

# From the Executive Secretary



### Reflection...

The theme for this Annual Report is "New Beginnings". In 2010, ALWS celebrated its 60th Anniversary so it may appear a little odd to come up with such a title. In this report we will share some practical "New Beginnings" for ALWS and its work over the past twelve months. But, at a deeper level, the theme is appropriate because it is the 'new beginning' made possible by God's love for the world through his Son, Jesus, which

has motivated and guided our work over the past 60 years. As the writer of 1 John 4 puts it: "My dear friends, we must love each other. Love comes from God, and when we love each other it shows that we have been given new life." All that ALWS has done and continues to do are visible expressions of the new life in Christ, which sees a world that upholds the cause of the oppressed, the widows and the fatherless; gives food to the hungry; sets prisoners free; gives sight to the blind; and lifts up those who have fallen down.

### Our people

It is pleasing to reflect on the changes and new beginnings that occurred in 2010. During the year we welcomed two new staff members. Working from the LLL Office in Adelaide, Andrew Weiss joined the team as Community Action Officer working closely with Lutheran schools to support learning about and response to injustice, suffering and poverty that confronts so many people around the world.

Lauren Kathage, based in Albury, took up the role of ALWS Program Officer, a position established to manage our partnerships with the Evangelical Lutheran Church in Papua New Guinea, and the Lutheran Churches in Indonesia. Lauren works closely with ALWS' two other Programs staff Chey Mattner, also based in Albury and Narelle Bowden-Ford who works from Brisbane.



### **Our Programs & Partners**

In 2010, there was a significant new beginning when ALWS became a member of the newly established "ACT Alliance" – a network of over 100 churches and church agencies involved in emergency relief and long term development work. It is a very significant moment in cooperation between Christians underpinned by a shared commitment to serving as the hands and feet of Christ in a hurting world.

The value of our partnership with ACT Alliance was clearly demonstrated during the year in the aftermath of the Haiti Earthquake and Pakistan floods, when ALWS and the other ACT partners joined together to help meet the needs of those affected by these two huge natural disasters. And, in our helping, offered hope for a new beginning to some of the hundreds of thousands of people who lost everything.

Overall, it is very pleasing to report that ALWS was able to increase its support for overseas programs to over \$4.3m, which included the very generous support to the Haiti and Pakistan relief and recovery efforts – an all-time record amount! Thank you! The following pages of this report provide a snapshot of how your financial support came to bring hope and life to many communities around the world.

### Our thanks

On behalf of ALWS I express my heartfelt thanks to all members of the Lutheran Church of Australia for their faithful and generous support that sustains our ministry of service. I also acknowledge the continued assistance from our other funding partners, including AusAID. I am very grateful that you, our supporters, have the confidence that ALWS and our partners will translate your gifts into life-changing programs.

As I write this reflection parts of Australia and countries in our region are experiencing serious natural calamities from floods to earthquakes and tsunamis. It is a reminder that we live in a broken world and as Christians living in the hope of Christ's grace, we are called and privileged to serve others in bringing the hope of a new beginning, both already here and to come, to millions around the world who suffer injustice, calamity and poverty.

May God who has richly blessed us move us to generously share our "gifts of grace" with the world's poor and marginalised.

All thanks to God.

**Peter Schirmer** Executive Secretary

My dear friends, we must love each other. Love comes from God, and when we love each other, it shows that we have been given NEW LIFE.

1 John 4:7a

Madeleine Kabajije from Burundi who received a goat from the Lutheran project:

"Now I have goats, and I have learnt basket-weaving. This can give me extra income."



# New beginnings... from hurt to hope!

In 2010, Lutherans from around Australia and New Zealand contributed a record amount of more than \$3.5 million to help people around the world.

This report is full of facts and figures, like how \$125,000 helps us care for some of the 80,000 refugees at Kakuma Camp in Kenya. There's information here about long-term, sustainable development programs that are carefully monitored

and evaluated, and about trusted partners we work with around the world. You can also read about our commitment to making sure that every dollar we receive is used efficiently and effectively.

But what all of this boils down to is the amazing changes Australian and New Zealand Lutherans make in so many lives.

When war came to Burundi over the last 15 years, more than 300,000 people were killed. Hundreds of thousands more fled to Tanzania, where many were hosted in huge refugee camps.

Like Madeleine Kabajije, who fled the country with her family during the war leaving everything behind. When her husband came back to look for food, he was killed by armed forces. Madeleine says:

"My children were so sad, and lost hope. I did everything I could to lift their spirits."

After the war when Madeleine returned home with her children and found nothing, the Lutheran project was there to provide

her with a way to support her family – a goat! Apart from the milk a goat provides which is great for her kids, Madeleine loves the manure, which is great for her crops. She's also been taught basket-weaving as another source of income.

When asked how she feels about the future, Madeleine is positive:

"I am hopeful. I have now started a normal life again, and I can feed my children. With basket–weaving and goats, I can make a better future."

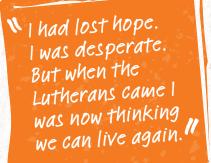
Henrietta and her husband Nyamugari, members of the Batwa (pygmy) tribe in Burundi also know what it's like to be given a new life. Nyamugari says:

"During the war we were displaced. We had to leave everything behind and it was all looted. Our children

were ill-nourished, and had poor health. They suffered from malaria.

"I had lost hope. I was desperate. But when the Lutherans came I was now thinking we can live again."

"I am hopeful". "We can live again". Amazing words from families in Burundi who have suffered so much hurt and now have hope. And a new beginning – thanks to the love and generosity shown by Australian and New Zealand Lutherans.





# "Long live the Lutherans!"

These words painted by Henrietta and Nyamugari on the side of their house say'Long live FLM' (FLM is the Lutheran team in Burundi).

# "Where you bring hope...



When devastating floods struck parts of Australia in late December 2010 and early 2011, messages of hope and encouragement came from the places most often in need of it – the communities supported through ALWS. Messages came from Burundi, Sudan, Mozambique, Nepal and Cambodia:

"We have followed the news about the flooding in Australia and would like to express our sympathy, solidarity and condolence to the people who have been affected by this disaster... We hope and believe that a strong nation such as Australia can recover soon from the shock and can bring hopes, peace and happiness back to lives afterward. God be with you and blesses you all in this difficult time."

Sam Inn, Executive Director, Life with Dignity, Cambodia

How humbling to receive these prayers and blessings from friends who know what it's like to go through such hard times.

Care at the Camp!

COUNTRY:	Kenya
WHAT:	Kakuma Refugee Assistance Program
WHERE:	Kakuma Refugee Camp
WHO:	Indirect benefit to over 80,000 people in the camp
FUNDING:	\$125,000

Appointed by the UN as Kakuma Camp Manager, Lutheran World Federation Kenya continues to work closely with other organisations to assist the growing number of people seeking refuge from conflict in their home countries. In the last twelve months, the

population in the camp has risen by about 20,000 people to over 80,000, most of whom are made up of families from Somalia. Near capacity, and with the prospect of receiving more refugees from Sudan after the 2011 referendum, discussions are underway to establish a second refugee camp nearby.

In 2010, ALWS funds contributed to managing the Reception Centre for new arrivals where they receive psychosocial care and essential items until they enter the camp. ALWS also supported LWF to place unaccompanied minors with foster parents, train Child Rights Club leaders, distribute sanitary wear to girls and women, teach them how to sew, and provide them with the opportunity to discuss and speak out against domestic violence. By training Special Needs teachers and improving water storage facilities to assist in the feeding program for students at school, funds have also been invested into the future of the children in the camp.



Maburuku and her foster daughter Saida. Although she already has 3 children of her own and very little money, Maburuku opened her heart to foster 3 unaccompanied minors:

"My wish is that these children will not be any different to my own three children. I do not tell anyone that they are not my own natural children."

# Communities growing in confidence

COUNTRY:	Nepal
WHAT:	Nepal Development Program
WHERE:	Selected Districts in the Far West, Mid West & Far Eastern Regions
WHO:	42,000 households
FUNDING:	\$350,000

Despite challenges such as political instability, insecurity and economic stagnation, LWF Nepal has been able to implement almost all of the planned activities in 2010. LWF Nepal continuously assessed, updated and understood the local

situation through communication, media, groups, Community Based Organisations, government and other development agencies, which helped in adopting measures to mitigate the challenges and accomplish desired results.

Community people are succeeding in earning additional household income from diversifying their farm production, rearing small livestock, producing fresh seasonal and off-season vegetables and selling them in the market.

Their access to capital has also been geared up through systematisation of savings and credit schemes and Group Economic Empowerment fund support. The market promotion and linkage development initiative assisted in establishing a vegetable collection centre as well as building a linkage with the wholesaler, retailer and producers.



In Nepal, ALWS works to help free bonded labourers from the impossible debts they "owe" to a landlord. Thanks to your support, children like Rambha, Manisha and Nanna are being set free from injustice, rejection and oppression.

Community people and those who are group members have improved their literacy status through enrollment in social literacy classes. The community people who enrolled in these classes are now capable of reading text books, writing their names and simple sentences as well as making their signature on group monthly meeting minutes.

People have gained information, knowledge and skill on preventive health measures particularly on nutrition, common diseases and HIV & AIDS from peer educators by participating in group interaction. Community interaction, mass awareness campaigns and health education/training on seasonal health issues, common disease, public and reproductive health have helped to make people aware of the need for behavioural change to achieve safe health practices.

# Literacy, leadership, livestock!



Pascal and his wife Immaculee with their cow 'Yamaza' (meaning 'Welcome'):

"We say thank you very much for this cow. Before you helped us we had no hope in our life to get a cow." Despite the complications and "slow-downs" as a result of the political elections, the Community Empowerment Program accomplished many activities/projects during its first full calendar year of operation. Among the many achievements are the following.

Many vulnerable people enrolled and maintained regular attendance in literacy classes, community empowerment courses and skills training. In fact, the literacy classes were so popular that they had to increase the duration and number of sessions! Other livelihood training activities included training in bread making and the construction of an improved oven for two bakeries, haircutting and battery charging and the distribution of "start-up' materials for these businesses. Newly elected community leaders attended training in leadership principles and responsibilities in order to become better leaders.

In the agricultural sector, the focus was on training and empowerment in courses such as the cultivation and sale of palm oil, the use of manure and other forms of fertilizer as well as disaster empowerment. Distribution of livestock and farming

materials as well as emergency assistance were provided for the albino people who were facing critical needs.

Current focus groups in the program include:

- Returnees
- Internally Displaced People
- Ex-combatants
- Landless households
- The Albino community
- Disabled persons
- Persons living with HIV & AIDS
- The Batwa/Wa (aboriginal) community

COUNTRY:	Burundi
WHAT:	Community Empowerment Program (CEP)
WHERE:	Cankuzo and Ruyigi Provinces
WHO:	approx. 230,000 people will benefit directly or indirectly from the project over the next 6 years
FUNDING:	\$225,000

# We can do it!

COUNTRY:	Mozambique
WHERE:	Tete Province – Macanga & Maravia Districts
WHAT:	Post Graduation & Accompaniment Program
WHO:	16,620 Direct Beneficiaries (3,324 Households)
	13,200 Indirect Beneficiaries (2,649 Households)
FUNDING:	\$48,500

This is the cry of the communities in Maravia and Macanga Districts, Tete Province, who are involved in the ALWS-funded Tete Post Graduation and Accompaniment Program. Since April 2010, pleasing progress has been made with community members being trained in how to write a project proposal and then submitting these to the local government authorities for funding consideration.

The decision-making bodies within communities have been empowered through training which has helped them to see how best they can represent their communities and build strong relationships with the local and district authorities. One Community Development Committee has built its own office so that community meetings can be held in a secure structure and local authorities are happy and comfortable to visit for any necessary discussion.



Communities in Tete province, like the people of Fungulani Village shown here dancing with joy and thanks, are excited about the skills they have gained, enabling them to work their way out of poverty and eventually become independent.

In another community a proposal had been submitted for funding for a long-awaited school with a number of classrooms. Funds promised from this source proved to be inadequate to finish the construction so representation was made to the District authority who praised the efforts of the community group and the funds they themselves were able to contribute to this project.

An exciting sign of progress is that many of the communities are now able to assess their own progress and make future plans based on that assessment. In these plans their strengths and weaknesses can now be considered and plans can be focused on changing weaknesses into strengths.

The cry of 'We can do it' is indeed a true claim!

# Praying for peace

COUNTRY:	Southern Sudan
WHAT:	Project for Rebuilding Livelihoods
WHERE:	Eastern Equatoria & Jonglei State
FUNDING:	\$755,996



The people of South Sudan, like this mother and child, are returning from years in refugee camps and working hard with the Lutheran project's help to rebuild their lives.

In January 2010, South Sudan celebrated five years since it signed the Comprehensive Peace Agreement with the North. Nevertheless, the country still suffers from internal conflict, and political instability. A long hunger gap from a severe drought the previous year hurt a large number of families. In April, the country stopped as people were given the opportunity to vote for the first time in many years. During this time, program operations were hampered, and severe flooding soon afterwards made the transportation of supplies and the drilling of boreholes impossible in the black cotton soil.

In late 2010, people began returning from the northern part of the country in preparation for the referendum in 2011 to decide the country's independence from the North. Such an influx of people, together with the concerns of insecurity leading up to and following the referendum, has meant the program has needed to shift its focus from long term development activities to contingency planning for emergency relief intervention.

Despite all of this, the program has still managed to educate school children on HIV & AIDS prevention, support and train peace committees on peaceful conflict resolution methods, work with schools and farmers on alternative agriculture techniques, train teachers across many of the schools in the region, and improve hygiene and sanitation practices amongst school children and youth. The country now braces itself for what is to come after the referendum. It is hoped peace will prevail after such a long time.

### AUSTRALIAN LUTHERAN WORLD SERVICE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

In accordance with a resolution of the directors, the directors of the agency report on the financial statements and operations of the agency for the year ended 31 December 2010 as follows:

### 1. THE NAMES OF THE DIRECTORS IN OFFICE AT DATE OF THIS REPORT

Rev P Hage (Chairperson) Mrs A Dohnt (Vice Chairperson) Dr P Meyer Mr J Braun Mrs J Murray

### 2. PRINCIPAL ACTIVITIES

The principal activities of ALWS during the year were to support programs that decrease human poverty and injustice, provide for the well-being of refugees and the internally displaced and respond to the needs of people affected by disasters. These activities and programs are achieved in partnership with the Lutheran World Federation's Department for World Service, Action by Churches Together, the Evangelical Lutheran Church – PNG (ELC-PNG) and LWF churches in Indonesia. ALWS also assists uprooted people resettle in Australia, provides global education programs to LCA schools, congregations and auxiliaries and liaises with government and non-government organisations to maximise the effectiveness of aid delivery.

### 3. OPERATING RESULTS

There was a surplus of \$301,862 for the year ended 31 December 2010.

### 4. CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of ALWS during 2010.

### 5. EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year, the directors are not aware of any matters or circumstances not otherwise dealt with in the accounts that have significantly or may significantly affect the operations or the state of affairs of the agency in subsequent financial years.

### 6. <u>LIKELY DEVELOPMENTS</u>

The directors do not expect any developments in the operations of the agency which would affect the results of the operations in subsequent financial years.

### 7. DIRECTORS' BENEFITS

No remuneration was received by or transactions entered into with the directors or directors' related entitles during the year other than reimbursement of Board related expenses.

For and on behalf of the Board

P B Hage (Chairperson)

A Dohnt

(Vice Chairperson)

Date: 11/03/2011

Place: Archer St, North Adelaide, South Australia

### INDEPENDENT AUDIT REPORT TO THE BOARD OF AUSTRALIAN LUTHERAN WORLD SERVICE

### Report on the Financial Statements

We have audited the financial statements of Australian Lutheran World Service (an Agency of Lutheran Church of Australia Incorporated) for the year ended 31 December 2010.

### Board's Responsibility for the Financial Statements

The ALWS Board is responsible for the preparation and fair presentation of the financial statements in accordance with the ACFID Code of Conduct. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 auditor's judgment, 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 the Board, 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 audit opinion.

### Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

### **Auditor's Opinion**

In our opinion, the financial statements are properly drawn up in accordance with the ACFID Code of Conduct so as to give a true and fair view of the state of affairs of Australian Lutheran World Service as at 31 December 2010 and of the results of its operations and cash flows for the year ended on that date.

BOB TRAVERS & ASSOCIATES Chartered Accountant

11 March 2011 Albury NSW RJTRAVERS Principal

Auditor Registration No. 1576 Fellow ICAA No. 15395

# AUSTRALIAN LUTHERAN WORLD SERVICE BALANCE SHEET AS AT 31 DECEMBER 2010

### **ASSETS**

	Note	2010	2009
Current Assets Cash and Cash Equivalents Trade and other receivables Inventories Assets held for sale Other financial assets	2	2,250,563 21,839 0 0 222,200	1,939,324 26,201 0 0 210,177
Total Current Assets		2,494,602	2,175,702
Non-Current Assets Trade and other receivables Other financial assets Property, plant and equipment	3	0 0 30,317	0 0 30,821
Investment property Intangibles Other non-current assets Total Non Current Assets	4	0 0 53,252 83,569	0 0 36,113 66,934
TOTAL ASSETS		2,578,171	2,242,636
LIABILITIES			
Current Liabilities Trade and Other Payables Borrowings Current tax liablilites Other financial liabilities	5	31,167 0 0 0	9,346 0 0
Provisions Other Total Current Liabilities	6	111,162 0 142,329	101,860 0 111,206
Non Current Liabilities Trade and Other Payables Borrowings Other financial liabilites Provisions Other Total Non Current Liabilites	6	0 0 0 16,830 0	0 0 0 14,280 0 14,280
TOTAL LIABILITIES		159,159	125,486
NET ASSETS		2,419,012	2,117,150
EQUITY Reserves Retained Earnings TOTAL EQUITY		0 2,419,012 <b>2,419,012</b>	2,117,150 2,117,150

# AUSTRALIAN LUTHERAN WORLD SERVICE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	Retained			
	Earnings	Reserves	Other	Total
Balance at beginning of period	2,117,150	0	0	2,117,150
Adjustments or changes in equity	0	0	0	0
Excess of revenue over expenses	301,862	0	0	301,862
Other amounts transferred from reserves	0	0	0	0
Balance at end of period	2,419,012	0	0	2,419,012

# AUSTRALIAN LUTHERAN WORLD SERVICE INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2010

FOR THE TEAR EN	IDING 3 I DECEMBE	K 2010	
REVENUE	Note	2010	2009
Donations and gifts	Note	2010	2009
Monetary		3,627,158	2,926,918
<ul> <li>Non-monetary</li> </ul>		0	0
Bequests & Legacies		19,383	16,820
Grants			
. AusAID		1,847,014	1,099,215
Other Australian		0	0
. Other Overseas		0	0
Investment Income		54,774	44,289
Other Income		9,950	25,356
Revenue for Intern Political or Religious Proselytisation Pr	ograms	0	0
TOTAL REVENUE		5,558,279	4,112,598
EXPENDITURE			
International Aid & Development Programs Expenditure			
International Programs	7.0.0	4 201 405	2 602 077
<ul><li>Funds to international programs</li><li>Program support costs</li></ul>	7 & 8	4,281,485 299,846	3,603,077 342,112
Community education		165,462	99,479
Fundraising costs		103,402	33,473
• Public		211,802	204,728
. Government, multilateral & private		1,588	1,820
Accountability & Administration		289,024	236,623
Non-Monetary Expenditure		0	0
Total International Aid & Development Programs Expenditure		5,249,207	4,487,839
Expenditure for International Political or Religious Prosel	ytisation Programs	0	0
Domestic Programs Expenditure		7,210	10,127
TOTAL EXPENDITURE		5,256,417	4,497,966
		204 222	(205.222)
EXCESS OF REVENUE OVER EXPENDITURE		301,862	(385,368)

The accompanying notes from an integral part of these financial statements

### AUSTRALIAN LUTHERAN WORLD SERVICE NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### Note 1. Statement of Accounting Policies

To assist in an understanding of the figures presented in the financial statements the following summary explains the significant accounting policies which have been adopted in their preparation. The financial statements have been prepared in accordance with the ACFID Code of Conduct; a code that all overseas aid agencies receiving government funding are now required to adhere to.

### (a) Basis of Accounting

The financial statements have been prepared primarily on the basis of historical cost and do not take into account changing money value or current valuations of non-current assets. The financial statements have been prepared in accordance with current Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards, and other mandatory reporting requirements.

### (b) Depreciation

### Plant and equipment is valued at cost.

Depreciation is provided on plant and equipment on the prime cost method based on the expected useful life of each asset. Profits and losses on disposal of plant and equipment are taken into account in determining the operating result for the year. Assets are depreciated at an average rate of 15%.

### (c) Employee Entitlements

Employee Entitlements are accounted for in accordance with AASB119. The amount expected to be paid to employees for their pro-rata entitlements to annual leave are accrued annually at current wage rates. Long service leave is accrued in respect of employees at the estimated present value of the future amounts expected to be paid on their current entitlements.

### (d) Income Policy

Grants received are recognised as revenue upon receipt in accordance with the current ACFID Code of Conduct.

### (e) Comparative information

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

### AUSTRALIAN LUTHERAN WORLD SERVICE NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS 31 DECEMBER 2010

		2010	2009
Note 2.	Trade & Other Receivables		
	Accounts Receivable Prepayments Accrued Income LWF Projects (Aust) Pty Ltd	7,919 5,138 477 8,305 <b>21,839</b>	9,527 8,359 1,078 7,237 <b>26,201</b>
Note 3.	Property, Plant & Equipment		
	(a). Summary		
	Office equipment, at cost Deduct Accumulated depreciation Total Office Equipment	75,266 44,949 <b>30,317</b>	67,471 36,650 <b>30,821</b>
	(b). Reconciliation of movements A reconciliation of the carrying amount of each class of assets for	the year is set out below	
		Office	
	Carrying amount at beginning of year Additions Disposals Less Depreciation Carrying amount at end of year	Equipment 30,821 7,795 0 (8,299) 30,317	21,854 18,704 (2,173) (7,564) 30,821
Note 4.	Other Non-Current Assets		
	Gross loan amounts outstanding Less provision for doubtful debts	61,199 7,947 <b>53,252</b>	44,616 8,503 <b>36,113</b>
Note 5.	Trade and Other Payables		
	Creditors Accruals	23,354 7,813 <b>31,167</b>	9,346 0 <b>9,346</b>
Note 6.	Provisions		
	Long Service leave Annual Leave	66,948 61,044 <b>127,992</b>	66,896 49,244 116,140
	Current portion  Non current portion	111,162 16,830 127,992	101,860 14,280 11 <b>6,140</b>

# AUSTRALIAN LUTHERAN WORLD SERVICE DISBURSEMENTS TO OVERSEAS PROJECTS 2010

Note 7.

Development Programs	Development Programs				
Burundi	- Community Empowerment Program	2	225,000		225,000
Cambodia	- Integrated Rural Development & Empowerment Project, Oral & Krovanh Districts		193,250	576,522	769,772
India	- Grihini Project		20,028		20,028
Indonesia	- CDS & CDRM Program	2	294,133		294,133
п	- GKPS - School Buildings Renovation		20,000		20,000
	- HKBP Livelihood Project		17,500		17,500
	- SKM GKPI School Construction		30,000		30,000
=	- HKBP/Diakonia Department Evaluation		20,000		20,000
Kenya	- Kakuma Camp	1	125,200		125,200
Mozambique	- Tete Graduation Project		53,978		53,978
=	- Kids 4 Kids Project		15,898		15,898
Nepal	- Nepal Development Program	3	354,797		354,797
PNG - CPP	- Church Partnership Program			704,529	704,529
Program Support	- Training & Development		6,500		6,500
=	- Internal Audit Unit		4,500		4,500
Regional	- AZEECON Project		21,042		21,042
Sudan	- Sth Sudan - Reintegration & Rehabilitation Project	7	755,997		755,997
Emergency & Refugee Response	Emergency & Refugee Response				
Chile	- Earthquake Response		4,570		4,570
Gaza	- Food & Medical Response		200		200
Haiti	- Earthquake Response	5	507,284		507,284
Indonesia	- CDRM & CDS Tsunami Victims of Mentawi		22,431		22,431
	- Yapeka: West Sumatra Earthquake Emergency Response		28,000		28,000
Pakistan	- Flood Response	1	160,000		160,000
Sudan	- Darfur Emergency	1	100,000		100,000
Global Program Management	Global Program Management				
	- DWS Coordination		20,126		20,126
		Total 3,0	3,000,434 1,	1,281,051	4,281,485

# **AUSTRALIAN LUTHERAN WORLD SERVICE**

# TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES FOR THE YEAR ENDING 2010

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Note 8.				
SOURCE	CASH AVAILABLE AT BEGINNING OF 2010	CASH RAISED DURING 2010	CASH DISBURSED DURING 2010	CASH AVAILABLE AT END OF 2010 FOR FUTURE USE
AusAlD - Cambodia	319,265	779,580	621,544	477,301
AusAID - PNG	479,775	1,082,145	929,807	632,113
ASIA PACIFIC - 2009 Tsunami & Earthquake Response	41,188	11,209	121,62	23,276
HAITI - 2010 Earthquake Response	0	568,878	562,284	6,594
PAKISTAN -2010 Flood Response	0	205,550	177,000	28,550
TOTAL - For Other Purposes	1,309,273	2,910,917	2,915,261	1,304,929
TOTAL	2,149,501	5,558,279	5,235,017	2,472,763

Note: This schedule should be read in conjunction with the Statement of Cash Flows on page 16

# AUSTRALIAN LUTHERAN WORLD SERVICE RELATED PARTY INFORMATION

### Note 9.

### a) Lutheran Church of Australia Incorporated (LCA)

ALWS serves as the overseas aid and resettlement agency of the Lutheran Church of Australia. The LCA is the legal entity for ALWS and has authorised the ALWS Executive Secretary, Program Manager and Asia Pacific Program Officer to sign on behalf of the LCA contracts and ensuing financial declarations for work to be carried out by ALWS in accordance with its Constitution and By-Laws. No remuneration was received by or transactions entered into with the entity or its officers.

### b) <u>Directors</u>

Persons holding the position of Director of the agency during the financial year were:

Rev P Hage Mrs A Dohnt Dr P Meyer Mr J Braun Mrs J Murray

No remuneration was received by or transactions entered into with the directors or directors related entities during the year other than reimbursement of Board related expenses.

### c) <u>Lutheran World Federation, Department for World Service (LWS)</u>

ALWS is a Related Agency to the Lutheran World Federation, Department for World Service. ALWS paid funds totalling \$2,860,094 in support of its programs.

### d) Action by Churches Together

Action by Churches Together, the coordination office for emergency relief projects organisationally based in the Lutheran World Federation and World Council of Churches, was paid \$264,770.

### e) LWF Projects (Aust) Pty Ltd

The above company is a related party to ALWS by virtue of the ALWS Executive Secretary also being a director of LWF Projects (Aust) Pty Ltd. No remuneration was received by or transactions entered into with the company, its directors or director related entities during the year other than receipt of management fees totaling \$7,471 from LWF Projects.

### AUSTRALIAN LUTHERAN WORLD SERVICE NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS 31 DECEMBER 2010

### Note 10. Financial Instruments

Interest Rate Risk

	Floating Interest Rate	Fixed Inter 1 Year or Less	est Rate Ma 1 to 2 Years	turing 2 to 5 Years	Non Interest Bearing	Total Book Value	Net Market Value
Financial Assets Cash on hand Cash at bank Bank term deposits Receivables Total Financial Assets	2,250,463 ———— 2,250,463	222,200			100 53,252 53,352	100 2,250,463 222,200 53,252 2,526,015 2	100 2,250,463 222,200 53,252
Financial Liabilities Trade and other payables  Total Financial Liabilities			<u>.3</u>	<u>1,167</u>	<u>31,167</u> <u>31,167</u>	31,167 31,167	<u>31,167</u>
Net Financial Assets	2,250,463	222,200			22,185	<u>2,494,848</u> <u>2</u>	<u>,494,848</u>

Weighted average interest rate for financial assets approx. 3.5%

### AUSTRALIAN LUTHERAN WORLD SERVICE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 DECEMBER 2010

	_0.0	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Government grants and other income Interest receipts Operating Expenses Net cash (used in)/provided by operating activities	5,518,216 40,064 (5,227,223) 331,057	4,073,148 38,514 (4,483,484) (371,822)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of office equipment Payments for office equipment Net cash used in investing activities	(7,795) (7,795)	880 (18,704) (17,824)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in cash held Cash at the beginning of the year Cash at the end of the year	323,262 2,149,501 2,472,763	(389,646) 2,539,147 2,149,501

This statement should be read in conjunction with the accompanying notes on page 17.

### AUSTRALIAN LUTHERAN WORLD SERVICE NOTES TO STATEMENT OF CASH FLOWS

### **CASH FLOW INFORMATION**

### a) Reconciliation of cash

Cash at the end of the end of the financial year as shown in the statements of Cash Flows is reconcilied to the related items in the Balance sheet as follows:

	2010 \$	2009 <b>\$</b>
Cash at bank and on hand	2,250,563	1,939,324
Term deposits	222,200	210,177
	2,472,763	2,149,501
b) Reconciliation of cash flow from operations to operating result:		
Operating surplus	301,862	(385,368)
Non-cash flows in operating surplus:	,	, , ,
Change to Provisions for Long Service and Annual Leave	11,852	7,762
Depreciation	8,299	7,564
Profit on sale of fixed assets	0	1,293
Change to Provision for Doubtful Debts	(556)	4,073
Donation Furn/Fitting & Equipment	Ó	0
Changes in assets and liabilities:		
Movement in non-current assets (Resettlement Loans)	(16,583)	1,604
Movement in trade and other receivables	4,362	2,992
Movement in trade and other payables	21,821	(11,742)
Net cash provided by operating activities	331,057	(371,822)

# AUSTRALIAN LUTHERAN WORLD SERVICE DIRECTORS' DECLARATION

The directors of Australian Lutheran World Service declare that:

- (a) the financial statements and notes as set out on pages 7 to 18, are in accordance with the the ACFID Code of Conduct and:
  - i. comply with Australian Accounting Standards; and
  - ii. give a true and fair view of the financial position as at 31 December 2010 and of the performance for the year ended on that date of the association;
- (b) in the Directors opinion there are reasonable grounds to believe that the association will be able to pay it debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Rev P B Hage (Chairperson)

Mrs A Dohnt (Vice Chairperson)

Dated: 11 105 12011

Place: Archer Street,

North Adelaide, South Australia

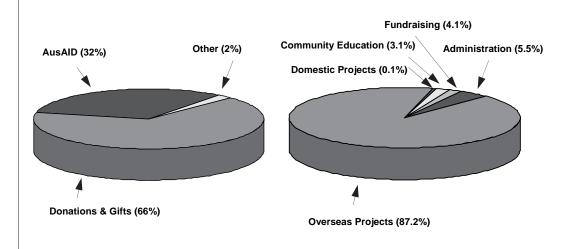
# other financial information

Comparison to last year by source			
	2010	2009	
LCA (total)	3,646,541	2,943,738	
LWS Club	324,609	302,260	
AusAID	1,847,014	1,099,215	

Analysis by District (LCA only)		
	2010	2009
NSW/ACT	356,495	321,834
QLD	848,684	602,558
VIC/TAS	545,298	463,935
SA/NT	1,636,710	1,356,715
WA	97,574	89,449
NZ/OTHER	161,780	109,247

### Revenue

### Disbursements



Note: Percentage comparisons used are based on the financial statements with the component divided by total revenue or disbursements disclosed in the operating statement.

# Helping churches help others

COUNTRY:	Indonesia
WHAT:	Institutional Strengthening
WHERE:	Sumatra & neighbouring islands
FUNDING:	\$381,633*



\*With generous support from LLL

Lutheran churches in Indonesia are being supported in their desire to serve those in need. Enhancing their capacity to carry out this ministry is a key focus of ALWS' work in Indonesia, undertaken in partnership with LWF/World Service, Evangelical Lutheran Church in America and Lutheran World Relief.

The major initiative is a training centre at the Lutheran University in Medan, which is building the skills of Lutheran church workers engaged in disaster and development-related work. The staff from this centre, and its three regional offices (known as the Centre for Disaster Risk Management and Community Development Studies), is also helping villages to build a secure future, through the provision of agricultural training and disaster preparedness support.

ALWS is working in close cooperation with the Board for Mission and Lutheran Education Australia, who are respectively supporting outreach and education-related activities being run by LCA partner churches in Indonesia.

We are grateful to LLL for their continued support of the Indonesia Program.

# Empowered and independent!



Mr Toen Ton shows off his Lutheran Long Drop Loo – one of 354 now being used in Lutheran project areas, improving health for so many!

The development approach of empowering people to be able to achieve their God-given potential and claim their right to basic social services continues to result in amazing change. Approximately 350 very poor households have already graduated and are leading their own household's development whilst also being involved in local development work which benefits themselves and others.

Youth groups are enabling unemployed youth to improve local development work e.g. village road and bridge construction, and

become involved in local conflict resolution and HIV & AIDS prevention by acting as peer educators after being trained for this role. In addition, over 1,200 children from the poorest households have received school scholarships and 96 youth have been involved in life skills training such as small business.

One of the greatest examples of empowerment has been the progress towards localisation of the whole LWF-Cambodia Program during 2010; Life with Dignity from 1 January, 2011.

COUNTRY:	Cambodia
WHAT:	Integrated Rural Development through Empowerment Program (IRDEP)
WHERE:	Aoral District, Kampong Speu Province; Krovanh District, Pursat Province
WHO:	42,623 individuals in 8,938 households in 83 villages within 10 communes. (The extent to which individual HHs are assisted varies as communities reach graduation stage. Therefore these figures are fluid.)
FUNDING:	in 2010-2011 financial year: \$619,514 – AusAID, \$199,986 – ALWS



(from left) Lisrika, Sahat and Jessy Tambunani with their chicks. Sahat (father) took part in a Livelihood project, learnt how to raise chickens and is now a successful chicken farmer.

# Together in Partnership

COUNTRY:	Papua New Guinea
WHAT:	Church Partnership Program
WHERE:	Schools, parishes & institutions across the country
FUNDING:	\$704,529 – AusAID

Through the Church Partnership Program office in PNG, ALWS provides support to the Evangelical Lutheran Church of PNG, building its capacity to serve its members in the vital areas of health, education and HIV & AIDS prevention.

Other work includes:

- · financial management training
- literacy training
- agriculture training
- income-generation skills training

This AusAID-funded program is part of a larger program involving seven Christian denominations in PNG and their Australian partners, and recognises the central role of the church in PNG's present and future.

Through ALWS, Lutherans in Australia and New Zealand work hand-in-hand with the churches in PNG to help improve education and healthcare.



Emergency workers from the Lutheran team carry a water bladder into a stadium full of temporary shelters in Petionville. Photo credit: ACT/Paul Jeffrey



Like so many victims of the Pakistan Flood Disaster, Rahim Gul had no idea where to go or what to do. He walked nearly a day carrying his sick child on his back, looking for safety. Photo credit: Ghulam Rasool/CWS-ACT



Children under five, pregnant women and new mothers with malnutrition received quality nutrition services in Darfur. Photo credit: ACT/Caritas/Mohamed Nureldin

### WHEN THE WORLD COLLAPSES

On 12 January 2010, a 7.0 magnitude earthquake struck Haiti causing massive destruction, loss of life, and displacement of people. Approximately 3 million out of the 9 million people in Haiti were affected, with 222,570 people dead, 300,000 injured, and over a million made homeless. An ACT Alliance Appeal was launched coordinating a joint response by seven major implementers, including Lutheran World Federation (LWF).

ALWS worked directly through LWF given its presence in the country before the earthquake hit. People's generous donations helped to manage one of the camps, give people the opportunity to receive education, and provide those affected by the disaster with food and water, emergency shelter and essential sleeping and cooking items. Funds also contributed to providing materials and education to improve hygiene and sanitation practices to minimise the outbreak of disease.

COUNTRY:	Haiti
WHAT:	Earthquake Response Appeal
WHO:	67,712 people through LWF
FUNDING:	\$507,284

# WHEN EVERYTHING IS WASHED AWAY

Heavy monsoon rains in July 2010 saw the worst flooding in Pakistan's history. More than 1,600 people were killed and up to 20 million people affected, many of whom were displaced and dependent on humanitarian aid. ALWS funds assisted the work of a joint response through ACT Alliance providing emergency assistance in the form of tents, tarpaulins, hygiene items, toilets, debris cleaning, and training on good hygiene and sanitation practices. The provision of emergency food, seed, shelter, and construction materials to rebuild houses also made up a significant part of the relief effort.

COUNTRY:	Pakistan
WHAT:	Flood Response Appeal
WHERE:	Khyber Pakhtoonkhwa, Balochistan, Sindh, & Punjab
FUNDING:	\$160,000

# WHEN THE FIGHTING DOESN'T STOP

Internal fighting, political unrest and the kidnappings of aid workers have made operating in Darfur a challenge in 2010. Staff movement has been restricted by flooding and security concerns, and this has made achieving goals challenging. Violence in camps has limited access for workers, and poor road conditions together with cases of banditry along major routes has made transporting essential items such as food and Non Food Items difficult. The program still managed to support Primary Health Clinics, raise awareness of HIV & AIDS, install solar powered pumping systems to provide clean drinking water, train people in microfinance and vocational life skills, and construct schools.

COUNTRY:	Sudan
WHAT:	Emergency Response Appeal
WHO:	Darfur
FUNDING:	\$50,000

# WHEN YOUR LIVELIHOOD IS GONE

ALWS has continued to support Ya-Peka, a disaster-response arm linked to the largest Lutheran Church in Indonesia, HKBP. Ya-Peka worked with communities affected by the 2009 West Sumatra Earthquake. The work focused on providing psychological support to children and helping families affected by the earthquake to develop income-generating enterprises. Working within mainly Muslim communities, Ya-Peka is a practical demonstration of unconditional Christian service and bridge-building between faith communities.

COUNTRY:	Indonesia		
WHAT:	Earthquake Disaster Response		
WHERE:	Western Sumatra		
FUNDING:	\$28,000		



On 26 October 2010, in the middle of the night, a 7.7 magnitude earthquake stuck the Mentawai Islands. The resulting tsunami led to 500 lives being lost and 13 villages being completely wiped out. ALWS joined with the Evangelical Lutheran Church of America in providing financial, staffing and logistical support to the Mentawai Lutheran Church.

This support was provided through the Centre for Disaster Risk Management and Community Development Studies (see Indonesia p19). The Lutheran team was the first to arrive in many of the villages, and were able to provide immediate aid to those affected. Follow-up support to rebuild livelihoods and education facilities is ongoing.

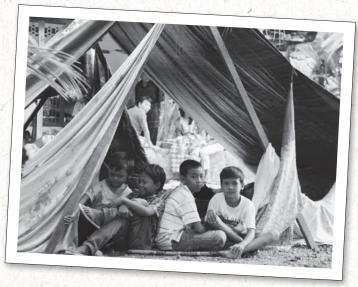
COUNTRY:	Indonesia
WHAT:	Tsunami Disaster Response
WHERE:	Mentawai Islands
FUNDING:	\$22,431

### WHEN YOU'RE STARTING AGAIN

In 2010, ALWS provided 22 travel-related loans valued at over \$44,000 to enable refugee family members to reunite in Australia. The majority were from Africa, including Sudanese, Liberians, Sierra Leoneans, and Congolese. However help was also extended to people from Afghanistan and Pakistan. The majority of those assisted were referred through Lutheran contacts.

ALWS also offers loans to recent arrivals under the Australian government's humanitarian migration program. The loans meet a variety of needs including accommodation costs, purchase of household goods, and support for education and training, especially to assist new arrivals secure or retain employment. During 2010 no loans were requested under this scheme.

COUNTRY:	Australia
WHAT:	Refugee resettlement
FUNDING:	\$44,660



After the September 2009 quake, tents were erected in 8 villages to operate as Child Friendly Spaces. Run by volunteers, they provide a safe place for children to relax, learn and recover from trauma. Photo credit: Rainer Lang/ACT



After the tsunami, CDRM & CDS distributed kitchen sets (plates, cups, cooking pan and serving spoon), hygiene kits (soaps, toothpaste, toothbrush, and sanitary napkins), and clothes to affected communities like this one, huddling in any shelters they could find.



Many refugees resettling in Australia seek out Lutheran churches. To them, Lutheran means safety, security, home.

# Learning to love

ALWS has a constitutional mandate to "foster a continuing program of information and education, consistent with Christian social responsibility, about the needs of the deprived and needy of the world."

A significant focus of this work is in the provision of resources and materials to Lutheran schools. During 2010 ALWS "Awareness Week" developed the theme "Hand in Hand", highlighting the work of the LCA in Indonesia. This allowed school students and teachers to see the work of Australian Lutheran World Service, the Board for Mission and Lutheran Education Australia – hand in hand, working with the Indonesian people.

ALWS staff also responded to requests from congregations, schools and auxiliaries to speak about issues facing developing countries, and how agencies such as ALWS provide assistance.



Students from Redeemer Lutheran College, Rochedale (QLD), sample some food from around the world on ALWS Awareness Day.

# Positive Partnerships



### **AusAID**

AusAID, the Australian government's aid agency, provides funding through the AusAID/NGO Cooperation Program (ANCP) to the programs in Cambodia. AusAID also supports the Church Partnership Program for activities in PNG. ALWS gratefully acknowledges AusAID's support in enhancing these projects.



### Lutheran World Federation/Dept for World Service (LWS)

LWS is the main implementer of overseas aid for ALWS. It has a global program embracing over thirty developing countries in Africa, Central America, South Asia, South-East Asia and the Middle East. Executive Director Peter Schirmer is a member of the LWS Standing Committee.



### NCCA—act for peace (formerly Christian World Service)

The NCCA has its own overseas aid agency. Peter Schirmer serves on the CWS Commission.

### actalliance

### Action by Churches Together (actalliance)

actalliance is a network of over 100 churches and church-related organisations that work together in humanitarian assistance and development. The alliance works in 140 countries and mobilises US\$1.6 billion annually in its work for a just world.

ALWS is a member of the actalliance. Peter Schirmer is a member of the Governing Board and ALWS Board member Judith Murray is a member of the actalliance Psychosocial Working Group.



### Lutheran Laypeople's League (LLL)

The LLL provides generous support for our institutional strengthening work in Indonesia, in partnership with Board for Mission and Lutheran Education Australia. The LLL also made a generous donation towards the earthquake in Haiti. In addition, the LLL provides in-kind assistance by hosting two staff members at its offices in North Adelaide.



### Australian Council for International Development (ACFID)

ALWS is a member of ACFID, the umbrella organisation for overseas aid agencies, and is a signatory to the ACFID Code of Conduct. The Code requires members to meet high standards of corporate governance, public accountability and financial management. ALWS is committed to full adherence to the Code.

For more information or to lodge a complaint for breach of the Code with the ACFID Code of Conduct Committee:

Tel: (02) 6285 1816 Fax: (02) 6285 1720 Email: acfid@acfid.asn.au www.acfid.asn.au

# Vision, Mission, Passion!

### Our Mandate

Australian Lutheran World Service is the overseas aid and resettlement agency of the Lutheran Church of Australia. It operates under a constitution approved by the General Synod of the LCA, and is consistent with the objectives of the LCA Constitution.

### Our Vision

We see a more just world ... a world that upholds the cause of the oppressed, the widow and the fatherless; gives food to the hungry; sets prisoners free; gives sight to the blind; and lifts up those who have fallen down. (based on Psalm 146)



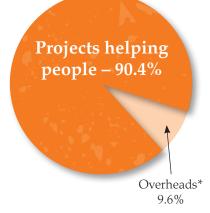
These schoolchildren in Tete province, Mozambique, show off the "plant protectors" they have made from sticks and twigs to protect their saplings from animals.

### Our Mission

Our ALWS mission is to reach out in love... for justice. We seek to bring people together in partnership to ensure the voices of the poor are heard, and God's gifts of grace are shared. We strive for lifechanging programs that restore human dignity, alleviate poverty and build just and sustainable communities.

### Our Guiding Principles

- We serve with unconditional love
- We respect and uphold people's dignity
- We value and work for justice
- We work in partnership
- We make good use of God's gifts



# How your gifts are used

ALWS remains committed to using your gifts as efficiently and effectively as possible and undergoes regular checks to make sure your money is being used properly. We are audited every year by independent auditors. Furthermore, in 2010 ALWS went through one of the most rigorous checks, the 5-yearly process of accreditation with AusAID. During this process ALWS is required to meet over 50 criteria related to all areas of operation, including governance, finance and good development practice. We are pleased the review team who undertook the accreditation process have recommended we receive full accreditation again. You can be proud that your church's aid agency operates in such a professional and competent manner.

\* 'Overheads' are administration and fundraising costs as defined by the ACFID Code of Conduct.

Percentages calculated from total 2010 disbursements. Refer full financial statements earlier in this report.

### **ALWS Board of Directors**

### Rev P Hage BTh, GradDipMin - Chairman

- Parish Pastor, St Mark's Lutheran Church Mt Barker, SA (2006 - )
- Previously served as Parish Pastor at Freeling/Rosedale, SA (2001-2005)
- Served as Lutheran Pastor/Missionary in PNG for ten years (1991-2000)
- Currently serves as consultant on the LCA's Board for Mission
- Visited India, Nepal, Malaysia, Cambodia, Burundi and Sudan

### Mrs A Dohnt DipT GradDipTh (Ed)

### - SA Director/Vice-Chairperson

- Education Officer Christian Studies (Primary) LSA Region
- Previously Assistant to the Director (Vocational Formation)
- Over 20 years teaching experience

### Mr J Braun Btech Electronic Engineering - VIC Director

- Former Senior Manager IBM Global Services
- Over 30 years experience with design and implementation of communications and information technology infrastructure projects in the Asia Pacific region

### Dr P Meyer BA MA PhD (Demography) - NSW Director

- Senior data analyst and project manager, Australian Institute of Health and Welfare (13 years)
- Lecturer, Graduate Program in Demography, Australian National University (12 years)
- Research Fellow, Population Research Institute, Gadjah Mada University, Indonesia (3 years)
- US Peace Corps volunteer, Tonga (2 years)

### Dr Judith Murray BA (Hons) DipEd BEdSt PhD MAPS - QLD Director

- Associate Professor, Counselling and Counselling Psychology, The University of Queensland (current)
- Lecturer, Masters of Counselling, Master of Applied Psychology (current)
- Registered Nurse, Oncology, Princess Alexandra Hospital, Brisbane (current)
- Member Psychosocial Working Group, ACT Alliance (current)

The ALWS Board met in March and September.
The Administrative Committee convened in August.
ALWS has a Complaints Policy which can be found at www.alws.org.au/policies. To lodge a complaint against ALWS, contact Board Chair Pastor Peter Hage peter.hage@lca.org.au or 08 8391 1695.



# Our little Lutheran church ... full of BIG hearts!

We are blessed to have a church of amazingly generous people who continue to open their hearts to help others in need. From an SA country pastor who dyed his hair pink, to a group of maintenance men in Queensland who grew moustaches, to a tiny country NSW school who helped to restore a school in Nepal – these acts of compassion and generosity show love in action to so many, and teach children like Libby and Liliana (pictured above, from Warrnambool and Shepparton Lutheran Churches) about loving their neighbours around the world.

Without the wonderful support of Australian and New Zealand Lutherans, the work outlined in this report could not be done.

For this, and on behalf of all those whose lives have been changed, we say

ay Thank You!

# Like to know more?

**1300 763 407** www.alws.org.au

PO Box 488 Albury NSW 2640 alws@alws.org.au

Australian Lutheran World Service (ALWS) is the Overseas Aid and Resettlement Agency of the Lutheran Church of Australia ABN 36 660 551 871

