TRUSTEES REPORT TO STAKEHOLDERS FOR 2008

Introduction

I have pleasure in presenting this the third annual report of the Trustees of the Hearts for Africa Foundation ABN 53 929 177 237 a registered Charity No CH1533. This report incorporates the Hearts for Africa Fund ABN 32 500 596 962 that was formed by the Foundation on 1 July 2007 as a vehicle for providing our supporters with tax deductions for donations of $2 or more.

The Trustees at the date of this report are Alison Jackson, Helen Keith, Rev John Naumann and Ian Donaldson AM.

The Foundation was formed on 30 September 2005 to raise funds for the Amani Development Organization (“Amani”) a registered NGO in Tanzania East Africa that was formed to relieve poverty in Africa. Amani is affiliated with the Anglican Diocese of Tanzania but its own Board of Directors that is headed by the Reverend John Naumann autonomously operates the NGO.

John is an Anglican priest who formerly worked in South East Queensland and the parish of St Stephens at Billings in the United States of America. Amani is his inspiration and Amani is a Christ centred organization that works for the benefit of the whole of the community in the Dodoma region of Africa irrespective of race, colour or religion.

Amani has received considerable funding from supporters in John Naumann’s former parish of St Stephens Billings USA who formed the Amani for Africa USA Foundation and from the Hearts for Africa Foundation in Queensland, Australia. Other sources of funding are also increasing.

An important step forward was the formation during the year of the Hearts for Africa Fund that has been endorsed as a “Deductible Gift Recipient” with effect from 1 July 2007. As an Ancillary Fund, the Hearts for Africa Fund will not itself use its funds in the relief of poverty but donates them to the Global Development Group that is appropriately endorsed to provide these services. Global forwards our donations to Amani Development Organization for spending on approved development programs outlined in this report.

Results for the year of combined Hearts for Africa Foundation and the Hearts for Africa Fund

The Foundation has had an outstanding year.

The net income for the year ended 30 June 2008 of the combined Hearts for Africa Foundation and the Hearts for Africa Fund was A$105,912 (last year A$45,380) after earning gross income of $120,037 (last year $51,431) and paying thrift shop rents and other expenses of $11,520 (last year $5,372) and overhead expenses of $2,630 (last year $680) that includes costs of providing tax deductions to donors through Global Development Group of $1,739 (last year NIL). The expenses were low because supporters paid many of the costs.
After making distributions of $71,834 (last year $31,165) to Amani, the funds on hand at 30 June 2007 totalled $61,777 (last year $27,689).

The year was a busy one for the Trustees and we are pleased with the support that we have received and the results to date. This was the first full year of operations of the Hearts for Africa thrift shop at Sunnybank that earned net income of $42,790 (last year $15,019). This venture is an initiative of the Sunnybank Friends of the Hearts for Africa, an organization lead by Helen Keith that has taken responsibility for operating the thrift shop. I thank Helen and her enthusiastic team of over thirty volunteers most sincerely for a magnificent effort.

**Fundraising**

Apart from the thrift shop, and general donations our funds have been raised from events held by Alison Jackson and Helen Keith, and by groups associated with the Anglican parishes at Sunnybank, Laidley, Bundaberg, Holland Park and Pine Rivers and in Tasmania. John Naumann once served as the Rector at some of these parishes.

A number of fundraising events were held when Father John Naumann visited Queensland in July – August 2007.

**The Needs of Amani and the People of Dodoma**

Dodoma is a poor and semi arid area of Tanzania that suffers cycles of famine and a constant shortage of clean water. Disease is rife as is malnutrition that stunts growth and shortens life expectancy.

“Amani” means a place of peace and Amani’s mission is to provide its people with inner peace and the peace that comes when a community is healthy, self-sufficient and relatively free of poverty.

Tanzania is one of the poorest countries in the world. Many of its people live below the World Bank poverty line. The economy depends heavily on agriculture, which accounts for almost half of GDP, provides 85% of exports, and employs 80% of the work force. Topography and climatic conditions, however, limit cultivated crops to only 4% of the land area. Industry traditionally featured the processing of agricultural products and light consumer goods.

The World Bank, the International Monetary Fund, and bilateral donors have provided funds to rehabilitate Tanzania's out-of-date economic infrastructure and to alleviate poverty. To break the cycles of famine and the ever present poverty there is a great need in the following community development projects - Water Resources, Agricultural/Horticultural Development, Social Development, Health and Nutrition.

The achievement of basic sustainability is a great challenge. The Amani Development Organisation (ADO) is relatively rich in human resources but poor in the equipment needed to take the utmost advantage of these resources. For example, three or four men with only hoes in their hands cannot make much of impression on the 125 acres of land under cultivation, crops and fruit trees. The following are the current needs:

1. Implements for the tractor that has just been acquired;
2. several hand operated rotary tillers;
3. A four wheel trailer to haul behind a Landrover/Toyota;
4. A basic Landrover/Toyota – no frills;
5. A medium sized and sturdy truck;
6. A container of ‘Chapin’ Drip Irrigation Kits;
7. Funds for three staff houses;
8. Funding for well/boreholes in surrounding communities;
9. Funds for security fencing at the farm sites;
10. Funding for the new English Medium Primary School at Mvumi Makulu
11. Funding for water facilities at Mvumi Makulu primary school site including a well and windmill, a well house, toilets etc;
12. Continuing funding support for the Dodoma Children’s Multipurpose Project;
13. Funding for steady development of the community based needy children’s project at Makang’wa Village known as the Igondola Children’s Project, Makang’wa;
14. Funds to build an Oil Seed Processing Plant; and
15. Funds to further develop the water resource system at the Amani Center.

These items represent a large investment of money but they will also place the ADO on a very firm foundation with the ability to not only sustain its basic operations but also to provide for steady expansion of support to communities in central Tanzania.

The Programs of Amani; How your money has been spent

Full details of the programs of poverty relief undertaken by Amani are shown in an Appendix to this report.

During the past year the funds that were raised by the Foundation has been used as follows:

• Grow, purchase and distribute food to needy individuals suffering from the effects of drought, famine and natural disasters normally in return for work;

• Construct and run vocational training centres to demonstrate more effective agricultural and building techniques, to encourage “self help” in growing various food products and to grow food products for distribution;

• Build and operate schools and other educational facilities;

• Support disadvantaged children to attend local schools and receive higher education at colleges and universities;

• Provide books, computers and other materials to local schools;

• Develop water wells and irrigation systems to reduce the impact of drought conditions and foster crop yields;

• Support schools, a group of single mothers and a group of Aids Victims through a Nutrition Program that provides water, irrigation equipment and know how to enable these groups to grow their own nutritious vegetables;

• Directly support (through providing shelter and education) two hundred orphans or homeless children as a result of malaria, cholera and Aids at two different centres (Dodoma Childrens Multipurpose Centre and Igondola Childrens Project;

• Provide emergency relief; and

• Improve the health of the local communities.
Achievements in 2008

Major achievements at Amani during the past year include:

- Major extensions of agriculture so that there are now 73 acres under sorghum, millet, maize, groundnuts and sunflowers, about 50 acres of vines and fruit trees and 2 acres of vegetables;
- Purchased a Farmtrac 60 Tractor and 16 disc Offset Disc Harrow… and so mechanization has arrived!
- Installed a Windmill on the existing well at the Center;
- In the Igondola Children’s project, Amani completed a single classroom and commenced work on other extensions for use by the 170 children;
- Restored a disused well and equipped it with a windmill at the Mvumi Makulu primary school site for use by the village as well as two schools. Also commenced preparing the site for the primary school buildings;
- Continued to work with the Project Committee of the Dodoma Childrens Multipurpose Project on the physical and social care of the street children/orphans and the building of a Care Centre; and
- Organized sponsorships for the education of many children.

Many thanks to our Donors and Supporters

The Trustees of the Foundation wish to thank all of you who have supported the work of the Foundation in so many ways over the past twelve months. To have achieved a net income of $106,052 – over twice the net income of $45,380 in 2007 - is a remarkable achievement by many supporters.

Could I take this opportunity to encourage your continued help by listing some of the things we can provide in return for your support:

- A tax deduction for donations of $2 or more;
- Assurance that your donation is spent for the purposes that it was provided and that administrative costs will be no more than 5%;
- Regular updates by newsletters on how your money has benefited the people of Tanzania;
- Satisfaction that every dollar donated has a multiplier affect and will go a long way to help our people in Tanzania where there is a subsistence economy and average wages are only $10 to $15 per week;
- Knowledge that all the programs that we support were devised in consultation with Village Leaders and have their approbation;
- Comfort that your money will be spent on building sustainable long term solutions to poverty because handouts are avoided except for the aged, the sick and the young orphans and other homeless children; and
• Joy of knowing that where there were emergency handouts of food to the aged, sick and orphans in the famine of 2007, the official government figures state that Amani saved the lives of thirty people in one village alone and we believe the total lives saved were circa one hundred and ten over the total program that year.

Ways that you can continue to support us

The Hearts for Africa Foundation receives no government funding and relies on people like you to fund our care for people in poverty in Tanzania.

Donations

There are a variety of ways to contribute financially:

• You can make a one-off secure online donation now (see below);
• Make In Memory gifts;
• Sponsor a child’s education;
• You can arrange a program of regular giving;
• Choose an item in Amani’s Wish List on its website and donate towards its cost; and
• Make a bequest in your Will.

Donations of $2 or more to the Hearts for Africa Fund are tax deductible.

If you care to assist our work, please make your donations by cheque to The Hearts for Africa Fund or deposit direct to our Fund’s bank account: BSB 034041 ACCOUNT NO 226300. When depositing direct please provide details by email: heartsforafrica@gmail.com so that we can issue you with a receipt.

Volunteering

Volunteers are crucial for The Hearts for Africa Foundation to achieve our goals, and there are many ways that you can assist us:

• All the other work of the Foundation is done by volunteers (including the Trustees and over thirty personnel in our Thrift Shop) and there are no paid employees; volunteers provide banking, accounting, data input and data base maintenance, administrative work, mail-outs, organization of fund-raising events and assistance at functions;

• We also rely on fundraising events for our income. So please contact us and tell us how you can fundraise to assist the underprivileged children of Africa; and

• Volunteers with appropriate skills such as school teaching, nursing, medical training, farming, engineering, carpentry and the other trades can apply to work directly for the Amani Development Organization on site at the Amani Centre outside Dodoma in Tanzania.

Support us by providing goods to our Thrift Shop

You can provide quality clothes, bric a brac, toys, games, paintings, books, records, jewellery, Ladies accessories generally, kitchenware, Manchester, soft furnishings…and lots more. But we do not normally sell electrical appliances and bulky items such as large items of furniture.
General

The Trustees extend their heart felt thanks to all our donors, voluntary workers and supporters and we invite you all to learn more about Hearts for Africa by visiting our web site at http://www.heartsforafricafoundation.org/ that is linked to the Amani web site at http://amanitrust.homestead.com, or contact the Foundation direct by email on: heartsforafrica@gmail.com

IAN DONALDSON AM  
Chairman of Trustees  
The Hearts for Africa Foundation &  
Hearts for Africa Fund  
22 August 2008