

THE HEARTS FOR AFRICA FOUNDATION
ABN 53 929 177 237

TRUSTEES REPORT TO STAKEHOLDERS FOR 2007

Introduction

I have pleasure in presenting this the second annual report of the Trustees of the Hearts for Africa Foundation (formerly known as the Hearts for Africa Trust) a registered Charity No CH1533.

The Trustees at the date of this report are Alison Jackson, Helen Keith, Rev John Naumann and Ian Donaldson AM. Mary McVeigh retired as a Trustee during the year due to ill health. We thank Mary for her work during the important formative stages of the Foundation and wish her improved health in the future. We warmly welcome Helen Keith as a Trustee to replace Mary. Both Alison and Father John are also Directors of the Amani Development Organization.

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 it is run autonomously by its own Board of Directors that is headed by the Reverend John Naumann. 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 and from the Hearts for Africa Foundation in Queensland, Australia. Other sources of funding are now being sought.

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.

Results for the year

The net income for the year ended 30 June 2007 of the Hearts for Africa Foundation was A\$45,380 (last year A\$23,364) after earning gross income of \$51,431 (last year \$23,829) and paying thrift shop rents and other expenses of \$5,586 (last year Nil) and overhead expenses of \$680 (last year \$465). The expenses were low because the Trustees and other supporters personally paid for operating costs and fundraising costs as well as the costs of formation of the Foundation. Also some professionals donated their services free of charge. I thank all these people for their generosity.

After making distributions of \$31,165 (last year \$10,339) to Amani, the funds on hand at 30 June 2007 totalled \$27,689 (last year \$14,024).

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. Since 30 June 2006, the Trustees have opened a thrift shop at Sunnybank thanks to the 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. The Thrift shop contributed net income of \$15,019 for the four months of its operation during the financial year. I thank Helen and her enthusiastic team of thirty-three volunteers most sincerely for a magnificent effort.

Fundraising

Apart from the thrift shop, our funds have been raised from events held at Alison Jackson's residence, raffles, sundry donations, a "walk for Water" in Toowoomba, and significant amounts raised by groups associated with the Anglican parishes at Sunnybank, Laidley, Bundaberg, Pine Rivers and significantly, John Naumann once served as the parish Rector at some of these centres.

A number of fundraising events were held when Father John Naumann visited Queensland in May 2006 and July – August 2007.

Work of the Hearts for Africa Foundation through the Amani Development Organization

We submit that there are powerful reasons why the work at Amani deserves our support.

Our donors have been receiving by email the regular reports of Father John from the Amani Centre at Makang'wa Village Tanzania. I am sure that all of you are as excited as are the Trustees about the quality and focus of the poverty relief projects and the vision of the total program that has been developed in consultation with the village leaders in order to eventually make the community self sufficient and self sustaining. This partnership with the community results in ownership of Amani's programs by the people of Makang'wa and is not only achieved by the local leaders approving the programs but also by the locals doing substantially all the development and other work. In addition Amani avoids handouts and therefore recipients have an obligation to work for what he or she receives except where a person simply cannot physically work or otherwise make a community contribution in return for the benefits received.

Also, an important element of our work is the safe knowledge that our donors' dollars are being spent directly in Africa on the purposes for which they were donated and that the funds raised are not diluted by excessive costs. Here we are proud that ninety five percent of every donated dollar is paid to Amani as the costs in operating both the Hearts for Africa Foundation and Amani are very low.

Also there is a huge social return on each donated Australian dollar. This arises because the community itself does most of the development work, their labour costs are extremely low (A\$10-15 per week and in some cases food only), and there is a favourable exchange rate. Therefore there is a powerful multiplier at work and a donation of A\$15 by a supporter in Australia will pay the wages of a worker at Amani for one week .

The Tanzanian Government now recognizes the Amani system of poverty relief as a role model for all relief agencies and the Government has donated a variety of fruit trees for experimentation and declared Amani to be an official Regional Training Centre.

The various projects where funds raised by the Hearts for Africa Foundation were directed in 2007 include:

Water

Water is a vital element of life and Amani believes that a reliable supply of clean fresh flowing water is the major cornerstone to a better future for the local people.

Before Amani, family life in the district was dominated by the daily “Walk for Water” of eight hours each way.. This was a task fulfilled mostly by the women and a daily round trip of 12 kilometres was common with the daily ritual starting at 1.00 am in the morning and finishing late in the afternoon.

In those days the people of Makang’wa (population 10,000 and situated 3 Kilometres from the Amani Center) the people of Makulu (population 13,000 and situated 5 kilometres from Amani) the people of Mvumi and Chalula (population 15,000 and 9 kilometres away from Amani) and the residents of the other three smaller villages surrounding the Amani Center have relied on river water for drinking and for all other purposes. This water is polluted and recently the river dried up completely at Makulu. A number of bores (called wells) have been built in the district over the years but when Amani commenced operations, almost all of these were defunct for a variety of reasons.

The provision of reliable water sources through wells has been a priority of Amani. After Amani was gifted 530 acres of land by the Makang’wa Village for agricultural/horticultural purposes in 2003, it sank a new fifty metre deep bore (for a cost of A\$30,000) and today the excellent water from the well not only serves the needs of Amani’s agricultural business but it has been trucked to Makang’wa when its well broke down and to Makulu when the river dried up.

During 2006 Amani financed and carried out the work to recommission a failed/disused well at Makulu for a cost of A\$9,000 and the 13,000 villagers are now enjoying fresh disease-free water.

Amani’s next water projects are the rejuvenation of another disused well at Makulu (cost A\$3,000) or if this is not possible, the sinking of a new one (cost A\$33,000) and the building of a second bore at the Amani Center to be operated by a windmill (cost \$33,000). It is estimated that the windmill will save A\$3,000 in diesel compared with a motor driven pump.

After the well at Makulu is producing water, Amani, in consultation with the local community, plans to build a new primary school on the Makulu well site.

Education

Amani believes that a better-educated community will help overcome poverty.

The cost of operating village schools including employing the teachers has to be paid for through school fees and the standards are poor.. Amani is planning to build a new primary school at Makuku not only for children whose parents cannot afford to send their children to school but to assist in lifting the overall primary school standards by being a resource centre for existing schools that have virtually no school aids or equipment such as desks, chairs

and text books. Amani may ask for sponsors of students attending the Amani school but it is intended that crops including grapes will be grown at the school and that the sale of produce will eventually totally sustain the school's operations and so obviate the need for school fees. All this will be facilitated, financed and implemented by Amani and the funds being raised by our Thrift shop are dedicated to meeting the costs of this school and we currently hold about \$20,000 for this purpose.

The parents of children who are admitted to Amani's school will be required to undertake work at the school, or in the community or at the Amani Center.

Homeless and Neglected Children including Orphans

The twin ravages of malaria and Aids plus episodes of cholera and typhoid fever have left Makan'wa with over 500 orphans and neglected and homeless children. Every Saturday 270 of these children gather at the local church and are fed and participate in an educational program funded by Amani. Amani is also upgrading the standard of the building in which the children meet and to appropriately equip it. So far Amani has provided the raw materials to make bricks and has provided roofing materials for the existing structure.

The Hearts for Africa Foundation is also providing assistance to the sponsors of the Dodoma Children Welfare Centre that is an orphanage that is being built to house 30 boys. John Naumann and Ivan and Valerie Peters are members of the Board of this Centre.

Agriculture and Horticulture

The Amani Center is the heart of the Amani operations and a core activity is the cultivation on 50 acres of the land and the area under cultivation is expanding daily. Crops grown include maize and other cereals, fruit such as passionfruit, grapes, pawpaws, mangoes and bananas, as well as vegetables including tomatoes, pumpkins, cucumbers, chi chi (African spinach) and chick beans.

From Amani's bore, there is an extensive water distribution system consisting of 3,650 metres of water lines. The centre adopts a very basic bucket drip irrigation system for its vegetables and has built a deepened traditional well that produces 2000 litres of water a day for the mango trees.

The growing of grapes for the table and for wine is likely to become the main money crop and grape vines grow well and produce two crops each year.

About one half of the 530 acres is suitable for farming. Amani has also set aside land for a National Park and for afforestation. Beautification through landscaping is also a feature of an erosion prevention program.

As mentioned previously, the Tanzanian Government recognizes the Amani Center as a successful program that is a role model for other aid agencies. It wishes to assist in expanding the Center and to establish it as an official Regional Vocational Training Centre. To this end, the Government has donated many grape vines, 140 mango trees (seven varieties) and sixty improved banana trees (nine varieties).

For the success of the farming activities our particular thanks go to Ivan and Valerie Peters, retired farmers of Laidley who donating one year of their lives to be with John at Amani to assist in setting up the agricultural program, acquiring tools and equipment and training the farm managers. Ivan and Valerie have just returned to the Amani Center to relieve Father John whilst he is in Australia and to review the agricultural program.

Staffing and The Work Relief Program

Unemployment in the villages is rife.

Currently the Amani Centre employs seven key employees at A\$15 a week as well as over forty semi-permanent workers at the rate of A\$10 per week plus a good meal each day. The low rates of pay mean that Tanzania has a subsistence economy with rates of pay (that have been agreed by the Community) just above the poverty line.

In addition to the above staffing, Amani has a work relief program that at its peak employed about fifty workers per week but currently employs twenty-two people.

The local village has a registered roster of people wanting to be part of the Work Relief Program and each week the list of workers to be employed the following week is published. Each Monday the crowd of rostered workers (and other hopefuls) assemble at the Amani Center. They work from 7.00 am to 12.30 pm in 40 degree heat for five days mainly in clearing land, farming and making cement blocks for buildings and schools. They are provided with a hot morning tea and at lunch with a hot meal of Ugali and beans. At the end of the week the workers are given 20 kilos of maize with which to feed their families.

The twenty two people currently rostered for work each week under this program are mainly women who have no family assistance for a variety of reasons or whose own crops have failed.

Amani also employs three security staff, a cook/housekeeper, a driver/PA/ interpreter and a program facilitator.

About one thousand different people have received work at Amani during the past eighteen months.

School Nutrition Program

When starvation is prevalent, nutritious food is vital.

This school nutrition program assists one school at each of Makang'wa, Mvumi Makulu, Chalula and Mvumi Mission. Amani has distributed basic bucket drip irrigation equipment to each of these schools and it supervises the growing of vegetables at each of these schools for consumption by the children. One school has grown the biggest tomatoes ever seen in the district! This agricultural program is designed to be a model for use in the villages through parents learning the appropriate skills.

Recently this system has expanded beyond the schools to provide nutritious vegetables to a group of AIDS survivors and to a separate group of single mothers.

A mission to Care

A major activity of Amani is emergency funding for the immediate relief of suffering to the hungry, the homeless, the bereaved and the afflicted and a daily activity is the care for these disadvantaged and dispirited people.

At the height of the last famine the village elderly and people who were unable to work were each entitled to receive from Amani 2 kilo's of maize each week and the Regional Government Executive Secretary has estimated that during the recent famine this program saved the lives of thirty people in the village of Makang'wa alone but figures are not yet available for surrounding villages.

Tax Deductibility

The Australian Taxation Office has endorsed the Foundation for charity tax concessions including an exemption from income tax and has endorsed the Hearts for Africa Fund as a deductible gift recipient (DGR) with Ancillary Fund status.

For the purpose of tax deductibility, the Foundation has caused to be formed a separate Fund called the Hearts for Africa Fund that has been endorsed as a DGR 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 will make donations to other charitable organizations that are appropriately endorsed to provide these services.

Therefore, in order for donations of \$2 or more to The Hearts for Africa Fund to be tax deductible, The Hearts for Africa Foundation and the Amani Development Organization entered into an Entity Agreement with Global Development Group on 2 August 2007 that will allow tax deductions for donations made to The Hearts for Africa Fund. Under this agreement the Global Development Group will pass the donations it receives from the Hearts for Africa Fund to the Amani Development organization for approved development and poverty relief programs. Global Development Group will deduct five percent of the donations that it receives to cover its costs including monitoring compliance of Amani Development Organizations programs with the requirements of the Australian Government.

We are grateful to Global Development Group for its assistance.

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 Amani by visiting its web site at <http://amanitrust.homestead.com>. or contact the Foundation direct on : heartsforafrica@gmail.com

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: 034041 226300.

IAN DONALDSON AM
Chairman of Trustees
The Hearts for Africa Foundation
21 November 2007