Trustees has a Management Committee that oversees the affairs of the organisation. The following Sub-committees: Development, Finance and Fundraising report to the Management Committee on a monthly basis.

National Office

Operation Hunger has a National Office based in Germiston, Gauteng. The National Office offers technical and administrative support to the Regional programmes as required.

The Head Office's role is to:

- Coordinate the activities of the organisation at a National level
- Serve a National advocacy role
- Liaise with donors and provide necessary reports to account for grants and Donations received
- Account for the financial performance of the organisation
- Host the Management, Development, Finance, Fundraising Committees and Annual General Meetings
- Provide training support as appropriate

Regional Offices

Our Regional Offices are located in the Eastern Cape, KZN, Limpopo, North West and Western Cape Provinces. Our Eastern Cape Office is run through committed volunteer staff. Gauteng, Northern Cape and the North West Regions are currently overseen by one Regional Coordinator. Limpopo and Mpumalanga Regions fall under one Regional Coordinator. KZN does not have the capacity to employ a Coordinator and the Field Worker is responsible for the operations in the Region with support from the National Office. Regional staff are responsible for:

- Implementing development programmes in liaison with National Office.
- Serving a Regional advocacy role.
- Liaising with donors where appropriate.
- Reporting to National Office on a monthly basis.

OUR FULFILMENT

An integrated development programme is used throughout the country to combat the inter-related problems associated with long-term malnutrition and it is designed to address Nutritionally-insecure households in their efforts to combat chronic and acute malnutrition.

Operation Hunger projects currently concentrate on skills development.

The communities in which Operation Hunger works are usually situated in deep rural areas or sprawling informal settlements with little or no services, very few resources and minimal health care.

OPERATION HUNGER'S PROJECTS

Health and Nutrition Project

- Households accessing potable water and controlling water contamination throughout the year.
- Households knowledgeable in managing malnutrition, infectious diseases, TB and HIV/AIDS

Interventions under this project:

- ✓ Training in child growth monitoring
- ✓ Provision of hippo water rollers
- ✓ Drilling of boreholes
- ✓ Training in tank construction
- ✓ Provision of rain water tanks at household and project level

Food Security Project

- ✓ Communities managing their income for survival through self-help initiatives
- ✓ Communities practising healthy eating habits

Interventions under this project

- ✓ Training in vegetable production
- ✓ Provision of meals to the disadvantaged through soup kitchens and feeding centres
- ✓ Establishment of income generating activities e.g. gardens and egg laying projects.

DONOR FUNDING

LINGO/Irish AID funding – Limpopo Province

Project activities included the building of rain water harvesting tanks, refurbishment of bore holes. Erection of windmills and the establishment of communal and household gardens.

- ✓ 130 tanks were built.
- ✓ 97 water rollers were distributed to vulnerable individuals within the identified communities.

Region	No. trained in Tank Building
Kwazulu Natal	22
Limpopo	74

Region	No. trained in Borehole Refurbishment
Limpopo	13



LOTTO

The project focused on the establishment of soup kitchens and feeding schemes, provision of water rollers and establishment of gardens. A total of 57 Soup kitchens and 15 feeding centres were managed in the 7 Regions.

Region	Lotto Soup Kitchens	Total beneficiaries
Kwazulu Natal	3	2331
P.E.	42	6159
Western Cape	12	1706

Region	Lotto Feeding Programmes	Total beneficiaries
Kwazulu Natal	1	227
Limpopo	3	372
Mpumulanga / NW	3	310
Western Cape	8	2643

Region	Lotto Gardens	Total beneficiaries
Kwazulu Natal	2	320
Limpopo	5	755
P.E.	15	788
Western Cape	8	1591

Region	No. trained in Gardening
Kwazulu Natal	59
Limpopo	23
Mpumulanga / N.West / N.Cape	7
Western Cape	120

Region	No. of Water Rollers distributed
Kwazulu Natal	130
Limpopo	199
Mpumulanga / N.West / N.Cape	642
Port Elizabeth	12
Western Cape	180

SPAR

The project focused on the establishment of soup kitchens and feeding schemes, provision of the water rollers and establishment of gardens. A total of 15 projects were implemented in 6 Regions.

- SPAR Feeding Programme**

Region	Frequency
Eastern Cape – Port Elizabeth	1 feeding centre that feeds 5 days weekly
Eastern Cape – Mqanduli	3 feeding centres run 5 days weekly
Limpopo – Tzaneen	2 feeding centres run 5 days weekly
Mpumalanga – White River	2 feeding centres run 5 days weekly
Northern Cape	2 feeding centres run 5 days weekly
Western Cape	2 feeding centres run 5 days weekly

Region	SPAR Feeding Programmes	Total beneficiaries
Kwazulu Natal	3	390
Limpopo	2	220
Mpumalanga / NW	7	576
P.E.	1	260
Western Cape	2	753

Region	SPAR Gardens	Total beneficiaries
Kwazulu Natal	3	390
Limpopo	1	100
Mpumalanga / NW	4	115
P.E.	1	140
Western Cape	2	753

USAID Development ☐ Nutrition ☐ Relief

30 Community Health Workers (CHWs), 16 in KZN and 14 in the Western Cape and 3 professional nurses, 2 in KZN and 1 in the Western Cape were engaged to assist with support to the project. The CHWs were involved in the identification of patients with the need for food to help continue with their medication. They also facilitated the establishment of the home gardens for patients to have access to fresh vegetables from their backyards.

Wellness workshops were provided to both the CHWs and the nurses to help them cope with the stress associated with support rendered to patients on chronic medication.

A total of 700 beneficiaries were reached through this project in both Regions.

STORIES FROM REGIONS

Selowe Primary School, Limpopo

The story which follows was developed out of a set of questions which were presented to a Grade 6 learner at Selowe Primary School. Her responses are reflected in the story.

Selowe Primary School is situated in the village of Silvermine which falls with the Blouberg Municipality in Limpopo. The learners of the school are exposed to extreme conditions in an attempt to access one of their most basic human rights – the right to education. One of these learners picks up their story. “... our school is very different to any other school which I have seen. We do not have classrooms, we do not have desks and chairs, our teachers do not have a table to work from, we do not have toilets and running water. Our school and classrooms are under Marula trees which grow in an open field next to our village. Classes start from Grade R and end with Grade 6. Those in Grade 7 walk to the neighbouring village in Devilliersdale to attend school. We gather here every day, except when it's raining, to be taught by some of the people who live in our community. While they are quite young, they seem to know what they are doing. We even have a Principal.”

“You may be wondering why we do not have a school. When we asked our parents this is what they told us: the long distance which you had to walk to attend school on Devilliersdale as well as the near rape of one of your friends on her way to school is what pushed us to do something about this situation. As you know, a school bus was then sent to transport you. Unfortunately, this bus was not fetching you every day, and so, you were missing out on your lessons. As your parents, we could not sit back and do nothing. We decided to speak to people within the Government who promised us that something would be done about the situation. While waiting for them to decide, we all agreed to take you out of school at Devilliersdale and start a school here in the village. Yes, we knew we were taking a chance as we do not have money to build a school or even provide you with some furniture, our decision was made out of love and concern for your well-being.”

“Most of us do not have breakfast before leaving home or bring lunch for the remainder of the day at school. And so, it is difficult to concentrate during our lessons. It seems that the Principal together with our teachers spoke to people at our school. Thanks to these caring people, we now have a tasty lunch every day. Ladies from our village help with cooking and when the bell rings for break-time we all line up and are served a delicious meal.”



ADVERSITY (Operation Hunger WC – July 2012)

The Operation Hunger and SPAR supported project known as Emmanuel / Site C clinic feeding scheme, is located in Khayelitsha, a sprawling township on the outskirts of Cape Town. This feeding scheme is managed by 12 volunteers of whom 50% are youth. These youngsters have had harrowing experiences with many narrowly escaping death or surviving gang fights in the area.

Siyabulela Nyoka, a 21 year old volunteer within the project shares his story with us. ...*“The situation at home became really difficult when my parents lost their jobs. I dropped out of school in Grade 9 hoping to find a job to support my family. Unfortunately, it was not as easy as I thought. After several failed attempts and feeling quite depressed, I decided to join my friends who would roam the streets. This decision almost cost me my life as I was stabbed several times. “*

“We at the youth understand that situation is one of the challenges facing our community. Here in Site C, people live in constant fear of gang fights and violent killings. Before Operation Hunger and SPAR introduced the feeding programmes in our community, we did not have any programmes which targeted the youth. We are grateful to both Operation Hunger and Spar for their commitment to make a difference with our lives. As a result, we have a clear vision on how we, the youth of Site C would benefit from this project.”

The following messages encapsulate the experiences of these young people:

- ❖ *I have something to eat every day and have hope for the future **Siyabulela***
- ❖ *We have now returned to school and are able to concentrate at school during lessons and performing well and from that performance our future is bright and full of opportunities **Bandile, Mandlakhe and Nolufefe.***
- ❖ *I am humbled to have volunteered at the feeding scheme and grateful for what this community has done for us **Siyabulela.***



OPERATION HUNGER MEMBERSHIP

Individuals and organisations 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 organization's activities through the Annual Report and the Web page.

ANNUAL SUBSCRIPTION FOR MEMBERSHIP

Ordinary Members – R200

Corporate Members – R5,000

Life Members – R10,000

PUBLIC DONATIONS enable the vital work of **OPERATION HUNGER** to continue.

Credit card 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 Operation Hunger bank account:

Bank: First National Bank (FNB)

Branch: Bedford Gardens

Account Number: 50541591258

Branch Number: 252155

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

Or fax your deposit slips with your details to +2711 902 2537.

STAFF

Area	Name	Designation
Head Office	Phumzile Majola	Acting National Manager
	Cheryl Wearne	Administration Manager
	Salomie Mitchell	Finance Officer
	Errol Gerhard	Finance Officer (Part Time)
	Minnie Okwirry	Administration Clerk
	Dawn Varney	Administration
	Maria Moyo	Domestic Worker (Part Time)
	Ishmael Kamele	Watchman/ Gardener (Part Time)
Limpopo	Jeffrey Mulaudzi	Regional Coordinator
	Sello Legadimane	Field Worker
	Sinah Moraila	Field Worker
	Nicolus Sivuyile Mbune	Field Worker
	Saronah Kubjane	Administration Clerk
	Stephina Moela	Domestic worker
	Thupa Mapale	Gardener
	Jeffrey Makotanyane	Watchman
	Lazarus Mphoka Moguru	Relief Security
North West	Leonard Davids	Regional Coordinator
	Solomon Mojela	Field Worker
	Bennie Berend	Field Worker
Eastern Cape	Hilary Viljoen	Administration Clerk
	Koliswa Dyeku	Field Worker
	Crystal Parson	Administration Clerk
	Elizabeth Ncanywa	Domestic Worker
Western Cape	Clement Summerton	Regional Coordinator
	Christine Sackanary	Administration Clerk
Kwazulu Natal	Bheki Zuma	Field Worker

BOARD OF TRUSTEES

POSITION ON BOARD	PERSON	PROFESSIONAL EXPERIENCE
Patron	Mrs Kezia Grace Obama	Retired
PERMANENT TRUSTEES:		
Honorary Life Member & Honorary President	Mr Mervyn King	Chairman of the IIRC (International Integrated Reporting Council). Judge & Professor.
Life Member	Mr Gordon Hood	Retired: CEO OK Bazaars
Founder & Honorary Life Member	Dr Selma Browde	Previously Professor of Radiation Oncology at Wits University
Member	Anglican Diocese of TVL	Representative: Pat Lennox
Member	Central Islamic Trust	Representative: Mr Y Talia
Member	Methodist Care	Representative: Bridget Nanchou
ELECTED TRUSTEES:		
Chairperson: Operation Hunger Board & Management Committees	Mr Gordon Hood	Retired: CEO Ok Bazaars
Deputy Chairperson	Professor Mavis Arthur	Retired: Head of School of Clinical Sciences, Faculty of Health Sciences, University of JHB
Alternative Deputy Chairperson	Mr Carl Peters	Executive Director: Goldrush Group
Member	Mr Michael Erasmus	Retired: GM HR Afrox
Member	Mr Errol Gerhard	Retired: Accountant Anglo American
Member	Mr Ray Hipkin	Chairman: Goldrush Group
Member	Mrs Rhae Shawn Kabantu	Director of Kingdom Evangelism Mission

OPERATION HUNGER SUPPORTERS LIST: APRIL 2011 – MARCH 2012

CORPORATES	INDIVIDUAL	FOUNDATION TRUST & LEGACIES
AGBS JHL CONSTRUCTION PMI QUEST ROVING MEDICS ADCORP ALBINA HOUSE CAPACITY GRANT THORNTON VIVA TRUST DALIB INVESTMENTS PTY LTD JBCF KRUGERSDORP HIGH SCHOOL LUXCO IMPORTERS OHLHORST AFRICA (PTY) LTD PAPILSKY S R & A WINER EDUCATION SEMESTER @ SEA S.A. SUGAR ASSOCIATION. SUGAR ASSOCIATION THE SET UNITED INTERNATIONAL PICTURES ZAWADI ZINGARO TRADE 85	ALLIN, CATHY BARNARD, RHG BOUWER, PF CEBEKHULU, ZE DR CALLANAN, K DUIGAN, AM DUVAL, CY ELIJAH, MAKHUBU FARBER, C F GAGNON, PG GRANT THORNTON HARRIS, DM HENECK, GP HEUER, HMH HOFMEYER, M HUFFORD, JF ISAACSON, N JENNER, T JONES, WA KHAWULA, S MACNAMA, R MODDLEY, KIMESH MURRAY, M NTANZI, T PERUMAL, CJ REV B N LURIE ROBIE, MALELANE SHIPHAM, I SINGH, RI SINGH, S	ABSA BANK FUCHS FOUNDATION ANNA GRONINGER TRUST ANNEMARIE BOCK TRUST AP MACDONALD CHARITIES CIECINSKY TRUST CRAWFORD BROWN TRUST EDDIE POKROY CHARITABLE TRUST THE VICTORIA AUGUSTA TRUST TIM HANCOCK CHARITY TRUST SOLOMON RUBEN & ANN WINER - EDUCATIONAL & BENEFIT TRUST PROJECT FUNDING IRISH AID GOVERNMENT NATIONAL LOTTERY USAID SPAR GROUP GOODS IN KIND FOOD BANK OF SOUTH AFRICA STUTTAFORD VAN LINE JOHANNESBURG MINI COUNCIL

We would also like to thank our many anonymous supporters for their contributions made during the year. In terms of the Income Tax Act, Operation Hunger has a section 18A registration which will allow tax relief to donors. Please contact Operation Hunger administration regarding your donation.

Independent Auditors' Report

To the trustees of OPERATION HUNGER

We have audited the financial statements of OPERATION HUNGER, as set out on pages 19 to 23, which comprise the statement of financial position as at 31 March 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act of South Africa, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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' judgement, 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 management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from cash receipts, donations, bequests and other fundraising activities prior to the initial entry of collections in the accounting records. Accordingly it is impractical to extend an examination beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of OPERATION HUNGER as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and the requirements of the Companies Act of South Africa.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 24 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.

PR Potgieter
Partner
Registered Auditor



26 November 2012
76 Lynburn Road
Lynnwood Manor
Pretoria
0081

OPERATION HUNGER

(Registration number 001-306NPO)

Financial Statements for the year ended 31 March 2012

Trustees' Responsibilities and Approval

The trustees are required 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 trust 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 the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the Companies Act of South Africa 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 trust 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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 trust's cash flow forecast for the year to 31 March 2013 and, in the light of this review and the current financial position, they are satisfied that the trust 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 trust's financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on page 17.

The financial statements set out on pages 20 to 24, which have been prepared on the going concern basis, were approved by the board on 25 October 2012 and were signed on its behalf by:


Trustee

nt ☐ Nutrition ☐ Relief

OPERATION HUNGER

(Registration number 001-306NPO)

Financial Statements for the year ended 31 March 2012

Trustees' Report

The trustees submit their report for the year ended 31 March 2012.

1. Review of activities

Main business and operations

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

2. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year.

3. Trustees

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

Name

1. KG Obama (Patron)
2. M King (Honorary President)
3. G Hood (National Chairperson)
4. M Arthur (Deputy Chairperson)
5. C Peters (Alternate Deputy Chairperson)
6. S Browde (Founder)
7. The Anglican Diocese (Permanent Trustee)
8. Central Islamic Trust (Permanent Trustee)
9. Methodist Care (Permanent Trustee)
10. RG Hipkin (Elected Trustee)
11. M Erasmus (Elected Trustee)
12. E Gerhard (Elected Trustee)
13. R Shawn Kabantu (Elected Trustee)

4. Auditors

HANCKE POTGIETER will continue in office for the next financial period.

Development ☐ Nutrition ☐ Relief

OPERATION HUNGER

(Registration number 001-306NPO)

Financial statements for the year ended 31 March 2012

Statement of Financial Position

Figures in Rand	Note(s)	2012	2011
Assets			
Non-Current Assets			
Property, plant and equipment	2	94,249	153,533
Current Assets			
Trade and other receivables	3	360,628	132,610
Prepayments		2,639,099	158,424
Cash and cash equivalents	4	4,275,842	8,299,264
		7,275,569	8,590,298
Total Assets		7,369,818	8,743,831
Equity and Liabilities			
Equity			
Accumulated surplus		440,828	273,984
Liabilities			
Current Liabilities	5	337,670	119,092
Trade and other payables		6,591,319	8,350,755
Project Fund liability			
		6,928,989	8,469,847
Total Equity and Liabilities		7,369,817	8,743,831

Statement of Comprehensive Income

Figures in Rand	Note(s)	2012	2011
Revenue		-	12
Other income		7,326,455	5,953,746
Operating expenses		(7,410,880)	(5,977,265)
Operating deficit		(84,425)	(23,507)
Investment revenue	6	251,269	133,006
Financial costs		-	1
Surplus for the year		166,844	109,500
Other comprehensive income			
Total comprehensive income for the year		166,844	109,500

OPERATION HUNGER

(Registration number 001-306NPO)

Financial statements for the year ended 31 March 2012

Statement of Changes in Equity

Figures in Rand	Accumulated Surplus	Total equity
Balance as at 01 April 2010	164,484	164,484
Surplus for the year	109,500	109,500
Other comprehensive income	-	-
Total comprehensive income for the year	109,500	109,500
Balance as at 01 April 2011	273,984	273,984
Surplus for the year	166,844	166,844
Other comprehensive income	-	-
Total comprehensive income for the year	166,844	166,844
Balance at 31 March 2012	440,828	440,828

Statement of Cash Flows

Figures in Rand	Note(s)	2012	2011
Cash Flows from operating activities			
Cash used in operations	8	(2,509,413)	(197,553)
Interest income		251,269	133,006
Finance Costs		-	1
Net cash from operating activities		(2,258,144)	(64,546)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(5,843)	-
Cash flows from financing activities			
Movement in project liability		(1,759,436)	7,743,390
Total cash movement for the year		(4,023,423)	7,678,844
Cash at the beginning of the year		8,299,264	620,419
Total cash at the end of the year	4	4,275,841	8,299,263

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OPERATION HUNGER

(Registration number 001-306NPO)

Financial statements for the year ended 31 March 2012

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Companies Act of South Africa International Financial Reporting Standards for Small and Medium Enterprises. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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 recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Motor vehicles	4 Years
Office equipment	5 Years
IT equipment	3 Years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

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Financial statements for the year ended 31 March 2012

Notes to the Financial Statements

Figures in Rand			2012	2011		
2.	Property, plant and equipment		2012	2011		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying Value
Motor vehicles	337,224	(247,359)	89,865	337,224	(186,079)	151,145
Office equipment	99,253	(99,253)	-	99,253	(99,253)	-
IT equipment	103,726	(99,342)	97,884	97,884	(95,496)	2,388
Total	540,203	(445,954)	94,249	534,361	(380,828)	153,533
Reconciliation of property, plant and equipment – 2012			Opening balance	Additions	Depreciation	Total
Motor vehicles			151,145	-	(61,280)	89,865
IT equipment			2,388	5,843	(3,847)	4,384
			153,533	5,843	(65,127)	94,249
Reconciliation of property, plant and equipment – 2011			Opening balance	Depreciation	Total	
Motor vehicles			227,776	(76,631)	151,145	
IT equipment			5,184	(2,796)	2,388	
			232,960	(79,427)	153,533	
3.	Trade and other receivables					
VAT			366,398	131,414		
Staff loans			(5,770)	1,196		
			360,628	132,610		
4.	Cash and cash equivalents					
Cash and cash equivalents consist of:						
Cash on hand			2,127	1,928		
Bank balances			4,273,715	8,297,336		
			4,275,842	8,299,264		
5	Trade and other payables					
Leave pay			69,157	69,127		
Sundry creditors			268,513	49,965		
			337,670	119,092		
6.	Investment revenue					
Interest revenue						
Bank			251,269	133,006		
7.	Auditors' remuneration					
Fees			64,030	58,850		
8.	Cash used in operations					
Surplus before taxation			166,844	109,500		
Adjustments for:						
Depreciation and amortisation			65,127	79,426		
Interest received			(251,269)	(133,006)		
Finance costs			-	(1)		
Changes in working capital:						
Trade and other receivables			(228,018)	(93,269)		
Prepayments			(2,480,675)	(158,424)		
Trade and other payables			218,578	(1,779)		
			(2,509,413)	(197,553)		

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Financial statements for the year ended 31 March 2012

Detailed Income Statement

Figures in Rand	Note(s)	2012	2011
Revenue			
Interest received (trading)		-	12
Other income			
Donations and grants received		409,922	510,944
Project fund income released		6,668,790	5,442,802
Sundry income		247,743	-
Interest received	6	251,269	133,006
		7,577,724	6,086,752
Operating expenses			
Accounting fees		(2,615)	(3,713)
Advertising		(3,724)	
Auditors' remuneration	7	(64,030)	(58,850)
Bank charges		(6,821)	(12,531)
Cleaning		(2,234)	(1,255)
Computer expenses		(3,865)	(3,485)
Depreciation, amortisation and impairments		(65,127)	(79,426)
Employee costs		(325,426)	(313,784)
Project expenses		(6,127)	-
Project expenses – Lottery		-	(42,888)
Project expenses		(6,668,790)	(5,203,100)
Insurance		(18,212)	(16,432)
Lease rentals on operating lease		(55,720)	(40,670)
Motor vehicle expenses		(65,989)	(97,221)
Postage		(1,744)	(1,574)
Printing and stationery		(8,615)	(924)
Repairs and maintenance		(1,544)	(5,364)
Security		(3,540)	(4,607)
Staff expenses		(48,636)	(39,081)
Telephone and fax		(48,950)	(49,564)
Travel – local		(9,171)	(2,796)
		(7,410,880)	(5,997,265)
Operating surplus		166,844	109,499
Finance costs		-	1
Surplus for the year		166,844	109,500
Other comprehensive income			
Total comprehensive income for the year		166,844	109,500

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