

Financial Report for fiscal 2018

Hunger Free World,

a specified non-profit corporation



 hunger free world

Statement of Activities for FY 2018 from January 1 to December 31, 2018

[Unit : yen]

	Actual
I Ordinary revenues	
1 Membership fees received	15,764,000
2 Contributions received	241,640,007
3 Grants receivable	9,315,633
4 Consignment income	297,355
5 Operating revenue	2,712,884
6 Miscellaneous revenue	
Interest income	841,587
Miscellaneous revenue	623,423
Total ordinary revenues	271,194,889

II Ordinary expenses

1 Business expenses	
(1) Personnel expenses	
Salaries	52,612,460
Statutory welfare	5,315,592
Welfare	2,280,357
Retirement benefit expenses	1,491,190
Total personnel expenses	61,699,599
(2) Other expenses	
Expenses for the Grant Assistance for Japanese NGO Project	8,310,988
Printing and binding	2,237,243
Communication and delivery	2,000,672
Travel	5,962,260
Rent	5,060,467
Utilities	1,181,278
Fees	127,376
Supplies	9,662,662
Books and subscription	1,800
Meeting	4,981,324
Dues	85,260
Compensations	10,643,237
Taxes and dues	15,244
Training expenses	4,613
Repairs and maintenance expenses	3,223,028
Advertising expenses	827,359
Consultant fees, Consignment expenses	1,862,278
Depreciation	4,321,496
Miscellaneous	6,028,832
Miscellaneous loss	304,224
Contribution	2,410,295
Foreign currency losses	2,497,207
Total other expenses	71,749,143
Total business expenses	133,448,742

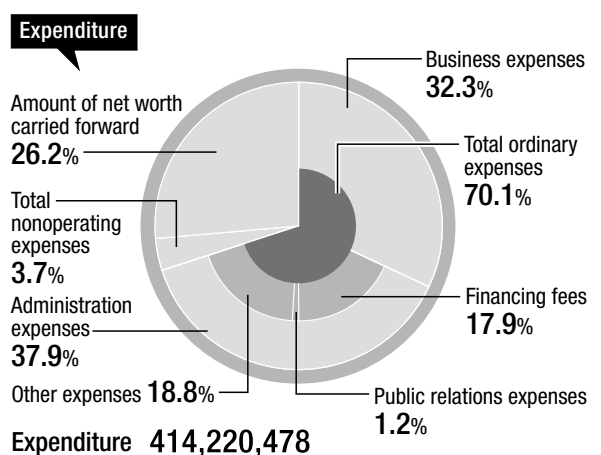
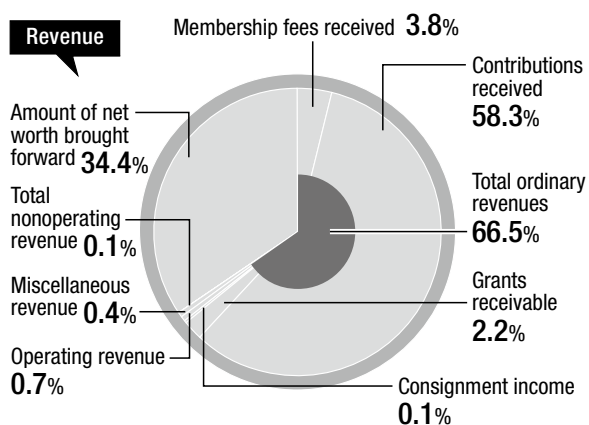
2 Administration expenses	
(1) Personnel expenses	
Salaries	54,575,963
Statutory welfare	7,603,226
Welfare	333,559
Retirement benefit expenses	1,739,102
Total personnel expenses	64,251,850
(2) Other expenses	
Printing and binding	25,160,651
Communication and delivery	20,673,393
Travel	12,069,316
Rent	5,638,977
Utilities	299,844
Fees	15,303,089
Supplies	1,085,346
Books and Subscription	99,764
Meeting	613,212
Dues	541,734
Compensations	6,620,891
Taxes and dues	548,830
Training expenses	638,770
Repairs and maintenance expenses	258,265
Advertising expenses	206,368
Consultant fees, Consignment expenses	993,765
Depreciation	1,002,919
Insurance	299,768
Miscellaneous	256,632
Miscellaneous loss	33,573
Foreign currency losses	311,007
Total other expenses	92,656,114
Total administration expenses	156,907,964
Total ordinary expenses	290,356,706
Surplus/(deficits)of ordinary revenues and expenses	△19,161,817

III Extraordinary revenues

Gain on sale of fixed assets	420,000
Total extraordinary revenues	420,000

IV Nonoperating expenses

Financial losses from Community development project in Uganda	15,353,509
Total nonoperating expenses	15,353,509
Net surplus/(deficits) for the period	△34,095,326
Amount of net worth brought forward	142,605,589
Amount of net worth carried forward	108,510,263



Notes to Financial statements

1 Significant accounting policies

The financial statement has been prepared in conformity with Accounting Standards for NPOs (established by Accounting Standards Board for NPOs on July 20, 2010 and partially revised on November 20, 2011).

(1) Depreciation method for fixed assets

Tangible fixed assets Depreciation is provided on straight-line basis.

Investment and other assets Depreciation is provided on straight-line basis.

(2) Accounting for the consumption tax and other taxes

The consumption taxes are accounted for using the tax-included method as the taxes are exempted.

2 Breakdown of business expenses

[Unit : yen]

Item	Development project	Advocacy		Awareness-raising		Youth development		Total
	Overseas	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	
I Ordinary revenues								
(1) Personnel expenses								
Salaries	24,486,175	7,982,189	0	7,352,465	3,227,449	7,094,949	2,469,233	52,612,460
Statutory welfare	2,397,064	792,317	0	669,621	461,063	642,781	352,746	5,315,592
Welfare	1,031,575	413,646	0	411,870	6,677	411,481	5,108	2,280,357
Retirement benefit expenses	759,389	202,946	0	175,090	104,682	168,993	80,090	1,491,190
Total personnel expenses	28,674,203	9,391,098	0	8,609,046	3,799,871	8,318,204	2,907,177	61,699,599
(2) Other expenses								
Expenses for the Grant Assistance for Japanese NGO Projects	8,310,988	0	0	0	0	0	0	8,310,988
Printing and binding	705,973	473,562	0	291,644	128,000	638,064	0	2,237,243
Communication and delivery	897,759	320,062	2,006	316,565	80,461	353,250	30,569	2,000,672
Travel	3,393,453	579,804	196,053	846,586	69,571	815,204	61,589	5,962,260
Rent	2,084,907	820,624	0	734,346	334,626	829,951	256,013	5,060,467
Utilities	560,653	172,831	0	256,065	13,118	168,575	10,036	1,181,278
Fees	124,513	0	1,458	0	512	677	216	127,376
Supplies	5,439,343	789,972	0	1,576,529	36,947	1,790,990	28,881	9,662,662
Books and subscription	139	1,596	0	65	0	0	0	1,800
Meeting	2,136,106	426,817	6,700	813,893	41,148	1,554,500	2,160	4,981,324
Dues	7,638	17,622	40,000	0	20,000	0	0	85,260
Compensations	8,500,629	585,558	0	936,942	0	619,217	891	10,643,237
Taxes and dues	6,691	0	0	7,115	200	1,238	0	15,244
Training expenses	0	0	4,000	0	0	0	613	4,613
Repairs and maintenance expenses	2,653,048	186,399	0	186,744	7,246	184,047	5,544	3,223,028
Advertising expenses	55,277	208,306	0	311,461	0	252,315	0	827,359
Consultant fees, Consignment expenses	1,761,469	0	0	88,686	0	12,123	0	1,862,278
Contribution	2,251,555	95,760	0	62,980	0	0	0	2,410,295
Depreciation	1,737,711	847,856	0	838,748	34,234	836,755	26,192	4,321,496
Miscellaneous	5,726,209	69,808	0	67,070	10,294	139,575	15,876	6,028,832
Miscellaneous loss	120,057	60,028	4,083	60,028	0	60,028	0	304,224
Foreign exchange losses	998,884	499,441	0	499,441	0	499,441	0	2,497,207
Total other expenses	47,473,002	6,156,046	254,300	7,894,908	776,357	8,755,950	438,580	71,749,143
Total	76,147,205	15,547,144	254,300	16,503,954	4,576,228	17,074,154	3,345,757	133,448,742

3 Breakdown of funds designated for specified purposes

"Breakdown of funds designated for specified purposes are as follow: Net worth of the corporation is ¥108,510,263.

Among which ¥5,031,875 is designated to use for community development projects in Bangladesh. Consequently, the net worth that has no restriction for use is ¥103,478,388.

[Unit : yen]

Item	Opening balance	Surplus of net worth for the period	Deficit of net worth for the period	Closing balance	Item	Opening balance	Surplus of net worth for the period	Deficit of net worth for the period	Closing balance
Contributions received					Grants receivable				
Support for Benin	0	10,000	10,000	0	Expenses for the Grant Assistance for Japanese NGO Projects				
Support for Burkina Faso	0	3,000	3,000	0	Community development in Uganda*	0	8,666,583	8,666,583	0
Community development in Burkina Faso	0	809,264	809,264	0	Tokyo Labor Bureau	0	570,000	570,000	0
Support for Uganda	0	26,400	26,400	0	Public Resource Foundation				
Community development in Uganda	0	1,345,900	1,345,900	0	Community development in Benin	0	14,450	14,450	0
Support for Bangladesh	0	420,709	420,709	0	Community development Uganda	0	45,900	45,900	0
Community development in Bangladesh	5,028,200	1,834,147	1,830,472	5,031,875	Overseas general	0	18,700	18,700	0
Awareness-raising in Bangladesh	0	49,756	49,756	0	Total	5,028,200	14,019,252	14,015,577	5,031,875
Youth development in Bangladesh	0	194,443	194,443	0					
Community development in Benin	0	10,000	10,000	0					

* The total amount of the grants is 64,546,040 yen. The difference of 55,879,457 yen from the increase in the current term is posted as current liability in the balance sheet as follows: 46,298,748 yen as advances, and the remaining 9,580,709 yen as deposits received for the payment of the loan to the Japanese Ministry of Foreign Affairs.

4 Breakdown of increase and decrease in fixed assets

[Unit : yen]

Item	Acquisition cost at the beginning period	Acquisition	Disposal	Acquisition cost at the ending period	Accumulated depreciation	Book value at the ending period
Tangible fixed assets						
Building	11,659,503	0	0	11,659,503	7,938,381	3,721,122
Facilities attached to buildings	965,002	736,378	0	1,701,380	772,946	928,434
Vehicle	19,973,346	541,500	0	20,514,846	12,035,760	8,479,086
Tools, furniture and fixtures	3,052,906	1,933,554	0	4,986,460	2,773,715	2,212,745
Land	12,034,046	0	0	12,034,046	0	12,034,046
Investment and other assets						
Long-term loans receivable	1,962,000	249,000	0	2,211,000	0	2,211,000
Long-term prepaid expenses	45,000	0	45,000	0	0	0
Guarantee deposits	2,023,730	399,000	0	2,422,730	0	2,422,730
Total	51,715,533	3,859,432	45,000	55,529,965	23,520,802	32,009,163

* Note: Major reasons for increase

Equipment: Increased due to the purchase of power generator (674,500 yen) at Benin affiliate office

5 Nonoperating liabilities

The former director of Uganda affiliate office is currently claiming the compensation of US\$401,867 (¥44,269,668) against our corporation for his displacement. We defend our decision because of the lack of valid reason of his claim.

6 Others

From the next term onwards, there is a possibility that the projects in progress (¥16,816,250) will become the additional losses from Community development project in Uganda, depending on the investigation and discussion with Japanese Ministry of Foreign Affairs.

Audit Report

Ms. HARADA Mariko

Chairperson of the Board

Hunger Free World, a Specified Nonprofit Corporation

We carried out the operational and the financial audit of Hunger Free World (HFW) for the fiscal year of 2018, between January 1st, 2018 and December 31st, 2018. We conducted the audit in accordance to the Article 18 of the Act on Promotion of Specified Non-profit Activities.

•Outline of the methods of auditing

As for the operational audit, we applied the following methods to collect the relevant information: direct communication with the HFW board members and operational staffs to collect the relevant information as well as to establish the condition required for audit, participation in the HFW board meetings and the other important meetings to obtain operational reports by the board members and operational staffs, review of the relevant documents to investigate the operational conduct.

As for the financial audit, we reviewed accounting books and the relevant documents to investigate the accuracy of the following components of the accompanying Financial Report for the fiscal year of 2018: List of Assets, Balance Sheet, Statement of Activities and Notes to Financial Statements.

•Auditor's opinion

We acknowledge that the Annual Report accurately presents the facts in accordance to the relevant laws/articles of Japan.

We acknowledge that there was no misconduct regarding the operational conduct of the board members in the operational conduct, or gross negligence of the relevant laws/articles of Japan.

We acknowledge that List of Assets, Balance Sheet, Statement of Activities and Notes to Financial Statements accurately states the financial state of HFW.

November 21, 2019 OSHIMA Hitoshi, NIINAYA Hiroaki
Auditor Hunger Free World, a Specified Nonprofit Corporation

Balance Sheet As of December 31, 2018

[Unit : yen]

I Asset

1 Current assets

Cash and bank accounts	118,279,005
Projects in progress	16,816,250
Stok account	5,029,308
Advances	6,361,464
Other receivable	947,430
Accounts receivable	469,200
Total current assets	147,902,657

2 Fixed assets

(1) Tangible fixed assets

Building	3,721,122
Facilities attached to buildings	928,434
Vehicle (overseas)	8,479,086
Furniture and fixtures	2,212,745
Land	12,034,046
Total tangible fixed assets	27,375,433

(2) Investment and other assets

Long-term loans receivable	2,211,000
Guarantee deposits	2,422,730
Total investment and other assets	4,633,730
Total fixed assets	32,009,163
Total assets	179,911,820

II Debt

1 Current liabilities

Other accounts payable	12,462,835
Advances received	46,298,748
Deposit received	11,961,810
Total current liabilities	70,723,393

2 Fixed liabilities

Provision for retirement benefits	678,164
Total non-current liabilities	678,164
Total fixed liabilities	71,401,557

III Net worth

Net worth brought forward	142,605,589
Surplus/(deficit) of net worth for the period	△34,095,326
Total net worth	108,510,263
Total liabilities and net worth	179,911,820

* Following the change of the grants to advances in the current term, the item entitled projects in progress was newly added to Balance Sheet.

* Deposits received of the current liabilities includes the amount regarding the accounting fraud that happened in Community development project in Uganda and the return of grants from this false accounting entry to the Grant Assistance for Japanese NGO Projects by Japanese Ministry of Foreign Affairs.

* Advance includes the false accounting entry and its return mentioned above as well as the unclarified expenses.