

ALWS Annual Report 2008



See how your love
is changing lives...



Australian
Lutheran
World Service

Lutherans reaching out in love for justice!

People, programs, passion



The Year in Review, From the Executive Secretary

Reflection...

It is exciting to reflect on the changes and new initiatives that occurred in 2008. At the beginning of the year we welcomed two new staff members. Working from the LLL Office in Adelaide, Jenny Pfitzner joined the team as Supporter Communications Officer. She works closely with ALWS Communications Manager Jonathan Krause, who is based in Melbourne. During the year they have taken our communications in a new direction, which has included the six-monthly Report Backs, Seeds & Tools Appeal, Gifts of Grace catalogue and Christmas Appeal. We have been very pleased and encouraged by the overwhelmingly positive response from our supporters to these new initiatives.

Chey Mattner, based in Albury, took up the role of ALWS Program Manager, a position established to address the growing workload created by an expanding overseas program. Chey will work closely with Narelle Bowden-Ford who returned from PNG to take up the new position of ALWS Asia/Pacific Program Officer, and the both of them with the ALWS office in Lae, PNG, ably staffed by Francis Gumembi, Vinca Siuna and Beatrice Tabeu.

Programs

In 2008 ALWS was able to increase its support for overseas programs to over \$3.9m, a 35% increase on 2007. The following pages of this report provide a snapshot of how these funds were allocated. However, I want to make a special mention of our support for the crisis in the Democratic Republic of Congo toward the end of 2008. We were able to make this special, urgent contribution because our supporters give us the flexibility to use their gifts where they're needed most. I take this opportunity to encourage this form of giving because of situations such as arose in the DRC.

As we look to 2009 the ALWS Board has approved a partnership with the Lutheran program in Burundi. This small country is one of the poorest in the world and faces the enormous challenge of resettling and reintegrating thousands of refugees returning home after many years languishing in camps in Tanzania. We look forward to sharing more about our work here in the year ahead and inviting our supporters to respond generously to the needs there.

Appreciation for faithful support

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. It is wonderful to report that support from our donors achieved record levels in 2008. 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 note the world is experiencing a financial crisis not seen in over 70 years. It is my prayer that this situation will not lead us to worry only about ourselves, but instead help us reflect on how richly God has blessed us and continue to generously share our "gifts of grace" with the world's poor and marginalised.

All thanks to God.

Peter Schirmer
Executive Secretary

*"The LORD defends
the rights of orphans
and widows.
He cares for
foreigners and
gives them food
and clothing.
And you should
also care
for them ..."*
Deuteronomy 10:18,19a

**In 2008, we sent \$3.9 million
to overseas programs –
a 35% increase! Thank you!**

More than 1,100 Lutherans sent Blessing Cards with their Christmas Action donations.

The children at Kakuma Refugee Camp were delighted to receive these messages of love!



In 2008, Lutherans from Australia and NZ helped more than 200,000 people through ALWS!

Reaching out, working together

"If God can still keep me, then I want to see my children have a better life, not full of hardships like mine. I don't want my children to stay in a rough place like this, I want them to have a good home."

Alimerina lives in Sami Village in southern Sudan. She's only recently returned here, after nearly 20 years as a refugee from the brutal conflict in southern Sudan.

Now there is peace, she is ready to begin building a new life. She starts with nothing except courage and determination ... and the support of Lutherans from Australia and NZ through our church's aid agency, ALWS.

As refugees like Alimerina return from Kakuma Refugee Camp in northern Kenya (like the children in the photo above) and other neighbouring countries, our Lutheran team is there to welcome them and support them.

Already Alimerina has received seeds and tools from the 4,000 Farm Packs distributed in June 2008. New schools are being built, sanitary latrines installed, and whole communities empowered to work hard for a better future.

Meanwhile at Kakuma, people like Concepta Ajuak are part of the Lutheran Program supporting thousands of pre-school children with food, teaching and support for families.

All this help starts with the love of everyday people expressed in generous donations through ALWS.

With strong support from the Australian Government, and vibrant partnerships with churches, community groups and government agencies overseas, that generosity is touching lives all around the world. From Sudan to Mozambique, Cambodia to Nepal, PNG to Indonesia - more than 200,000 people were helped in 2008!

Each of those 200,000 people is someone like Alimerina. Theirs is a personal tragedy, yours is a personal gift. On behalf of each person you have helped ...

Thank you!

"Since the beginning the people of Australia have been supporting us ... Tell them we are still working hard, and we welcome them helping us very much. They are the top people in the world who are assisting us!"
- Concepta Ajuak



Concepta Ajuak, Kakuma Refugee Camp, Kenya, with Jonathan Krause, ALWS Communications Manager



Reaching out to the world

- | | |
|---|--|
| <p>1 PNG</p> <ul style="list-style-type: none"> • Church Partnership Program | <p>7 MOZAMBIQUE</p> <ul style="list-style-type: none"> • Tete Graduation Project |
| <p>2 INDONESIA</p> <ul style="list-style-type: none"> • Centre for Development Studies & Disaster Response • School Buildings Renovation • Livelihood Project | <p>8 DEMOCRATIC REPUBLIC OF CONGO</p> <ul style="list-style-type: none"> • Emergency Aid to Victims of Eastern DRC Conflict & Displacement |
| <p>3 CAMBODIA</p> <ul style="list-style-type: none"> • Integrated Rural Development & Empowerment • Kandal / Takeo Transition Project | <p>9 KENYA</p> <ul style="list-style-type: none"> • Kakuma Refugee Camp |
| <p>4 MYANMAR</p> <ul style="list-style-type: none"> • Emergency Response to Cyclone Nargis Disaster | <p>10 SUDAN – southern</p> <ul style="list-style-type: none"> • Reintegration & Rehabilitation • Seeds & Tools Project |
| <p>5 CHINA</p> <ul style="list-style-type: none"> • Emergency Response to Earthquake Disaster | <p>11 SUDAN – Darfur</p> <ul style="list-style-type: none"> • Emergency Response Operation |
| <p>6 NEPAL</p> <ul style="list-style-type: none"> • Development Program • Assistance to Flood-Affected Communities | <p>12 AUSTRALIA</p> <ul style="list-style-type: none"> • Refugee Resettlement Support • Community Education |

“Although a small Non-Government Organisation (NGO) in Australia, ALWS is highly regarded in the NGO community. Its contribution to NGO and development work in Australia as well as to the broader LWF community is much bigger than its size. ALWS punches above its weight!”

One of the challenges when an organization is considered so effective, and doing such a good job with limited resources, is a tendency to take on more and more work with the same level of human resources. There is a need for ALWS to have the resources to ensure the quality and quantity of work that they do, and I urge Lutheran supporters to assist as much as possible given ALWS’s great contribution to the aid and development sector.”

*Jan Cossar, Independent International Development Consultant
(Specialist in Planning, Monitoring & Evaluation)*

Helping villages be independent

ALWS continues to work towards empowering communities in the Oral District to meet their own development needs. The Integrated Rural Development through Empowerment Project has assisted 23,000 people in 70 villages achieve a more sustainable livelihood, particularly in the areas of education, health, food security, alternative income generation methods, conflict resolution and advocacy.

The introduction of a Village Partnership initiative with ALWS has provided communities with the opportunity to identify and apply for funding and report on the activities carried out.

In June, ALWS funded and participated in an extensive evaluation of the program to ensure best practice in the future.

WHERE:	Cambodia
WHAT:	Rural Development Project
FOCUS:	Build local capacity
FUNDING:	\$291,022 – ALWS \$437,469 – AusAID \$728,491



A important component of the Final Evaluation was asking the youth, such as these children in Oral District, questions about the program.

Serving families at risk



The Centre for Development Studies will use the facilities and expertise at Nommensen University to provide a strong foundation for its long term future

Credit: K Semmler

The Lutheran churches in Indonesia are strongly committed to living their faith through service to their neighbour. A key challenge is to assist them to enhance their capacity to carry out their ministry, especially in response to disasters and endemic poverty.

ALWS, in cooperation with Lutheran World Service, Lutheran World Relief (US) and Evangelical Lutheran Church of America, and together with the LCA, are supporting a training centre at a Lutheran University in Medan that offers professional training in development and disaster-related issues for church staff, community members, and staff from relevant government agencies.

WHERE:	Indonesia
WHAT:	Centre for Development Studies & Disaster Response
FOCUS:	Institutional strengthening
FUNDING:	\$249,972*

* includes gift from LLL



A renewed appreciation of education in South Sudan has seen packed classes such as the one in this ALWS-supported school in Ikotos County.

Building peace, bringing hope

Continued peace in South Sudan has enabled the newly established LWF office to manage all operations within the country. Working closely with the UN and other agencies, LWF has assisted the reintegration of people returning to their homeland after many years in refugee camps in neighbouring countries.

In 2008, projects supported by ALWS focused on primary education, water, sanitation and hygiene, peace building and human rights awareness.

Thanks to the generosity of its supporters, ALWS responded in June to an appeal to provide seeds and agricultural tools to 16,885 people, as well as four boreholes and provision of school supplies.

WHERE:	Southern Sudan
WHAT:	Reintegration and Rehabilitation Project
FOCUS:	Community development
FUNDING:	\$1,137,589

Nurturing communities, growing confidence

As the Nepal Development Program continues to work more and more with local community-based organisations, communities are learning to take on the roles of facilitating workshops, managing finances, submitting proposals for infrastructure and to meet other development needs, as well as leading advocacy initiatives.

The key objectives are to enhance livelihoods, decrease community vulnerability to disasters and promote peace, reconciliation and human rights.

Most of this work has taken place near Kathmandu and in Far West Nepal among the marginalised such as the Dalits ("untouchables") and ex-bonded labourers.

WHERE:	Nepal
WHAT:	Development Project
FOCUS:	Human rights & community development
FUNDING:	\$300,000

Literacy training for women and children, like this girl in Lalitpur District, is a key activity in the Sustainable Livelihood Improvement Program.



FINANCIAL STATEMENTS

INDEPENDENT AUDIT REPORT TO THE BOARD OF ALWS

REPORT ON THE FINANCIAL REPORT

We have audited the financial statements of Australian Lutheran World Service (an agency of the Lutheran Church of Australia Incorporated) comprising Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the Financial Statements for the year ended 31 December 2008.

Board's Responsibility for the Financial Report

The ALWS Board is responsible for the preparation and fair presentation of the financial report in accordance with the ACFID Code of Conduct. The responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is 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 report 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 report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report 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 report.

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 2008 and of the results of its operations and cash flows for the year ended on that date.

BOB TRAVERS & ASSOCIATES
Chartered Accountant

575 Englehardt Street
ALBURY



RJ Travers
Principal

Auditor Registration No: 1576; Fellow ICAA No: 15395

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008 as follows:

1. The names of the directors in office at the date of this report

Rev P Hage (Chairperson)
Dr P Meyer
Mr J Braun
Mrs A Dohnt
Ms D Grieshaber (Vice Chairperson)

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 \$173,386 for the year ended 31 December 2008.

4. Changes in the State of Affairs

There were no significant changes in the state of affairs of ALWS during 2008.

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.

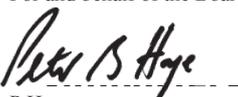
6. Likely Developments

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' related entities during the year other than reimbursement of Board-related expenses.

For and behalf of the Board


P Hage
Chairperson
D Grieshaber
Vice Chairperson

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2008

ASSETS

	Note	2008 \$	2007 \$
Current Assets			
Cash and Cash Equivalents - Cash at bank/on hand		2,305,891	2,127,178
Financial Asset - Interest bearing deposits		233,256	213,305
Receivables and Prepayments	2	<u>29,193</u>	<u>16,665</u>
		<u>2,568,340</u>	<u>2,357,148</u>
Non-Current Assets			
Office Equipment	3	21,854	21,730
Other (Resettlement Loans)	4	<u>41,790</u>	<u>62,518</u>
		<u>63,644</u>	<u>84,248</u>
TOTAL ASSETS		<u>2,631,984</u>	<u>2,441,396</u>

LIABILITIES

Current Liabilities

Trade and Other Payables	5	21,088	19,151
Provisions	6	<u>96,473</u>	<u>82,826</u>
		117,561	<u>101,977</u>

Non Current Liabilities

Provisions	6	<u>11,905</u>	<u>10,287</u>
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TOTAL LIABILITIES

	<u>129,466</u>	<u>112,264</u>
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NET ASSETS

	<u>2,502,518</u>	<u>2,329,132</u>
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EQUITY

Funds available for future use		<u>2,502,518</u>		<u>2,329,132</u>
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Total Equity

	<u>2,502,518</u>	<u>2,329,132</u>
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The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2008

	Retained Earnings	Reserves	Total
Balance at beginning of period	2,329,132	Nil	2,329,132
Excess of revenue over expenses	173,386	Nil	173,386
Amount transferred from reserves	Nil	Nil	Nil
Balance at end of period	2,502,518	Nil	2,502,518

INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2008

REVENUE

	Note	2008 \$	2007 \$
Donations and Gifts		3,243,761	2,400,062
Legacies & Bequests		109,126	556,232
Grants			
- AusAID		1,632,815	1,429,572
- Other Australian		-	-
- Other Overseas		-	-
Investment Income		90,099	53,838
Other Income		22,327	19,991
TOTAL REVENUE		<u>5,098,128</u>	<u>4,459,695</u>

DISBURSEMENTS

Overseas Projects			
- Funds to Overseas Projects	7 & 8	4,026,110	2,888,625
- Funds to other Overseas Projects		-	3,000
- Other Project Costs		415,206	123,891
Domestic Projects		6,749	18,302
Community Education		68,414	63,043
Fundraising Costs (public)		201,930	50,064
(government)		1,671	1,538
Administration		204,662	150,531
TOTAL DISBURSEMENTS		<u>4,924,742</u>	<u>3,298,994</u>

Excess of revenue over disbursements	173,386	1,160,701
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The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 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%.

In order to fully comply with the ACFID Code of Conduct the Depreciation expenses is included under 'Administration for reporting purposes.

(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.

In order to fully comply with the ACFID Code of Conduct Provisions for Long Service Leave and Annual Leave are included under 'Administration' for reporting purposes.

(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.

2008
\$

2007
\$

Note 2. Receivables and Prepayments

Accounts Receivable	13,990	5,106
Prepayments	6,533	5,461
Accrued Income	2,368	1,022
LWF Projects (Aust) Pty Ltd	<u>6,302</u>	<u>5,076</u>
	<u>29,193</u>	<u>16,665</u>

Note 3. Office Equipment

(a) Summary

Office equipment, at cost	91,848	83,895
Deduct accumulated depreciation	<u>69,994</u>	<u>62,165</u>
Total Office Equipment	<u>21,854</u>	<u>21,730</u>

(b) Reconciliation of movements

A reconciliation of the carrying amounts of each class of assets for the year is set out below

	Office Equipment	
Carrying amount at 31 Dec 2007	21,730	25,126
Additions	7,953	4,000
Disposals	-	-
Less Depreciation	<u>7,829</u>	<u>7,396</u>
Carrying amount at 31 Dec 2008	<u>21,854</u>	<u>21,730</u>

Note 4. Resettlement Loans

Gross loan amounts outstanding	46,220	75,061
Less provision for doubtful debts	<u>4,430</u>	<u>12,543</u>
	<u>41,790</u>	<u>62,518</u>

Note 5. Creditors and Borrowings

Creditors	21,088	19,151
Accruals	-	-
	<u>21,088</u>	<u>19,151</u>

Note 6. Provisions

Long Service Leave	59,764	54,296
Annual Leave	<u>48,614</u>	<u>38,817</u>
	<u>108,378</u>	<u>93,113</u>
Current Portion	96,473	82,826
Non current portion	<u>11,905</u>	<u>10,287</u>
	<u>108,378</u>	<u>93,113</u>

TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES FOR THE YEAR ENDING 31 DECEMBER 2008

Note 8

Source	Cash available at beginning of 2008	Cash raised during 2008	Cash disbursed during 2008	Cash available at end of 2008 for future use
AusAID—Cambodia	213,632	474,959	458,469	230,122
AusAID—PNG	547,893	1,187,586	810,974	924,505
SUDAN—Seeds & Tools Appeal	nil	493,703	493,703	nil
BURMA— Cyclone Response	nil	52,415	52,415	nil
TOTAL FOR OTHER PUPOSES	1,578,958	2,889,465	3,083,903	1,384,520
TOTAL	2,340,483	5,098,128	4,899,464	2,539,147

FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

Note 7

DISBURSEMENTS TO OVERSEAS PROJECTS 2008

Country	Project	ALWS	AusAID	Total
<i>Development Programs</i>				
	<i>Development Programs</i>			
Cambodia	- Integrated Rural Development & Empowerment, Oral	291,022	437,469	728,491
"	- Kandal/Takeo Accompaniment (Transition) Project	8,500		8,500
India	- Grihini Project	17,255		17,255
"	- Bethesda Hospital	591		591
Indonesia	- Centre for Development Studies & Disaster Response	242,972		242,972
"	- GKPS - School Buildings Renovation	30,000		30,000
"	- HKBP - Livelihood Project	39,000		39,000
Mozambique	- Tete Graduation Project	140,316		140,316
Nepal	- Nepal Development Program	300,000		300,000
PNG	- Church Partnership Program	25,000	419,499	444,449
"	- Church Partnership Program PNG Secretariat Support		114,182	114,182
"	- Development Projects	10,000		10,000
Program Support	- Planning, Monitoring & Evaluation Training	4,500		4,500
"	- Internal Audit Unit	6,500		6,500
Regional Sudan	- AZEECON Project	15,000		15,000
	- South Sudan - Reintegration & Rehabilitation/ Seeds & Tools Project	1,137,939		1,137,939
<i>Emergency & Refugee Response</i>				
	<i>Emergency & Refugee Response</i>			
Myanmar	- Myanmar Cyclone Response	52,500		52,500
China	- Earthquake Response	3,300		3,300
Democratic Republic of Congo	- Eastern DRC Conflict & Displacement	250,000		250,000
Kenya	- Kakuma Refugee Camp	106,246		106,246
Nepal	- Assistance to Flood Affected	71,819		71,819
Sudan	- Darfur Emergency Response Operation	250,000		250,000
<i>Global Program Management</i>				
	<i>Global Program Management</i>			
	- ACT Coordination	5,828		5,828
	- DWS Coordination	46,672		46,672
Disbursements to Other Overseas Projects in 2008				
nil				
Total		3,054,960	971,150	4,026,110

FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

Note 9. Related Party Information

(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) Directors

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

Rev P Hage (Chairperson)
Dr P Meyer
Mr J Braun
Mrs A Dohnt
Ms D Grieshaber (Vice Chairperson)

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

(c) Lutheran World Federation/Department for World Service

ALWS is a Related Agency to the Lutheran World Federation/Department for World Service. ALWS paid funds totalling \$2,494,164 in support of its programs.

(d) Action by Churches Together

Action by Churches Together, the coordinating office for emergency relief projects organisationally based in the Lutheran World Federation and World Council of Churches, was paid \$633,447. ALWS is a member of ACT.

(d) 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 totalling \$11,725 from LWF Projects.

Note 10. Financial Instruments

Interest Rate Risk

	Floating Interest Rate	Fixed Interest Rate Maturing			Non Interest Bearing	Total Book Value	Net Market Value
		1 Year or Less	1 to 2 Years	2 to 5 Years			
Financial Assets							
Cash on hand					100	100	100
Cash at bank	2,305,791					2,305,791	2,305,791
Bank term deposits		233,256				233,256	233,256
Receivables	_____	_____	_____	_____	64,450	64,450	64,450
Total Financial Assets	<u>2,305,791</u>	<u>233,256</u>	_____	_____	<u>64,550</u>	<u>2,603,597</u>	<u>2,603,597</u>
Financial Liabilities							
Trade and other payables					21,088	21,088	21,088
Total Financial Liabilities	_____	_____	_____	_____	<u>21,088</u>	<u>21,088</u>	<u>21,088</u>
Net Financial Assets	<u>2,305,791</u>	<u>233,256</u>	_____	_____	<u>43,462</u>	<u>2,582,509</u>	<u>2,582,509</u>

Weighted average interest rate for financial assets approx. 3.5%

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 DECEMBER 2008

	2008	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Government grants and other income	5,037,760	4,426,551
Interest receipts	60,369	33,144
Operating Expenses	<u>(4,897,562)</u>	<u>(3,288,038)</u>
Net cash (used in)/provided by operating activities	<u>200,567</u>	<u>1,171,657</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of office equipment	-	-
Payments for office equipment	<u>(1,903)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,903)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in cash held	198,664	1,171,657
Cash at the beginning of the year	<u>2,340,483</u>	<u>1,168,826</u>
Cash at the end of the year	<u>2,539,147</u>	<u>2,340,483</u>

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

NOTES TO THE 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 reconciled to the related items in the Balance sheet as follows:

	2008	2007
	\$	\$
Cash at bank and on hand	2,305,891	2,127,178
Term deposits	<u>233,256</u>	<u>213,305</u>
	<u>2,539,147</u>	<u>2,340,483</u>

b) Reconciliation of cash flow from operations to operating result:

Operating surplus	173,386	1,160,701
Non-cash flows in operating surplus:		
Change to Provisions for Long Service and Annual Leave	15,265	960
Depreciation	7,829	7,396
Profit on sale of fixed assets	-	-
Change to Provision for Doubtful Debts	(8,113)	7,253
Donation Furn/Fitting & Equipment	(6,050)	(4,000)
Changes in assets and liabilities:		
Movement in receivables and prepayments	16,313	(9,107)
Movement in trade and other payables	<u>1,937</u>	<u>8,454</u>
Net cash provided by operating activities	<u>200,567</u>	<u>1,171,657</u>

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

In accordance with a resolution of the Directors of Australian Lutheran World Service, in the opinion of the directors:

- (a) the accompanying accounts of the agency are drawn up so as to give a true and fair view of the operating results of the agency for the year ended 31 December 2008 and the state of the affairs of the agency as at 31 December 2008.
- (b) at the date of this statement there are reasonable grounds to believe that the agency will be able to pay its debts as and when they fall due.
- (c) the accompanying accounts have been made out in accordance with the ACFID Code of Conduct.

For and behalf of the Board



Rev P Hage
Chairperson



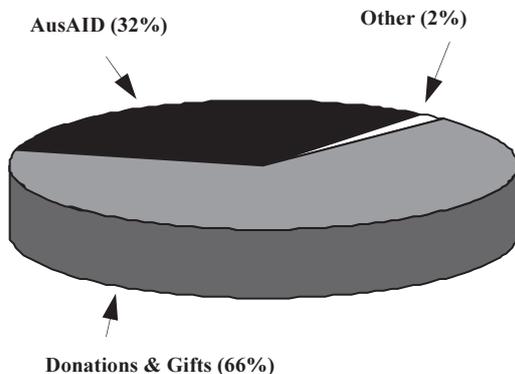
D Grieshaber
Vice Chairperson

other financial information

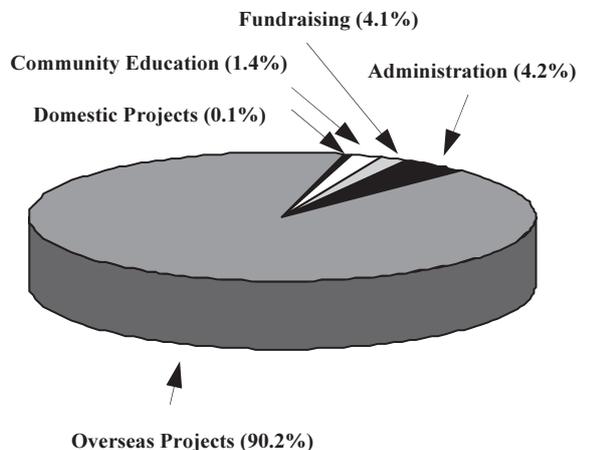
Comparison to last year by source		
	2008	2007
LCA (total)	3,352,887	2,956,294
LWS Club	306,288	312,369
AusAID	1,632,815	1,429,572

Analysis by District (LCA only)		
	2008	2007
NSW/ACT	478,213	595,404
QLD	607,964	674,535
VIC/TAS	560,906	583,488
SA/NT	1,497,123	820,139
WA	91,798	44,107
NZ/OTHER	116,883	238,619

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.

Setting free for self-sufficiency

ALWS continues to support the work carried out by LWF Mozambique in the two districts of Macanga and Maravia in Tete, a province bordering Zambia, Malawi and Zimbabwe. Communities once devastated by civil war are now building their capacity to such an extent that they are able to successfully lobby local government and manage their own activities through Community Development Committees.

In 2008, projects included training in effective governance, leadership and conflict resolution; exchange visits between communities to share knowledge; the promotion of agriculture methods, hygiene, infant health, and HIV/AIDS awareness and prevention.

WHERE:	Mozambique
WHAT:	Transition Project
FOCUS:	Community Independence
FUNDING:	\$140,316



Improved agricultural techniques has enabled community members, such as this woman in Tete Province, the opportunity to produce their own vegetables

Strengthening partnerships

During 2008, ALWS continued to work with the Evangelical Lutheran Church of PNG to improve its capacity to deliver effective education, health and development services in a number of provinces.

Workshops and trainings on capacity building in areas such as governance, general and financial management, health education and skills training (eg sewing) took place throughout the year.

This work is largely funded by AusAID under the Church Partnership Program involving seven PNG denominations and their Australian partners.

WHERE:	PNG
WHAT:	Church partnership
FOCUS:	Capacity building
FUNDING:	\$25,000 – ALWS \$416,488 – AusAID \$444,488



Skills learnt at trainings such as this sewing class in Lae instill in women confidence, and provide them employment prospects and knowledge to pass onto others.

Responding together

The tsunami-related activities under the ACT Appeal implemented by ACT member partners in India, Lutheran World Service/India and United Evangelical Lutheran Church in India were concluded in 2008. Infrastructure, especially permanent housing, was a key area of work. However, activities such as livelihood recovery and community development were also ongoing. Although ALWS funding has been expended these two Lutheran partners, with funding support from other donors, will continue to work with tsunami-affected communities for years to come.

As reported in the 2007 Annual Report ALWS contributed a modest amount of funding to support the post-tsunami work of ACT partner, the National Christian Council of Sri Lanka (NCCSL). During 2008, despite a difficult operating environment, activities continued in livelihood recovery, nutrition, education, permanent housing, water and sanitation, advocacy, health and psychosocial care. During the year the remaining ALWS funding was expended. However, funding is still available from other sources to continue the task of enhancing the capacity of vulnerable communities to prepare and respond to future disasters.

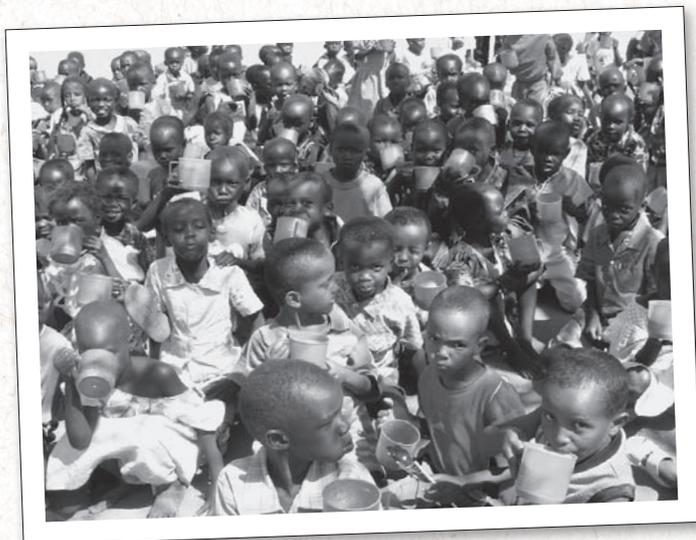
Lutherans reaching out.....



Too often, children and women are the first victims of war. They face danger and injury, trauma, hunger and homelessness. Urgent support is critical.



The height and weight of displaced children is carefully monitored at a nutrition and health centre in Kubum. Credit: Paul Jeffrey ACT-Caritas



Providing essential nutrition to young children, such as these at the Kakuma Pre-School Feeding Centre, is one of the many projects in the refugee camp.

WHEN WAR DESTROYS

In 2008, ongoing conflict throughout much of the Democratic Republic of Congo resulted in death, injury and the displacement of tens of thousands of people.

ALWS responded to an appeal by ACT partners, including Lutheran World Service, for assistance in the areas of food and nutrition, water and sanitation, agricultural assistance, non-food items and psychosocial support, with a special focus on the protection of women and children who are especially vulnerable in these circumstances.

The emergency response, which is taking place in a difficult and challenging environment, will continue into 2009.

WHERE: Democratic Republic of Congo

FUNDING: \$250,000

WHEN FAMILIES ARE THREATENED

Hostilities in Sudan's Darfur region continue to make work challenging for agencies trying to meet the urgent humanitarian needs of tens of thousands of people displaced by the fighting.

Conflict, coupled with a low cereal harvest and high food prices in 2008, has meant an increased number of vulnerable people in the area.

Despite the difficult conditions, the joint ACT/Caritas program remains one of the largest non-government relief operations in the region, implementing projects in the areas of health and nutrition, water and sanitation, emergency preparedness and response, peace building, protection, education, agriculture and psychosocial care.

WHERE: Darfur, Sudan

FUNDING: \$250,000

WHEN HOME IS LEFT BEHIND

The Comprehensive Peace Agreement in South Sudan has provided many of those seeking refuge at Kakuma the opportunity to return to their homelands. However, while the region still remains unstable, many have chosen to remain in Kakuma and new refugees continue to come.

In 2008, ALWS supported activities implemented by LWF Kenya that provided these refugees with essential items, psychosocial care, awareness training on child rights and exploitation, and vocational training such as carpentry and sewing. Activities also included preventing the emergence of disease, and placing orphaned children with appropriate foster families.

WHERE: Kakuma Refugee Camp, Kenya

FUNDING: \$106,245

WHEN THE WORLD CRASHES

The devastation Cyclone Nargis caused in Burma on May 2, 2008, left 146,000 people dead, and many more displaced.

ALWS supported activities that, through an ACT coordinated emergency response, provided emergency shelter, water, food and non-food items to individuals and communities affected by this major natural disaster.

The ACT partners, including international and local church-based agencies, were able to offer significant assistance despite the difficult operating environment.

Ongoing rehabilitation and development work in the region will continue and to this end LWF/World Service is in the process of establishing a new program in the country.

WHERE: Myanmar (Burma)

FUNDING: \$52,500



Distribution of food to cyclone victims through partners such as the World Food Programme was an essential component of the appeal. Credit: ACT

WHEN RAIN DOESN'T STOP

In September 2008 heavy rains in the southern lowlands of Nepal, combined with downpours in the mountains, caused flash flooding throughout much of Far Eastern Nepal resulting in death, injury and homelessness.

ALWS responded immediately to an ACT appeal requesting support for an emergency response which would meet the immediate needs of the flood-affected communities. The priority areas included health care, food, water and shelter.

LWF Nepal will continue to work with the people well into the rehabilitation phase of the project.

WHERE: Nepal

FUNDING: \$71,819



Thousands of people were affected by the severity of the torrential rains, and took whatever precautions they could, such as these sisters in Bardiya District.

WHEN YOU'RE FAR FROM HOME

ALWS provided 16 travel-related loans valued at over \$32,000 to enable family members to reunite in Australia. The largest proportion of people assisted were of Sudanese origin. However, support was also extended to Liberians, Sierra Leoneans, a Congolese and an Ethiopian. The majority of those assisted were referred through Lutheran contacts.

A total of six loans (\$8118) were provided to recent entrants under the Australian government's humanitarian migration program. They helped to meet a variety of needs including accommodation costs, food, purchase of household goods, payment for school fees and books, and to assist with car repairs and insurance where it was an essential requirement to secure or retain employment.

WHERE: Australia

FUNDING: \$40,118



Through ALWS, refugees coming to Australia can receive loans to help with airfares. When they arrive, resettlement loans help them set up home with household essentials.

Changing the world starts with changing hearts

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 in Australia. During 2008 ALWS “Awareness Week” developed the theme “Real Development”, which highlighted the development context in Papua New Guinea. This culminated in an ALWS-led teacher study tour of PNG in September 2008.

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



During ‘ALWS Awareness Week’ students at Lutheran schools right across Australia discover how they can reach out to help people in need.

Partnering to be effective and efficient



AusAID

The Australian government’s aid agency provides funding through the AusAID/ NGO Cooperation Program (ANCP) to the programs in Cambodia, and through the Churches Partnership Program for activities in PNG.

ALWS gratefully acknowledges AusAID’s support in enhancing these projects.



NCCA—act for peace (formerly Christian World Service)

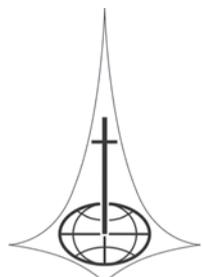
The NCCA has its own overseas aid agency. Peter Schirmer serves on the CWS Commission.

Australian Council for International Development (ACFID)



ALWS is a member of ACFID, the umbrella organization for overseas aid agencies, and a signatory to the ACFID Code of Conduct. The Code requires members to meet high standards of corporate governance, public accountability and financial management. More information:

www.acfid.asn.au acfid@acfid.asn.au
PH: (02) 6285 1816 FAX: (02) 6285 1720



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. Peter Schirmer is a member of the LWS Standing Committee.



Action by Churches Together (ACT)

ACT is the combined emergency coordinating body for LWF and WCC. ALWS is a member agency and implements its emergency responses through ACT to its implementing agencies, that include LWS.



YOU

Everyday people are the backbone of this service ministry of the Lutheran Church of Australia. The 35% increase to projects in 2008, and the overheads rate of only 8.2% (see next page) is dependent on your generosity.

Thank you!

Our Vision, Our Mission, Our Passion

Mandate

Australian Lutheran World Service (ALWS) is mandated by the Lutheran Church of Australia to serve as the overseas aid and resettlement agency of the Lutheran Church of Australia, addressing human need in the spirit of Christian faith, love and service.

Vision

Inspired by the good news of God's love revealed in Jesus Christ, and empowered by the Holy Spirit, ALWS envisions a world where people live with dignity in just and peaceful societies.

Mission

ALWS' mission is to invite and encourage people to care for God's creation by responding to human suffering and poverty through life-changing programs.



Guiding Principles

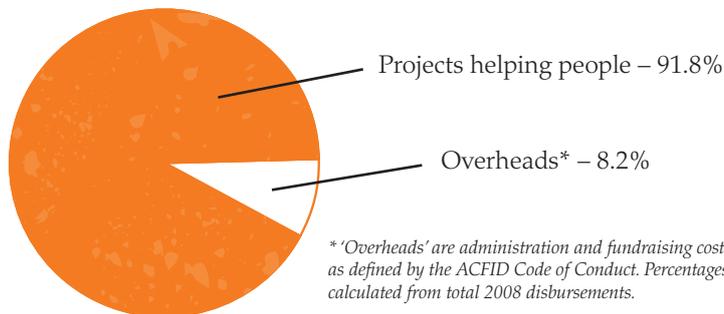
- We live our faith by serving with unconditional love, providing assistance with 'no strings attached'
- We uphold people's dignity
- We serve in partnership
- We make good use of God's gifts

Strategic Goals

Decrease the number of disadvantaged and marginalised people by working with them in developing more just and peaceful communities that are less vulnerable to disasters and where all people's rights are respected and upheld

Increase the number of people within the LCA and its institutions who are better informed about and respond to global development issues

Proven results



"ALWS has the capacity and commitment to undertake activities in a professionally competent manner..."

In some areas such as financial management, partnership development and information management, the ALWS practices are of a very high standard...

This fact, combined with the ALWS commitment to its partnership philosophy, has led to a development program of a high standard."

- quote from AusAID accreditation process, May 2005

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 and Cambodia

Ms D Grieshaber BA (Hons) Grad Dip Soc Serv, B Soc Work (Qld Director/Vice-Chairperson)

- Social Worker—Government Department
- Parish worker, Toowoomba, four years
- Travelled extensively in a number of developing countries

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

Mrs A Dohnt Dip T GradDip Th (Ed) (SA Director)

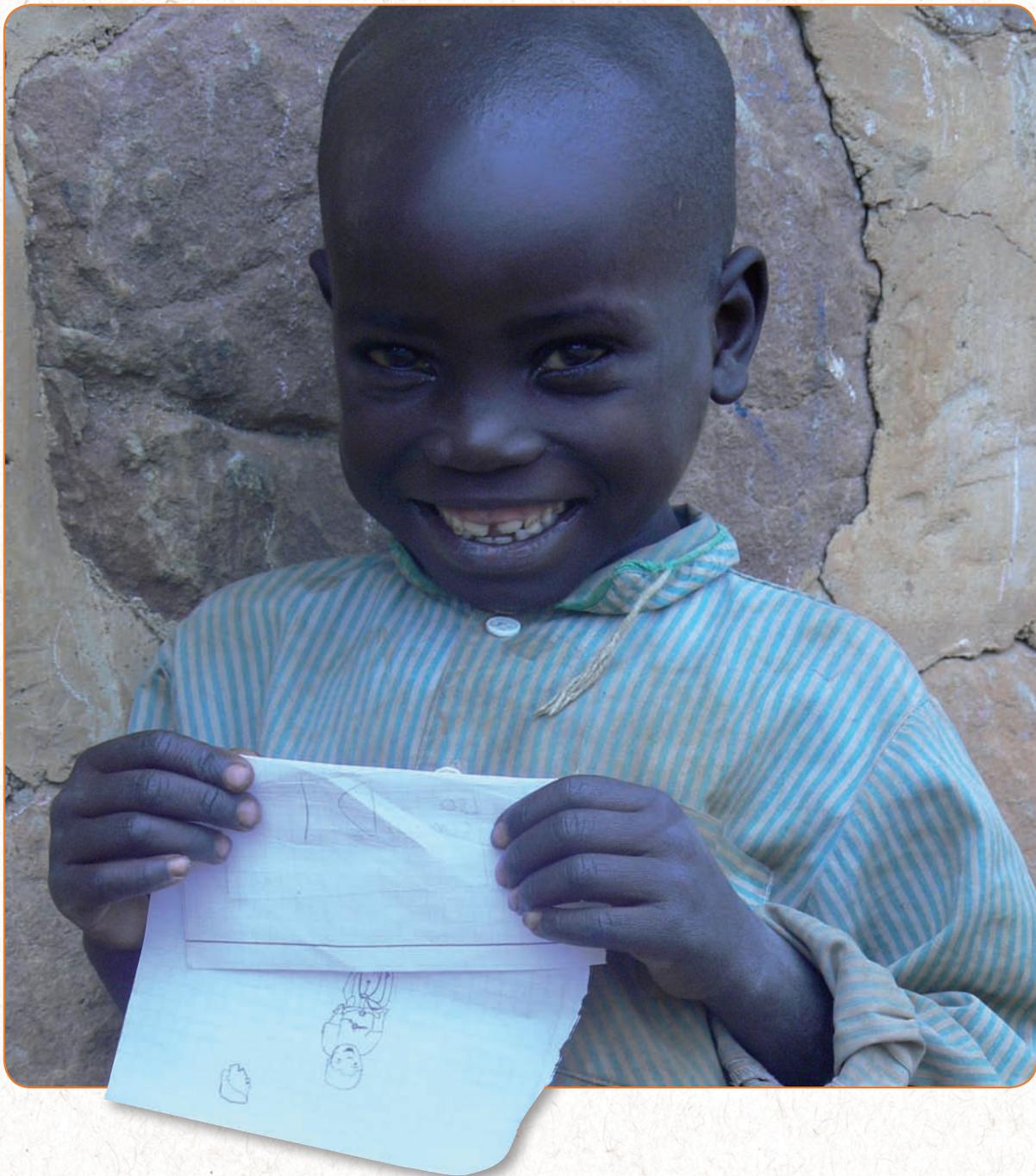
- Education Officer Christian Studies (Primary) - LSA Region
- Previously Assistant to the Director (Vocational Formation)
- Over 20 years teaching experience

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)

The ALWS Board met in March and September.

The Administrative Committee convened in March, April, June, July, August, November and December.



*"What if I gave away all that I owned ...
I would gain nothing, unless I loved others!"*
- from 1 Corinthians 13:3 (CEV)



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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

Lutherans reaching out in love for justice!