

ALWS Annual Report 2009



Partners in hope

Lutherans reaching out in love for justice!



**Australian
Lutheran**
World Service
60 Years of Love & Care

Where you bring hope through ALWS

On the table below you will find the UN Human Development Index (HDI) number of the countries where ALWS works. The HDI summarises a country's average achievements in the areas of health, knowledge and a decent standard of living. The smaller the number the more developed a country is.

1	Australia
2	
111	Indonesia
137	Cambodia
144	Nepal
147	(Kenya)
148	PNG
150	Sudan
172	Mozambique
174	Burundi
182	

"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

Partners in hope

From the Executive Secretary

A key guiding principle for ALWS is that we serve in partnership. This is based on an understanding that, as members of Christ's body, we work with others in a spirit of mutual respect and interdependence which leads to positive change in those both served and those who are serving.

A feature of the past twelve months has been the increase in the breadth and depth of the relationships with our key partners in our shared ministry to respond to human suffering and poverty through life changing programs. We were privileged to host a visit to Australia by the Director of Lutheran World Federation's Department for World Service, Rev Eberhard Hitzler in 2009. During his stay the ALWS Board and staff were able to meet with him and affirm our 60-year strong relationship and explored ways in which our partnership can be further enhanced.

It was also a year in which our working relationships with the LCA's Board for Mission and Lutheran Education Australia continued to grow, primarily in PNG and Indonesia. It has been wonderful to work more closely with them, as we together partner with Lutheran churches in both countries to support them in their efforts to be 'salt and light' in their communities.

Churches working together

We've also valued the strong partnerships which have been developed with other Australian-based churches, especially working together in the Church Partnership Program in PNG. This has extended to colleagues from Caritas Australia and Anglican Board of Mission supporting the ALWS Program through their participation on an ALWS Program Advisory Committee.

We've also partnered with churches of different denominations from around the world through ACT International (Action by Churches Together) in responding to disasters like the earthquake in Indonesia in September 2009.

Our partnerships are critical because helping to alleviate the scourge of global poverty is not a task that can be tackled by one small Lutheran agency. Our working together is not only a practical response to injustice, but a demonstration of the unity of the body of Christ and a signpost of the kingdom to come.

We know that our efforts will never be enough to eradicate poverty. But, we nonetheless strive for it because of God's love for us, encouraged by Jesus' words to "love our neighbour" and empowered by the Holy Spirit to pursue justice as an expression of that love.

Our faithful partners in service

On behalf of ALWS I express my heartfelt thanks to all members of the Lutheran Church of Australia for your partnership with us in 2009. It is humbling to witness the generosity of individuals and collective efforts of schools and congregational groups, especially in light of the challenging economic conditions that prevailed during the year.

The following pages of this report provide a snapshot of how this generosity was translated into practical action in our ministry of service in 2009. We look forward to sharing further about our work in the year ahead, when we celebrate our 60th year.

May God continue to bless you all and the work of your generosity.

All thanks to God.

Peter Schirmer
Executive Secretary





Training for change ...

These two 'Integrated Rural Development through Empowerment Program' projects follow an **integrated, empowerment and rights based** approach to development. This approach appreciates the importance of people's holistic needs, and sees them given the necessary training and support to make their own decisions about development activities. This results in greater responsibility for, productive ownership of, and increased sustainability of, their own community development.

More than half of the villages in Aoral District are now in the Post-Graduation stage of development. This signifies a high level of self-sufficiency – that is, success!

COUNTRY:	Cambodia
HDI:	137
WHERE:	Aoral District, Kampong Speu Province January - December 2009; Krovanh District, Pursat Province July - December 2009.
WHAT:	Integrated Rural Development through Empowerment Program (IRDEP)
WHO:	42,623 individuals in 8,938 households in 83 villages.
FUNDING:	\$505,605 – AusAID \$273,821 – ALWS



... and here's why!

When Bin Hunthea took her first loan of \$50 from the Village Bank set up through the support of Australian Lutherans, she was desperate:

"I decide to do this business because even though my husband works hard, we have not enough."

Working very hard 12 hours a day, Bin Hunthea now stocks her little shop with more than 50 products. Her loan is completely repaid, and she makes a profit of \$50 each month. She has plans for that money:

"With the profits I make I wish for my children to have education. I would like them to become school teacher."

Seeds of life

Intense flooding, drought, inter-tribal conflicts and tensions leading up to a national election and a referendum to decide the independence of South Sudan have made working in the region particularly difficult in 2009. Despite this, the team has remained committed to assisting those returning to the country from refugee camps and elsewhere after years of intense fighting.

The program focused on increasing the awareness of HIV/AIDS and reducing the stigma associated with it, working with communities on ways to resolve conflict without resorting to violence, providing better education facilities and adult literacy trainings, and improving hygiene and sanitation practices by facilitating training and constructing water points.

Farmers passed on their gratitude to supporters of ALWS for their generous contribution to the seeds and tools campaign in 2008. Many are now storing the seeds from crops planted at the time so that they can be used in years to come.



A young girl drinks clean water from a bore and pump provided by LWF. Installing water points such as this one and providing training on good hygiene practices are fundamental components of the Sudan program.

COUNTRY:	South Sudan
HDI:	150
WHAT:	Project for Rebuilding Livelihoods
FOCUS:	Community Development
FUNDING:	\$740,078

Community confidence

In this project, villages have reached a stage where they are ready to begin to 'go-it-alone' with limited accompaniment. In this Post-Graduation phase the emphasis is on capacity building, on increasing community confidence to advocate to local authorities for basic services and on an increased application of each individual's God-given potential for their family's and community's benefit.

The ultimate goal of the graduation process for the Mozambicans is sustainability, ownership and control of their own lives.



COUNTRY:	Mozambique
HDI:	172
WHERE:	Tete Province – Macanga & Maravia Districts
WHAT:	Post Graduation and Accompaniment Program
WHO:	16,620 Direct Beneficiaries – 3,324 Households ; 13,200 Indirect Beneficiaries – 2,640 Households;
FUNDING:	\$45,125

Vulani Bande works hard to support his family with proceeds from 3 fish-ponds and crops like bananas, thanks to support he's received from the Lutheran project in Mozambique.

Now the future looks bright

Foci of this rights-based development program include:

- Assisting people to achieve a sustainable livelihood
- Educating people about health issues, including water and sanitation
- Educating people about their rights to resources
- Increasing the capacity of communities to deal with disasters
- Ensuring the rights of refugee populations, internally-displaced people and host communities are protected
- Ensuring that women, minority nationalities and Dalits are represented at a leadership level and able to participate in decision-making processes
- Working to decrease human trafficking in the project areas

COUNTRY:	Nepal
HDI:	144
WHERE:	Far West, Mid West, & Eastern Regions
WHAT:	Nepal Development Program
WHO:	42,000 households
FUNDING:	\$381,986



Reeta Giri leads a team of young Peer Educators, teaching the community about health and HIV/AIDS in the Banke District of Nepal.

From hurt to hope

The focus of this Community Empowerment Project is to facilitate the successful return, resettlement and re-integration of displaced individuals into Burundian communities. This is achieved by focusing on:

- empowerment of community leaders
- capacity building for self-selected local associations working in the agricultural and livestock sectors
- skills training
- income generating activities

Because of persecution, the Burundian Albino community has segregated itself from general community activities. ALWS support is including them in skills training courses in agriculture and livestock development. The goal is they can confidently return to their home areas, support their families and become contributing participants, accepted by the wider community, in the development of Burundi.



COUNTRY:	Burundi
HDI:	174
WHAT:	Community Empowerment Program
WHO:	Direct beneficiaries: 21,246 persons Indirect beneficiaries: 175, 733 persons
FUNDING:	\$228,000

People with albinism take refuge at this government centre, hiding away in fear of their lives. In 2009, part of the Burundi program focused on helping them reintegrate into their community.

A new future, brick by brick

Through the Church Partnership Program (CPP) Office in PNG, ALWS continues to strengthen the Evangelical Lutheran Church of PNG's capacity to improve the livelihoods of people in PNG. CPP works closely with the departments of the church to conduct workshops and trainings on capacity building in areas such as good governance, management, health, education and skills training.

Both Australian and Papua New Guinean governments recognise that working through the churches remains the most effective and transparent way of reaching those most in need. The program is largely funded by AusAID and involves seven PNG denominations and their Australian partners.



Women in PNG learn to make bricks to support their families. As well as the income earned, participants benefit from increased confidence and networks of support.

COUNTRY:	Papua New Guinea
HDI:	148
WHAT:	Church Partnership Program
FOCUS:	Capacity building
FUNDING:	\$633,002 - AusAID

Learning to serve



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.

A major initiative is supporting a training centre at a Lutheran University in Medan that offers professional training in development and disaster-related issues. ALWS, in cooperation with Board for Mission and Lutheran Education Australia, is also supporting specific development-related activities implemented by LCA partner churches in Indonesia.

COUNTRY:	Indonesia
HDI:	111
WHAT:	Institutional strengthening
FOCUS:	Capacity building
FUNDING:	\$70,000*

* With generous support from



At Nommensen Lutheran University in Medan, farmers are able to learn about organic farming techniques and how to best raise their pigs, cows and buffalo.

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 2009.

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 2009 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 NSW 2640, Ph: 02 5041 5299



RJ Travers
Principal

Auditor Registration No: 1576; Fellow ICAA No: 15395

11 March 2010

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

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 2009 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 (Vice Chairperson)
Ms D Grieshaber

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 deficit of \$385,368 for the year ended 31 December 2009.

4. Changes in the State of Affairs

There were no significant changes in the state of affairs of ALWS during 2009.

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.

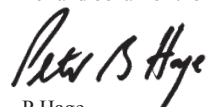
6. Likely Developments

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



A Dohnt
Vice Chairperson

11 March 2010

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2009

ASSETS

	Note	2009 \$	2008 \$
Current Assets			
Cash and Cash Equivalents		1,939,324	2,305,891
Trade and other receivables	2	26,201	29,193
Inventories		0	0
Assets held for sale		0	0
Other financial assets		<u>210,177</u>	<u>233,256</u>
Total current assets		<u>2,175,702</u>	<u>2,568,340</u>
Non-Current Assets			
Trade and other receivables		0	0
Other financial assets		0	0
Property, plant and equipment	3	30,821	21,854
Investment property		0	0
Intangibles		0	0
Other non-current assets	4	<u>36,113</u>	<u>41,790</u>
Total non-current assets		<u>66,934</u>	<u>63,644</u>
TOTAL ASSETS		<u>2,242,636</u>	<u>2,631,984</u>

LIABILITIES

Current Liabilities			
Trade and Other Payables	5	9,346	21,088
Borrowings		0	0
Current tax liabilities		0	0
Other financial liabilities		0	0
Provisions	6	101,860	96,473
Other		<u>0</u>	<u>0</u>
		<u>111,206</u>	<u>117,561</u>
Non Current Liabilities			
Borrowings		0	0
Other financial liabilities		0	0
Provisions	6	14,280	11,905
Other		<u>0</u>	<u>0</u>
Total non current liabilities		<u>14,280</u>	<u>11,905</u>
TOTAL LIABILITIES		<u>125,486</u>	<u>129,466</u>
NET ASSETS		<u>2,117,150</u>	<u>2,502,518</u>

EQUITY

Funds available for future use		<u>2,117,150</u>	<u>2,502,518</u>
Total Equity		<u>2,117,150</u>	<u>2,502,518</u>

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2009

	Retained Earnings	Reserves	Total
Balance at beginning of period	2,502,518	Nil	2,502,518
Excess of revenue over expenses	(385,368)	Nil	(385,368)
Amount transferred from reserves	Nil	Nil	Nil
Balance at end of period	2,117,150	Nil	2,117,150

INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2009

REVENUE

	Note	2009 \$	2008 \$
Donations and Gifts		2,926,918	3,243,761
Legacies & Bequests		16,820	109,126
Grants			
- AusAID		1,099,215	1,632,815
- Other Australian		-	-
- Other Overseas		-	-
Investment Income		44,289	90,099
Other Income		25,356	22,327
TOTAL REVENUE		<u>4,112,598</u>	<u>5,098,128</u>

DISBURSEMENTS

Overseas Projects			
- Funds to Overseas Projects	7 & 8	3,602,917	4,026,110
- Funds to other Overseas Projects	7 & 8	160	-
- Other Project Costs		342,112	415,206
Domestic Projects		10,127	6,749
Community Education		99,479	68,414
Fundraising Costs (public)		204,728	201,930
(government)		1,820	1,671
Administration		236,623	204,662
TOTAL DISBURSEMENTS		<u>4,497,966</u>	<u>4,924,742</u>

Excess of revenue over disbursements	(385,368)	173,386
--------------------------------------	-----------	---------

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 2009

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%.

(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.

Note 2. Trade and other receivables

	2009 \$	2008 \$
Accounts Receivable	9,527	13,990
Prepayments	8,359	6,533
Accrued Income	1,078	2,368
LWF Projects (Aust) Pty Ltd	<u>7,237</u>	<u>6,302</u>
	<u>26,201</u>	<u>29,193</u>

Note 3. Property, plant & equipment

(a) Summary

Office equipment, at cost	67,471	91,848
Deduct accumulated depreciation	<u>36,650</u>	<u>69,994</u>
Total Office Equipment	<u>30,821</u>	<u>21,854</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 2008	21,854	21,730
Additions	18,704	7,953
Disposals	(2,173)	-
Less Depreciation	<u>(7,564)</u>	<u>(7,829)</u>
Carrying amount at 31 Dec 2009	<u>30,821</u>	<u>21,854</u>

Note 4. Other non-current assets (Resettlement Loans)

Gross loan amounts outstanding	44,616	46,220
Less provision for doubtful debts	<u>8,503</u>	<u>4,430</u>
	<u>36,113</u>	<u>41,790</u>

Note 5. Trade and other Payables

Creditors	9,346	21,088
Accruals	-	-
	<u>9,346</u>	<u>21,088</u>

Note 6. Provisions

Long Service Leave	66,896	59,764
Annual Leave	<u>49,244</u>	<u>48,614</u>
	<u>116,140</u>	<u>108,378</u>
Current Portion	101,860	96,473
Non current portion	<u>14,280</u>	<u>11,905</u>
	<u>116,140</u>	<u>108,378</u>

TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES FOR THE YEAR ENDING 31 DECEMBER 2009

Note 8

Source	Cash available at beginning of 2009	Cash raised during 2009	Cash disbursed during 2009	Cash available at end of 2009 for future use
AusAID—Cambodia	230,122	649,248	560,105	319,265
AusAID—PNG	924,505	465,762	910,492	479,775
BURUNDI— Community Empowerment Program	nil	266,652	266,652	nil
ASIA PACIFIC— Tsunami & Earthquake Response	nil	194,778	153,590	41,188
TOTAL FOR OTHER PURPOSES	1,384,520	2,536,158	2,611,405	1,309,273
TOTAL	2,539,147	4,112,598	4,502,244	2,149,501

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Note 7

DISBURSEMENTS TO OVERSEAS PROJECTS 2009

Country	Project	ALWS	AusAID	Total
Development Programs	Development Programs			
Burundi	- Community Empowerment Program	244,877		244,877
Cambodia	- Integrated Rural Development & Empowerment, Oral	273,821	505,605	779,426
"	- Kandal/Takeo Accompaniment (Transition) Project	15,281		15,281
Ethiopia	- Integrated Rural Development Program	900		900
India	- Grihini Project	25,028		25,028
"	- Urban Development Project	834		834
Indonesia	- GKPI - School Construction	20,000		20,000
"	- GKPS - School Buildings Renovation	20,000		20,000
"	- HKBP - Livelihood Project	5,000		5,000
"	- HKI - Sewing & Training for Livelihood Project	25,000		25,000
Mozambique	- Tete Graduation Project	45,125		45,125
Nepal	- Nepal Development Program	381,986		381,986
PNG	- Church Partnership Program		663,002	663,002
"	- Church Partnership Program PNG Secretariat Support		66,012	66,012
Program Support	- Planning, Monitoring & Evaluation Training	4,500		4,500
"	- Internal Audit Unit	6,500		6,500
Regional Sudan	- AZEECON Project	20,000		20,000
	- South Sudan - Reintegration & Rehabilitation Project	740,078		740,078
Emergency & Refugee Response	Emergency & Refugee Response			
Indonesia	- West Sumatra Earthquake Emergency Response	125,000		125,000
Kenya	- Kakuma Refugee Camp	129,713		129,713
Nepal	- Diarrhoea Outbreak Response	20,000		20,000
Samoa	- CA Emergency Response	10,000		10,000
Sudan	- Drought & Conflict in South Sudan	85,000		85,000
Sudan	- Darfur Emergency Response Operation	100,000		100,000
Global Program Management	Global Program Management			
	- ACT Coordination	5,663		5,663
	- DWS Coordination	63,992		63,992
Disbursements to Other Overseas Projects in 2008				
Bolivia	- Enhancing Role of Youth in Church & Society	160		160
Total		2,368,458	1,234,619	3,603,077

FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 (Vice Chairperson)

Ms D Grieshaber

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 \$2,433,372 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 \$305,663. 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 \$10,956 from LWF Projects.

Note 10. Financial Instruments

Interest Rate Risk

	Floating Interest Rate	Fixed Interest Rate Maturing 1 Year or Less	1 to 2 Years	2 to 5 Years	Non Interest Bearing	Total Book Value	Net Market Value
Financial Assets							
Cash on hand					100	100	100
Cash at bank	1,939,224					1,939,224	1,939,224
Bank term deposits		210,177				210,177	210,177
Receivables					36,113	36,113	36,113
Total Financial Assets	<u>1,939,224</u>	<u>210,177</u>			<u>36,213</u>	<u>2,185,614</u>	<u>2,185,614</u>
Financial Liabilities							
Trade and other payables					9,346	9,346	9,346
Total Financial Liabilities					<u>9,346</u>	<u>9,346</u>	<u>9,346</u>
Net Financial Assets	<u>1,939,224</u>	<u>210,177</u>			<u>26,867</u>	<u>2,176,268</u>	<u>2,176,268</u>

Weighted average interest rate for financial assets approx. 3.5%

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 DECEMBER 2009

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Government grants and other income	4,073,148	5,037,760
Interest receipts	38,514	60,369
Operating Expenses	<u>(4,483,484)</u>	<u>(4,897,562)</u>
Net cash (used in)/provided by operating activities	<u>(371,822)</u>	<u>200,567</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of office equipment	880	-
Payments for office equipment	<u>(18,704)</u>	<u>(1,903)</u>
Net cash used in investing activities	<u>(17,824)</u>	<u>(1,903)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in cash held	(389,646)	198,664
Cash at the beginning of the year	<u>2,539,147</u>	<u>2,340,483</u>
Cash at the end of the year	<u>2,149,501</u>	<u>2,539,147</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:

	2009	2008
	\$	\$
Cash at bank and on hand	1,939,324	2,305,891
Term deposits	<u>210,177</u>	<u>233,256</u>
	<u>2,149,501</u>	<u>2,539,147</u>

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

Operating surplus	(385,368)	173,386
Non-cash flows in operating surplus:		
Change to Provisions for Long Service and Annual Leave	7,762	15,265
Depreciation	7,564	7,829
Profit on sale of fixed assets	1,293	-
Change to Provision for Doubtful Debts	4,073	(8,113)
Donation Furn/Fitting & Equipment	0	(6,050)
Changes in assets and liabilities:		
Movement in other non-current assets (resettlement loans)	1,604	-
Movement in trade and other receivables	2,992	16,313
Movement in trade and other payables	<u>(11,742)</u>	<u>1,937</u>
Net cash provided by operating activities	<u>(371,822)</u>	<u>200,567</u>

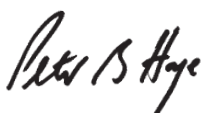
FINANCIAL STATEMENTS

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 2009 and the state of the affairs of the agency as at 31 December 2009.
- (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



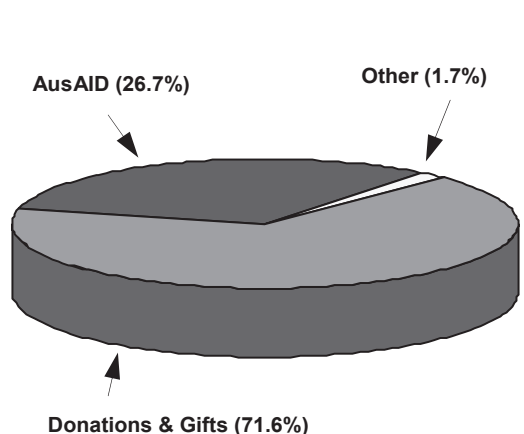
A Dohnt
Vice Chairperson

other financial information

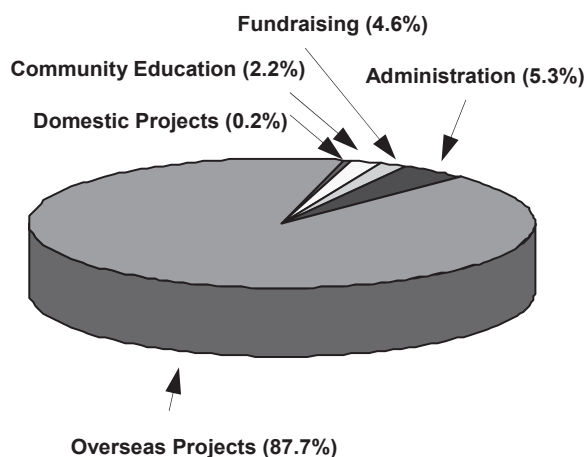
Comparison to last year by source		
	2009	2008
LCA (total)	2,943,738	3,352,887
LWS Club	302,260	306,288
AusAID	1,099,215	1,632,815

Analysis by District (LCA only)		
	2009	2008
NSW/ACT	321,834	478,213
QLD	602,558	607,964
VIC/TAS	463,935	560,906
SA/NT	1,356,715	1,497,123
WA	89,449	91,798
NZ/OTHER	109,247	116,883

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.

Fleeing horror

While many Sudanese refugees have now been repatriated from Kakuma back to Sudan, recent escalations of war in Somalia has forced hundreds of thousands of Somalis to seek refuge in Kenya. Most of the 60,000 people now at the camp are from Somalia.

In 2009, ALWS funds helped to manage the reception centre where all new arrivals are provided with a psycho-social assessment and given food and non-food items.

The program also placed unaccompanied and orphaned children with foster parents, provided essential food to pre-school children, repaired school classrooms, trained teachers, purchased and distributed sanitary wear, and conducted trainings on how to prevent sexual exploitation and abuse.

Demands on Kakuma Refugee Camp are likely to increase further if there is fall-out from unpopular election and referendum results in Sudan.



To manage the large numbers of refugees coming through the ALWS-funded reception centre at Kakuma, each person is provided with a ration card for emergency food items.

COUNTRY:	Kenya
HDI:	147
WHAT:	Kakuma Refugee Assistance Program
FOCUS:	Refugee relief
FUNDING:	\$129,713



Welcome to a new home

ALWS provided 13 travel-related loans valued at over \$36,000 to enable refugee family members to reunite in Australia. Most of those assisted were of Sudanese origin, however help was also extended to Liberians, Sierra Leoneans, a Congolese and a Burundian. The majority of those assisted were referred through Lutheran contacts.

ALWS offers loans to recent arrivals under the Australian government's humanitarian migration program. The loans meet a variety of needs including accommodation costs, food, purchase of household goods, payment for school fees and books, and to assist meeting car repairs and insurance where it was an essential requirement to secure or retain employment. During 2009 one loan of \$2,000 was provided under this scheme.

COUNTRY:	Australia
HDI:	2
WHAT:	Refugee loans
FUNDING:	\$38,000

Sudanese refugees line up at the Reception Centre at the Lutheran-managed Kakuma Refugee Camp in Kenya. While many return to Sudan, others are starting new lives in Australia.



When war destroys

The humanitarian and security situation in Darfur continues to deteriorate, with events in 2009 not bringing the region any closer to a resolution of the conflict. The assistance rendered by the ACT/Caritas Program to conflict-affected and IDP communities therefore remained as vital as ever.

Despite the difficult conditions, the joint ACT/Caritas program continues to assist thousands of people through activities focusing in the areas of health and nutrition, water and sanitation, emergency preparedness and response, peace building, protection, education, agriculture, psychosocial care and capacity development of local partners.

COUNTRY:	Sudan
HDI:	150
WHERE:	Darfur
WHAT:	Emergency Relief
FUNDING:	\$100,000



Working as part of ACT (Action by Churches Together), Australian and New Zealand Lutheran help is providing emergency relief to victims of the war in Darfur.

ACT
International
Action by Churches Together



Hygiene kits are essential to protect people, especially children, from contracting serious diseases from unclean water.

ACT
International
Action by Churches Together

When children face danger

In July 2009 a diarrhea outbreak claimed more than 400 lives in western parts of Nepal where hygiene and sanitation conditions in villages were poor and where the local health post lacked medicines.

Through ALWS support, community members were taught how to purify water at the local level, construct and use pit latrines, proper techniques for washing hands, making oral dehydration salts and other simple measures to prevent the outbreak of diarrhea and protect their children. Families also received a hygiene kit of 6 bath soaps, 10 packets of oral dehydration salts, 5 detergent soaps and 1 water guard.

COUNTRY:	Nepal
HDI:	144
WHAT:	Nepal Diarrhea Appeal
FUNDING:	\$20,000

When the world collapses

On 30 September 2009, an earthquake measuring 7.6 on the Richter scale hit West Sumatra, Indonesia. Hundreds of lives were lost, thousands made homeless, and household livelihoods destroyed.

ALWS responded to appeals by ACT (Action by Churches Together) partners and the Lutheran church agency Ya-PEKA to assist them in their response to the disaster. The activities included provision of food and household items, temporary shelter, getting children back to school, and offering psychosocial support to mothers and children traumatised by this terrible event.

The focus now is to support families to recover their livelihoods, so they can be restored to independence.



Note: Refer Note 7 of the audited financial statements for a full listing of all emergency-related expenditure



The HKBP Lutheran church at Padang. The damage was so severe the church could no longer be used.

COUNTRY:	Indonesia
HDI:	111
WHERE:	Padang
WHAT:	Post-earthquake disaster relief
FUNDING:	\$125,000

When we're ready to learn

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 2009 ALWS "Awareness Week" developed the theme "Setting Free from Poverty", highlighting the development context in Mozambique. This culminated in an ALWS-led teacher study tour of Mozambique in September 2009.

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.

COUNTRY:	Australia
HDI:	2
WHERE:	Schools, congregations and church groups
FUNDING:	At least 1% of total ALWS income



Students at Prince of Peace Lutheran College in Queensland enjoy learning about Indonesia with Tutik Waters.

People working as partners



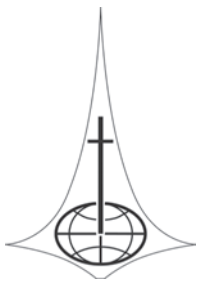
AusAID

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 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.



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.



Australian Council for International Development (ACFID)

ALWS is a member of ACFID, the umbrella organisation for overseas aid agencies. ALWS is a signatory to the ACFID Code of Conduct.



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. These include LWS.



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 donated the cost of the Burundian 'Shine' icons for our Christmas Action campaign.

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.



Australian Lutheran World Service is a member of the Australian Council for International Development (ACFID) 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. More information about the ACFID Code of Conduct can be obtained from ALWS and from ACFID at:

Website: www.acfid.asn.au
Tel: (02) 6285 1816

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

Hands on, hearts won

Our 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.

Our 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.

Our 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.

Our Guiding Principles

- We live our faith by serving with unconditional love
- We uphold people's dignity
- We serve in partnership
- We make good use of God's gifts



Mrs Yopini Thapa Magar is part of a Lutheran-initiated 'Savings & Credit Group' in Nepal. She shows off the tomatoes she has grown with a loan from the group. Describing life before the Lutheran help, she says, "We are women. We don't have a job. We have no education. We collect grass in the forest. We are oppressed, and discriminated against."

Effective and efficient

Projects helping
people – 90.1%

Overheads*
9.9%

Despite the challenge of the 'Global Financial Crisis' at the start of 2009, Australian and New Zealand Lutherans again opened their hearts to partner in programs helping people through ALWS. While ALWS remains committed to maintaining low 'overheads', we recognize it is also essential to invest appropriately for the future when required. Therefore the 'overheads' rate can vary from year to year. Donations to the ALWS Permanent Fund at the LLL are never spent but provide a 5% return each year that directly reduces overhead costs. Visit www.lll.org.au for more details.

* 'Overheads' are administration and fundraising costs as defined by the ACFID Code of Conduct. Percentages calculated from total 2009 disbursements.





Lutherans, love... and Long-drop Looos!

When you look closely at the 'Household Development Plan' Mrs Chean Lin and her granddaughters are holding, you can see the kind of change you make possible through ALWS in countries like Cambodia. Note the pig-raising, buffalo, vegetable-garden and chicken farm. Behind Mrs Chean Lin is a Lutheran Long Drop Loo – the first in the village! (It's represented on the Household Development Plan by the middle symbol on the left.) Together in 2009 we have helped more than 250,000 people. This is hands-on help that saves and changes lives, and is a practical demonstration of love that witnesses to the hope we have in our Saviour Jesus Christ. On behalf of each person whose life you touch ...

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



**Australian
Lutheran
World Service**
60 Years of Love & Care

Lutherans reaching out in love ... for justice!