

Financial Report for fiscal 2020

Hunger Free World,

a specified non-profit corporation



Financial Report for fiscal 2020

Statement of Activities for FY 2020 from January 1 to December 31, 2020

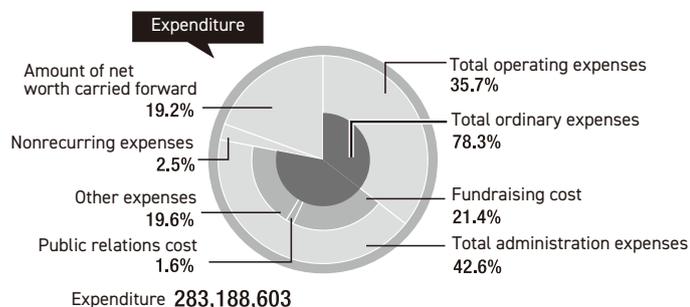
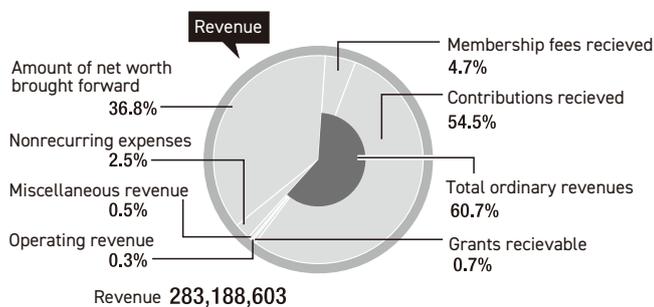
I Ordinary revenues	Actual
1 Membership fees	13,207,000
2 Contributions received	154,352,932
3 Grants receivable	2,102,792
4 Operating revenue	785,052
5 Miscellaneous revenue	
Interest income	681,126
Differences in foreign exchange rates	595,578
Miscellaneous revenue	60,063
Total miscellaneous revenue	1,336,767
Total ordinary revenues	171,784,543

II Ordinary expenses	
1 Business expenses	
(1)Personnel expenses	
Salaries	43,642,956
Statutory welfare	5,604,930
Welfare	1,231,051
Retirement benefit expenses	477,709
Total personnel expenses	50,956,646
(2)Other expenses	
Printing and binding	1,617,787
Communication and delivery	1,705,328
Travel	2,342,224
Rent	4,682,193
Utilities	926,168
Fees	688,170
Supplies	5,956,142
Books and subscription	12,905
Meeting	3,337,468
Dues	102,375
Compensations	3,048,592
Taxes and dues	7,630
Repairs and maintenance expenses	752,482
Advertising expenses	1,529,184
Consultant fees, Consignment expenses	6,318,557
Contribution	13,635,667
Depreciation	3,236,335
Miscellaneous	162,010
Total other expenses	50,061,217
Total operating expenses	101,017,863

2 Administration expenses	[Unit : yen]
(1)Personnel expenses	
Compensation paid to directors	2,400,000
Salaries	47,950,901
Statutory welfare	7,874,180
Welfare	337,478
Retirement benefit expenses	864,906
Total personnel expenses	59,427,465
(2)Other expenses	
Printing and binding	17,438,981
Communication and delivery	11,432,841
Travel	2,378,387
Rent	7,123,266
Utilities	318,693
Fees	11,769,144
Supplies	583,954
Books and Subscription	48,855
Meeting	71,251
Dues	232,525
Compensations	7,171,090
Taxes and dues	41,338
Training expenses	143,892
Repairs and maintenance expenses	130,877
Advertising expenses	83,600
Consultant fees, Consignment expenses	860,639
Depreciation	1,029,895
Insurance	253,780
Miscellaneous	137,125
Total other expenses	61,250,133
Total administration expenses	120,677,598
Total ordinary expenses	221,695,461
Surplus/(deficits)of ordinary revenues and expenses	△49,910,918

III Nonrecurring revenue	
Reversal of allowance for loss at affiliate offices	7,187,193
Total nonrecurring revenue	7,187,193

IV Nonrecurring expenses	
Loss from the refund of subsidies	7,187,193
Total nonrecurring expenses	7,187,193
Total changes in nonrecurring balance for the period	0
Net surplus/(deficits) for the period	△49,910,918
Amount of net worth brought forward	104,216,867
Amount of net worth carried forward	54,305,949



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.

Intangible fixed 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	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	
I Ordinary revenues									
(1) Personnel expenses									
Salaries	21,026,042	0	6,464,948	0	6,179,029	2,463,291	6,179,029	1,330,617	43,642,956
Statutory welfare	2,523,477	0	848,290	0	800,674	410,222	800,674	221,593	5,604,930
Welfare	494,892	0	242,753	0	242,051	6,041	242,051	3,263	1,231,051
Retirement benefit expenses	209,809	0	69,334	0	64,018	45,793	64,019	24,736	477,709
Total personnel expenses	24,254,220	0	7,625,325	0	7,285,772	2,925,347	7,285,773	1,580,209	50,956,646
(2) Other expenses									
Printing and binding	309,464	0	40,850	0	553,311	0	714,162	0	1,617,787
Communication and delivery	821,088	0	263,405	0	247,475	71,461	283,785	18,114	1,705,328
Travel	1,620,920	652	228,611	4,185	160,650	4,341	284,251	38,614	2,342,224
Rent	2,072,657	0	707,234	0	663,944	372,953	663,944	201,461	4,682,193
Utilities	463,660	0	122,343	0	200,752	11,985	120,953	6,475	926,168
Fees	16,827	0	9	0	0	300	630	670,413	688,170
Supplies	4,840,224	0	205,926	0	547,851	26,648	321,099	14,394	5,956,142
Books and subscription	11,400	0	1,505	0	0	0	0	0	12,905
Meeting	1,868,034	0	335,043	0	426,674	1,056	704,501	2,160	3,337,468
Dues	39,225	0	2,520	40,000	0	20,000	630	0	102,375
Compensations	2,590,692	0	173,850	0	39,900	0	244,150	0	3,048,592
Taxes and dues	6,490	0	0	0	0	0	1,140	0	7,630
Repairs and maintenance expenses	330,018	0	139,532	0	139,189	2,957	139,189	1,597	752,482
Advertising expenses	70,800	0	547,200	0	682,234	0	228,950	0	1,529,184
Consultant fees, Consignment expenses	4,797,801	0	163,970	0	1,349,946	0	6,840	0	6,318,557
Contribution	13,065,667	0	570,000	0	0	0	0	0	13,635,667
Depreciation	1,309,998	0	625,627	0	621,238	37,810	621,238	20,424	3,236,335
Miscellaneous	65,450	0	28,457	0	27,820	5,495	27,819	6,969	162,010
Total other expenses	34,300,415	652	4,156,073	44,185	5,660,984	555,006	4,363,281	980,621	50,061,217
Total	58,554,635	652	11,781,398	44,185	12,946,756	3,480,353	11,649,054	2,560,830	101,017,863

3 Breakdown of funds designated for specified purposes

Breakdown of funds designated for specified purposes are as follow:

Net worth of the corporation is 54,305,949 yen. Among which 5,032,405 yen is designated to use for community development projects in Bangladesh. Consequently, the net worth that has no restriction for use is 49,273,544 yen.

[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 Uganda	0	500,000	500,000	0	Tokyo Labor Bureau	0	1,744,549	1,744,549	0
Community development in Bangladesh	5,031,875	3,323,880	3,323,350	5,032,405	Employment Security Bureau, Ministry of health, Labour and Welfare	0	301,248	301,248	0
Youth development in Bangladesh	0	17,614	17,614	0	Public Resource Foundation				
Community development in Burkina Faso	0	1,485,580	1,485,580	0	•Community development in Benin	0	19,000	19,000	0
Youth development general	0	618,000	618,000	0	•Community development in Burkina Faso	0	20,995	20,995	0
Overseas general	0	2,405,187	2,405,187	0	Total	5,031,875	10,436,053	10,435,523	5,032,405

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	8,630,567	3,028,936
Facilities attached to buildings	1,438,775	0	736,378	702,397	604,462	97,935
Vehicle	20,514,846	0	0	20,514,846	16,032,436	4,482,410
Tools, furniture and fixtures	5,118,993	1,235,000	0	6,353,993	4,481,087	1,872,906
Land	12,034,046	0	0	12,034,046		12,034,046
Intangible fixed assets						
Software	682,020	0	239,328	442,692		442,692
Investment and other assets						
Long-term loans receivable	2,211,000	0	0	2,211,000		2,211,000
Guarantee deposits	2,422,730	0	0	2,422,730		2,422,730
Total	56,081,913	1,235,000	975,706	56,314,207	29,748,552	26,592,655

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.

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 HungerFree World (HFW) for the fiscal year of 2020, between January 1st, 2020 and December 31st, 2020. 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 2020: 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.

March 19, 2021 *OSHIMA Hitoshi, NIINAYA Hiroaki*
Auditor Hunger Free World, a Specified Nonprofit Corporation

Balance Sheet As of December 31, 2020

[Unit : yen]

I Asset	
1 Current assets	
Cash and bank accounts	72,203,955
Supplies	323,804
Advances	1,359,494
Suspense payments	16,000
Prepaid expenses	644,156
Accounts receivable	18,060
Total current assets	74,565,469
2 Fixed assets	
(1)Tangible fixed assets	
Building	3,028,936
Facilities attached to buildings	97,935
Vehicle (overseas)	4,482,410
Tools, furniture and fixtures	1,872,906
Land	12,034,046
Total tangible fixed assets	21,516,233
(2)Intangible fixed assets	
Software	442,692
Total intangible fixed assets	442,692
(3)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	26,592,655
Total assets	101,158,124

II Debt	
1 Current liabilities	
Other accounts payable	18,619,874
Deposit received	2,128,558
Loss provision on affiliate office	25,233,747
Total current liabilities	45,982,179
2 Fixed liabilities	
Provision for retirement benefits	869,996
Total fixed liabilities	869,996
Total liabilities	46,852,175

III Net worth	
Net worth brought forward	104,216,867
Surplus/(deficit) of net worth for the period	△ 49,910,918
Total net worth	54,305,949
Total liabilities and net worth	101,158,124