



**AUSTCARE**  
AUSTRALIANS CARING FOR REFUGEES

**ANNUAL REPORT 2004**

# CONTENTS

- 1 Vision, Mission & Goals
- 2 President's Report
- 3 CEO's Report
- 4 Where We Work
- 8 Financial Statements

## PATRON

- Major-General Michael Jeffery AC CVO MC  
Governor-General of the Commonwealth of Australia

## AMBASSADORS

- The Hon Justice Marcus Einfeld AO QC
- Mr Ian Mansfield  
– Ambassador for Landmine Action
- Mr John Rodsted  
– Ambassador for Landmine Action

## VOLUNTEERS

We are indebted to the many volunteers in Australia who support our vital, on-going work of helping refugees, displaced people and those affected by landmines. This year we also benefited from the placement of four Australian Youth Ambassadors for Development to our projects in East Timor and Cambodia. Without the continued, tireless support of these dedicated individuals we would not be able to carry out the many projects and activities that we do throughout the year.

## PARTNER ORGANISATIONS

- Bhutanese Refugees Aiding Victims of Violence (BRAVVE) – Nepal
- Bisan Centre for Research and Development (BCRD) – Palestinian Territories
- Don Bosco – Kenya
- HALARAE – East Timor
- Handicap International – France
- Herat University – Afghanistan
- HODI – Zambia
- Ministry of Education – East Timor
- Neve Shalom-Wahat al-Salam – Palestinian Territories
- Norwegian People's Aid – Angola
- Provincial Departments of 'Agriculture, Forestry & Fisheries', 'Education, Youth & Sports', 'Women's & Veteran's Affairs', 'Rural Development' – Cambodia
- TEUK SAAT – Cambodia
- The HALO Trust – Afghanistan and Cambodia
- Women's Humanitarian Organisation (WHO) – Lebanon

## COMMUNITY PARTNERS

- Addison Road Gallery
- Australian Afghan Students and Professionals Association
- Australian National Maritime Museum
- Centre for Refugee Research, UNSW
- Edmund Rice Centre
- International Campaign to Ban Landmines – Australian Network
- Leichhardt Municipal Council
- Marrickville City Council
- Rotary Clubs of Frenchs Forest, Melton, North Sydney and Sydney
- The Australian Youth Against Landmines Association (TAYALA)
- Vietnamese Australian Buddhist Assistance Trust Inc (VABAT)

## CORPORATE SUPPORTERS

- Carlton & United Breweries
- DELL Financial Services
- Dendy
- Dick Smith
- Eclipse Hospitality
- KPMG
- Macquarie Bank
- National Australia Bank
- Paynter Dixon
- SBS Radio
- St George Bank
- Sydney Mitsubishi



As a signatory to the Australian Council for International Development (ACFID) Code of Conduct, AUSTCARE is committed to high standards in financial reporting, management and ethical practice. Further information on the Code is available at: [www.acfid.asn.au](http://www.acfid.asn.au)

# AUSTCARE'S VISION, MISSION AND GOALS

AUSTCARE's vision is a better world for refugees. We work towards this vision through assisting refugees overseas, displaced people and those affected by landmines to rebuild their lives through the expert delivery of development programs in partnership with local communities and other agencies.

We take pride in the values of people, respect, integrity, dedication and equity that underpin all our work.

We aim to excel in service delivery by working in partnership with local communities and other agencies to deliver cost-effective and sustainable development programs.

We inspire humanitarian action by raising awareness and increasing understanding of issues relating to refugees overseas, displaced people and those affected by landmines.

We continue to grow and sustain our financial base by aiming for financial sustainability to enable our freedom and effectiveness of action and to maximise the range and scope of our programs.

We aim to implement best practice in governance and accountability. We are accountable and committed to continuous improvement in everything we do.

We value and develop our people through supporting our staff, volunteers and members in their contributions to our vital work.



## PRESIDENT'S REPORT



Australia's ongoing domestic prosperity conceals the plight of so many of our fellow humans who live in constant poverty and personal danger due to the fragile global security situation.

Nation States cannot be secure until people feel secure. *Human security* is based on tangible needs – freedom from want, hunger, threat and danger. Human security highlights the link between peace-building and development and emphasizes the plight of those most at risk – refugees, returnees, internally displaced persons (IDPs) and landmine impacted communities.

Their legacy from past and present conflict is in marked contrast to the day to day pressures in Australia. To alleviate their plight is a major social challenge as well as the means to remove the basic conditions in which international terrorism thrives.

Poverty can be significantly reduced if all Australians – Governments and citizens – contribute a *fair share* to achieve the poverty reduction targets set out in the Millennium Development Goals. *Poverty* denies basic human rights, causes unacceptable suffering and tragedy, and contributes to international insecurity.

The protection and provision of basic needs to refugees, IDPs and returnees are integral to conflict settlement, peace-building and international security.

AUSTCARE pursues quality poverty-reduction programs throughout the world directed to alleviating the living tragedy of some of the over 40 million refugees and IDPs and reducing the horrible legacy of landmines in more than 80 countries. In policy terms we advocate a holistic approach to refugee and IDP issues focusing on the root causes of displacement.

Less than one percent of refugees have been resettled in developed countries like Australia over the past two decades and AUSTCARE's priority is to protect and assist displaced people in location thereby also relieving some of the burden on host communities many themselves among the poorest in the world.

To improve the quality of our contribution AUSTCARE has made significant changes over the

year to enhance our operations in the Middle East, Africa and our immediate geographic region. Internal processes have been streamlined, new partnerships developed, the country office in Cambodia strengthened and an office in East Timor opened. To ensure maximum staff contribution in the field AUSTCARE's State and Territory offices were closed and fundraising efforts enhanced.

Directors have faced significant challenges in seeking to reposition AUSTCARE for the future. The development of our Strategic Plan for 2003-2007 was a key achievement and has set clear benchmarks for accountability.

Vice President Miles Hedge has made a particularly valuable contribution working also as Treasurer and Chair of the Finance Committee and supervising the update of AUSTCARE accounting procedures.

To each Director I extend my personal thanks for their valuable personal contribution in Committee and as Board members given voluntarily to our common cause.

To Major General Mike Smith AO (Retd) I extend particular thanks and personal appreciation. In his second year as CEO Mike has steered AUSTCARE through sometimes difficult change with vision and courage and helped us refocus on our core business.

Identifying project priorities and delivering on the ground within budgetary limitations is a major challenge and AUSTCARE's wonderful staff and magnificent volunteers have performed with great professionalism and commitment. You are all to be commended on your efforts.

AUSTCARE's work would not be possible without the ongoing support of thousands of Australians, and financial support from the Australian Government. I extend my heartfelt thanks to our donors, volunteers, Members and supporters for your ongoing trust and generosity.

The Right Honourable Ian Sinclair AC

## CEO'S REPORT

Conflicts continue across the globe, creating new displacements, leaving protracted refugee situations unresolved and challenging the international community to contribute to sustainable development in fragile post-conflict situations. Landmines and unexploded ordnance, the deadly legacy of recent and long-ended conflicts, threaten lives and livelihoods with horrific impact. It is the people in poorer countries struggling to survive that bear the brunt of this burden. During the year the scale of the humanitarian tragedy in Sudan/Darfur demanded that AUSTCARE take positive action, but this commitment did not diminish our efforts to reduce poverty and help build civil society in nine other countries.

Visiting East Timor this year I was able to see first hand how AUSTCARE is helping to reduce poverty and build local capacity. I also represented AUSTCARE and the Australian Council for International Development at the annual Executive Committee meeting of UNHCR in Geneva. It was pleasing to meet with many NGOs committed to the refugee cause, and to learn how UNHCR is supporting the Millennium Development Goals to enhance protection and develop civil society. AUSTCARE's work is increasingly based on the fact that refugees, returnees and IDPs should be at the forefront of the campaign to reduce poverty.

There have been significant changes at AUSTCARE during the year. Our focus has been on strengthening our overseas projects, improving our internal processes, and diversifying our funding base. This has required organisational change, including the closure of State Offices to help offset investment in the expansion of our international program.

These changes have enabled us to win some "in-country" funding from new donors in East Timor and Cambodia. Our priority in 2005 will be to strengthen our operations in these locations, supporting our achievements in working with our local partners HALARE (Timor-Leste) and Teuk Saat (Cambodia).

AUSTCARE has been active in the Middle East since 1981 and is highly respected for its work with Palestinian refugees in helping build civil society. We

are planning to build on our current programs in Lebanon (with the Women's Humanitarian Organisation) and the Palestinian Territories (with our local partner Bisan). We will continue to seek support from the Australian Government to assist in these endeavours.

Africa was home to three AUSTCARE projects this year, in Angola, Kenya and Zambia. However, while Africa is the region of the world with the largest number of displaced people, it attracts proportionately less Australian Government funding than other regions. This implies an imperative for AUSTCARE to diversify our funding sources if we are to continue our life-saving work.

Cementing our current programs and consolidating in-country operations will remain our priority in 2005, but we will also seek opportunities closer to home for new initiatives, such as along the Thai-Burma border, in Sri Lanka where landmines continue to impact on IDP resettlement, and with displaced communities in PNG and the South Pacific.

A high priority for 2005 will be to improve our human resource systems and to support our people more effectively. I am very grateful to our dedicated staff and volunteers whose commitment, professionalism and development are at the core of AUSTCARE's achievements and a continuing inspiration to me as CEO.

AUSTCARE's achievements outlined in the pages that follow would not be possible without the generosity of our donors, corporate and community supporters in Australia and our partners and allies in Australia and overseas. Over the last year I have been impressed by the immense good will amongst those who come to know and understand our work. Harnessing this potential into ongoing partnerships with the Australian community and corporate sectors represents a critical opportunity for AUSTCARE.

I look forward to working with you all in the coming year.



Michael G. Smith AO



## WHERE WE WORK

### LEBANON

- Youth Leadership Training
- Women's Humanitarian Organisation Capacity Building

### PALESTINIAN TERRITORIES

- Establishment of Neighbourhood Corners in Two West Bank Refugee Camps
- Peace Chain Project

### KENYA

- Vocational Training Skills for Youth Refugees
- Gender Training

### ANGOLA

- Mine Detection Dog Project

### ZAMBIA

- Food Security Project

### NEPAL

Micro Skills Training for Bhutanese Refugees

### AFGHANISTAN

Books of Hope, Herat University Mine Clearance and Ordnance Disposal

AUSTCARE is an Australian-based, specialist, humanitarian aid and development organisation that is non-profit and non-sectarian. Currently we are working in 10 countries throughout the world implementing development programs that reduce poverty, build local capacity and enhance human security.

### CAMBODIA

- Integrated Mine Action Program
- Rehabilitation and Regeneration of Refugees and Internally Displaced People
- Water Access and Hygiene Education
- Teuk Saat Capacity Building

### VIETNAM

- Vietnam Vision

### EAST TIMOR

- Local Non-Government Capacity Building, Bobonaro District
- Local Non-Government Capacity Building – HALARAE Financial and Administration Systems
- School Rehabilitation and Buddy Box Distribution



After school tutoring provides a safe and encouraging learning environment for girls in refugee camps in Lebanon. Photo courtesy of AUSTCARE

## AUSTCARE AND EDUCATION

AUSTCARE's education and training programs develop self-reliance and foster independence. For the many people caught in protracted refugee situations, education programs help uphold dignity, counter despondency, provide food security and income-generating opportunities. AUSTCARE's programs focus on women and children, ensure active community participation in design and implementation and employ a variety of learning approaches to encourage problem solving and critical thinking.

In the **East Timor** District of Bobonaro, most schools and other infrastructure were destroyed during the violence of 1999. In partnership with the Department of Education AUSTCARE completed the renovation of a primary school benefiting over 500 students. Another 200 Bobonaro school children received 'buddy boxes' with chalk, writing books, pencils and rubbers, provided by Melton Rotary Club of Victoria.

At **Kenya's** Kakuma Refugee Camp, AUSTCARE's vocational training for refugee and host community

youth provided income-generating opportunities in a drought stricken and harsh environment. Skills gained in trades like carpentry, metalwork, tailoring and motor mechanics will also help refugees when they are resettled or return home. 749 students enrolled in the program and 563 sat for National Exams in 11 different trades. AUSTCARE supported production units in the camp to provide employment opportunities. Women's participation was actively encouraged through incentives and new programs set up specifically for women.

In **Lebanon** AUSTCARE provided youth at a Palestinian refugee camp with leadership and team building skills as well as physical and mental stimulation to build resilience in the face of frustration and boredom. 155 youth benefited from tutoring classes and 300 children participated in team building, sporting and recreational activities. Mobile libraries are undergoing improvement and a new youth club allowed young people to create newsletters, produce artwork and perform puppet shows and dances.

## AUSTCARE AND HEALTH

People displaced by conflict are particularly vulnerable to physical and mental health problems. Poor health reduces learning ability and economic productivity, contributing to poverty which in turn exposes people to greater health risks. AUSTCARE's health programs aim to overcome this cycle of poor health and poverty.

In **Cambodia** poor rural communities have gained access to clean water and hygiene and water education, reducing ill health and waterborne diseases. In O'Ang Re Village alone, a quality well constructed by AUSTCARE benefited 100 people with 20-40 litres of clean water per person per day. In total in Cambodia 26 wells have been built benefiting over 2700 people while 436 hygiene kits have been distributed and nearly 3800 people have participated in water use and hygiene education sessions. AUSTCARE's Mine Action Program has improved the health of people living on mine cleared land while mine risk education has decreased the risk of mine accidents and fatalities.

In **Nepal**, Bhutanese refugees in 7 different refugee camps have gained income-generating skills in a training project in partnership with BRAVVE. The program is designed to target the victims of violence, particularly women. Many of these refugees suffer from depression. 86% of patients interviewed said they had discontinued medication for depression as a result of their participation in the program.



*Bhutanese refugee women suffering from depression due to high levels of violence in camps in Nepal benefit greatly from gaining skills allowing them to use their time productively. Photo courtesy of Sally Campbell, AUSTCARE*

## AUSTCARE AND FOOD SECURITY

Sufficient accessible safe and nutritious food for people to enjoy active and healthy lifestyles is often a daily struggle for people living in refugee situations or landmine affected areas. AUSTCARE's food security projects improve the availability of food for communities, increase income levels, improve distribution of food supplies and promote more efficient use of food sources.

**Cambodia** highlights the close link between food security and poverty. With 95% of the poor living in rural areas, AUSTCARE has supported Integrated Pest Management and Farmer Field Schools (FFS) for poor farmers in Otdar Meanchey and Preah Vihear provinces. 298 farmers, including 165 women, participated and another 35 farmers (7 women) were trained through our Farmer Trainer Orientation Program. Participation in the FFS has increased knowledge of alternative agricultural techniques among participants and enhanced cooperation amongst farmers at the community level. Farmers now have greater opportunity for skills development aimed at improving food security and livelihoods.



*Communities learn together how to improve crop yields through non-formal, interactive classes in Cambodia. Photo courtesy of Stephanie Kratzmann, AUSTCARE*



*White markers in the ground indicate to Cambodian children that areas near their homes have been cleared of landmines allowing them to ride and play safely. Photo courtesy of HALO, Cambodia*



*This pile of shoes in Sydney for Landmine Action Week represents the number of people who lose their feet each year due to landmines. Photo courtesy of Elektra Spathopoulos, AUSTCARE*

In **Zambia's** Kala Refugee Camp, AUSTCARE has assisted Congolese refugees with agricultural training and resources including livestock and cash loan schemes needed for food security. Over 450 people (around 300 women) received vegetable seeds and 650 ducks were distributed to 200 households. The outcome of the project is more nutritious and diverse diets, which helps reduce reliance on food rations.

In **East Timor** AUSTCARE in partnership with HALARAE has provided over 100 people, nearly 50 of whom were women, with technical training in gardening. Communal vegetable gardens were also developed. New skills in composting, crop rotation, environmental impact analysis and plant disease management assisted women and farming groups to produce their own crops and gain greater food security, rebuilding communities after displacement.

## AUSTCARE AND LANDMINE ACTION

AUSTCARE is actively engaged in landmine action and recognises the importance of mine clearance in the resettlement of refugees and displaced persons. Our landmine action activities include clearance of landmines and unexploded ordnance, mine risk education and rehabilitation of landmine victims. AUSTCARE's integrated approach to landmine action programs includes broader social and economic development initiatives. Communities involved are active in all stages of the project planning and implementation to ensure the best outcomes are achieved.

In May 2004 AUSTCARE spearheaded Landmine Action Week in partnership with the International Campaign to Ban Landmines – Australian Network. The aim of the week was to raise awareness for landmine issues, increase Australia's commitment to landmine action and raise money for AUSTCARE's work. AUSTCARE has also contributed a researcher to the Landmine Monitor report 2004, the annual product of an initiative by the International Committee to Ban Landmines to monitor and report on implementation and compliance with the 1997 Mine Ban Treaty.

In **Cambodia's** Otdar Meanchey and Preah Vihear Provinces AUSTCARE's integrated approach to mine action aims to save lives, reduce injuries and improve the socio-economic conditions of communities worst affected by decades of war and landmines. So far, throughout the project there have been zero mine incidents and over 4000 people have benefited directly or indirectly in the 10 villages where mine clearance has been conducted. These benefits include the resettlement of 91 families, agricultural land, safe access to water and safe transit to rice fields and other villages for over 400 families.

In **Angola** AUSTCARE's work has had a direct impact on mine affected communities through the purchase and training of a mine detection dog to support existing mine clearance operations through

our partner organisation, the Norwegian People's Aid (NPA). The puppy was trained in Bosnia for four months before starting operational service in Angola in January 2004.

In **Afghanistan**, where returnees and displaced people confront the deadly landmine legacy of 23 year of war, AUSTCARE completed a project where 45 anti personnel mines, four anti tank mines, 193 items of unexploded ordnance (UXO) and 1,045 items of stray ammunition were cleared, ensuring increased and safe access to land for resettlement and community development and a reduction of mine and UXO accidents and death.

## AUSTCARE AND CAPACITY BUILDING

AUSTCARE seeks to develop the capacity of refugees, internally displaced people and those affected by landmines to develop livelihood and coping skills to reduce poverty and enhance self-reliance. AUSTCARE's projects also facilitate the institutional strengthening of local partner organisations and the capacity development of individual staff members. All our capacity building projects have the aim of long-term sustainability.

In **Lebanon**, at the Bourj el Barajneh Refugee Camp, AUSTCARE is helping to build the capacity of our local partner NGO, the Women's Humanitarian Organisation (WHO). We conducted training in group facilitation, conflict management, counselling skills for women, advocacy, and planning and performance appraisal. The training has enabled WHO to carry out their development programs more efficiently and effectively.

AUSTCARE has supported our partner organisation in **Kenya**, Don Bosco, to develop a greater understanding of gender-related issues that prevent refugee women and girls from accessing education, health and other essential services to rebuild their lives. With AUSTCARE's support, Don Bosco has developed a Gender Policy that guides the implementation of project activities to prioritise the participation and protection of women.



*A gender based policy developed for our programs in Kenya is guiding our project work with women at Kakuma Refugee camp. Photo courtesy of Celia Paoloni, AUSTCARE*

In the **Palestinian Territories**, with our local partner, the Bisan Centre for Research and Development, AUSTCARE has developed the capacity of two women's centres in West Bank refugee camps with programs tailored to women gaining better access to the public and productive spheres of life in the camps. As a result, Palestinian refugee women are playing an increased role in building civil society in their communities.

In **East Timor** AUSTCARE strengthened systems in our in-country office and provided capacity building assistance to our Timorese partner organisation HALARAE. AUSTCARE supported the development of HALARAE's administration and financial systems, policies and procedures. HALARAE's existing structure, processes and systems are now managed more efficiently and staff are able to perform their tasks with greater effectiveness.



*Staff at AUSTCARE's East Timor office received training to improve office systems. Photo courtesy of Alex Dalley, AUSTCARE*

# DIRECTORS' REPORT

The directors present their report together with the financial report of AUSTCARE for the year ended 30 June 2004 and the auditors' report thereon.

## DIRECTORS

The directors of the company at any time during or since the financial year are:

DIRECTOR	QUALIFICATION & EXPERIENCE	SPECIAL RESPONSIBILITIES
Rt.Hon. I Sinclair AC	BA LLB (Syd) D Univ (Hon.UNE) Grazier/Director	President Appointed President 25 February 2000 Director since 7 October 1999
E G M Hedge	BEC FCA ACIS Chartered Accountant	Vice President & Treasurer Director since 28 January 1993
R Rosenblum AM	BA LLM (Hons) Consulting Solicitor	Secretary Director since 17 December 1999
B Young AO	BA (Hons) Chair, Refugee Council of Australia	Chairperson Director since 20 February 1986 Appointed Chairperson 16 September 1993
Rev J E Mavor AM	BD BEd Dip.RE Minister of Religion Secretary, National Mission and Evangelism Uniting Church in Australia	Director since 19 February 1975 President from 30 May 1990 to 25 February 2000
B Armstrong AO	Grad Dip in Community Ed CEO Australian Volunteers Int President, ACFID (formerly ACFOA)	Director since 26 Feb 2003 1982–2002 1993–1997
D Ball	General Manager, Strategic Alliances Wesley Mission	Director since 6 May 2003 Resigned 16 July 2004
S Dudley	BA LLB Dip. Crim M Admin General Manager, Camden Council	Director since 26 Nov 2002
T Fearnley AM	Dip Advert. & Mktng (London) Chairman & CEO, AdPartners Group	Director since 6 May 2003
T Filer	Company Director	Director since 6 May 2003
P Greet	BA Dip.Ed Manager of Volunteer Programme, Qld Cancer Fund	Director since 7 October 1998

Major General P Cullen AC CBE DSO\* ED (Rtd) was appointed President Emeritus on 7 October 1999. He served as President from 13 March 1970 to 31 May 1990.

## PRINCIPAL ACTIVITIES

The principal activities of the company in the course of the financial year were to conduct co-ordinated appeals and projects in the total cause of refugees, internally displaced peoples, returnees and people affected by landmines.

During the 2004 financial year, AUSTCARE continued to provide humanitarian assistance and support to projects with a long-term development impact in partnership with various national and international NGO's, government departments and tertiary institutions.

## RESULTS

Total revenue was \$3,514,290 (2003 – \$3,832,827) and total disbursements \$3,828,242 (2003 – \$3,864,287) resulting in a deficit of \$313,952 for the year (2003 – \$31,460). Included in disbursements was \$2,242,636 (2003 – \$2,664,553) to projects, community education and advocacy. Total undistributed funds as at 30 June 2004 was \$904,003 (2003 – \$1,217,955) and cash balances \$1,458,617 (2003 – \$1,684,764).

## REVIEW OF OPERATIONS

AUSTCARE provided funds to support refugee projects in Africa, the Middle East and Asia as well as community education activities in Australia. Funds raised by AUSTCARE amounted to \$1,581,152 (2003 – \$1,745,879). AusAID and other grant income

was \$1,933,138 (2003 – \$2,086,948) which excludes grants not yet disbursed which have been treated as a liability and amount to \$800,712 (2003 – \$829,268).

## EVENTS SUBSEQUENT TO BALANCE DATE

### International Financial Reporting Standards

For the year ending 30 June 2006, AUSTCARE will comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board. At balance date, it was not possible to quantify the effect of the convergence to IFRS.

Other than the matter discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

### LIKELY DEVELOPMENTS

The directors believe that the needs of refugees and displaced peoples throughout the world will not diminish in the foreseeable future. The directors and management will continue to work towards meeting those needs.

### STATE OF AFFAIRS

In the opinion of the directors there are no significant changes in the state of the affairs of the company that occurred during the financial year under review.

### DIRECTORS' MEETINGS

The AUSTCARE Directors met 6 times during the year ended 30 June 2004. The number of meetings attended by each Director was:

	No of meetings held	Eligible to attend	Attended
Rt Hon I Sinclair AC	6	6	6
Rev J E Mavor AM	6	6	5
B Young AO	6	6	6
E G M Hedge	6	6	4
P Greet	6	6	5
R Rosenblum AM	6	6	6
B Armstrong AO	6	6	6
S Dudley	6	6	5
D Ball	6	6	5
T Filer	6	6	5
T Fearnley AM	6	6	6

### INDEMNITY & INSURANCE

The company has taken out a directors' and officers' insurance policy to indemnify all the present and past directors and officers of the company to another person (other than the company) that may arise from their position as directors and officers of the company, except where the liability arises out of conduct involving a lack of good faith. No claims were made during or since the financial year and there are no outstanding claims.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Dated at Sydney this 18<sup>th</sup> day of *Dec* 2004

Signed in accordance with a resolution of the Directors:



I SINCLAIR AC  
Director



M HEDGE  
Director

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUSTCARE

## Scope

We have audited the financial report of AUSTCARE for the financial year ended 30 June 2004, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes and the directors' declaration set out on pages 11 to 20. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cashflows.

The audit opinion expressed in this report pursuant to the Corporations Act 2001 has been formed on the above basis.

## Additional scope pursuant to the Charitable Fundraising (NSW) Act 1991

In addition, our audit report has also been prepared for the members of the company in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and the requirements set out in the AusAID Umbrella Contract between the Commonwealth of Australia and AUSTCARE (the AusAID Umbrella Contract). Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the Corporations Act 2001. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising (NSW) Act 1991 and Regulations; and the examination of four Activities funded under the AusAID Umbrella Contract.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the Charitable Fundraising Act (NSW) has been formed on the above basis.

## Audit opinion pursuant to the Corporations Act 2001

In our opinion, the financial report of AUSTCARE is in accordance with:

- a the Corporations Act 2001, including
  - i giving a true and fair view of the company's financial position as at 30 June 2004 and of its performance for the year ended on that date; and
  - ii complying with Accounting Standards and the Corporations Regulations 2001; and
- b other mandatory professional reporting requirements; and
- c in conformity with the Financial Reporting Format set out in the ACFID Code of Conduct for Non-Government Development Organisations.

## Audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion:

- a the financial report gives a true and fair view of the financial result of fundraising appeal activities for the year ended 30 June 2004;
- b the financial report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2003 to 30 June 2004, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- c money received as a result of fundraising appeal activities conducted during the period from 1 July 2003 to 30 June 2004 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- d there is reasonable grounds to believe that AUSTCARE will be able to pay its debts as and when they fall due.

KPMG  
KPMG



N CAMERON SMITH

Partner

Dated at Sydney this 18 day of 18 July, 2004

# STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
<b>REVENUE</b>			
Revenue from fundraising activities	2	1,531,675	1,706,101
Government grants received	2	1,933,138	2,086,948
Other Revenue		49,477	39,778
<b>Total revenue from ordinary activities</b>		<u>3,514,290</u>	<u>3,832,827</u>
<b>DISBURSEMENTS</b>			
Overseas Projects			
Funds to Overseas Projects	4	1,720,695	1,977,933
Other Overseas Project Costs	4	409,990	535,600
Domestic Projects			
Community Education	4	93,410	140,770
Fundraising Costs			
Public		554,915	554,000
Government & Multilaterals		—	12,630
Administration			
Employee expenses		724,995	418,571
Other expenses from ordinary activities		305,696	214,505
<b>Total disbursements</b>		<u>3,828,242</u>	<u>3,864,287</u>
Excess/(deficit) of revenue over disbursements	3	<u>(313,952)</u>	<u>(31,460)</u>
Non distributed funds at the beginning of the year		1,217,955	1,249,415
Non distributed funds at the end of the year	12a	<u>904,003</u>	<u>1,217,955</u>

*The statement of financial performance is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 19.*

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash assets		1,458,617	1,684,764
Other	5	25,360	49,483
<b>Total current assets</b>		<u>1,483,977</u>	<u>1,734,247</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	682,240	671,386
<b>Total non-current assets</b>		<u>682,240</u>	<u>671,386</u>
<b>Total assets</b>		<u>2,166,217</u>	<u>2,405,633</u>
<b>CURRENT LIABILITIES</b>			
Creditors	7	1,230,761	1,132,197
Provisions	8	31,453	55,481
<b>Total current liabilities</b>		<u>1,262,214</u>	<u>1,187,678</u>
<b>Total liabilities</b>		<u>1,262,214</u>	<u>1,187,678</u>
<b>Net assets</b>		<u>904,003</u>	<u>1,217,955</u>
<b>AUSTCARE Distribution Fund</b>	12a	<u>904,003</u>	<u>1,217,955</u>

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statement set out on pages 13 to 19.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from appeals, donations & fundraising activities		1,487,071	1,706,100
Cash receipts from AusAID		1,756,312	2,124,816
Proceeds from other activities		28,887	81,118
Interest received		23,644	43,556
Cash payments to suppliers and employees		(1,779,842)	(1,411,881)
Cash payments for project expenditure		(1,699,785)	(2,523,783)
<b>Net cash provided by/(used in) operating activities</b>	10	<u>(183,713)</u>	<u>19,927</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current assets		1,131	15,000
Payments for property, plant and equipment		(43,565)	(47,523)
<b>Net cash used in investing activities</b>		<u>(42,434)</u>	<u>(32,523)</u>
<b>Net increase/(decrease) in cash held</b>		<u>(226,147)</u>	<u>(12,596)</u>
<b>Cash at the beginning of the financial year</b>		<u>1,684,764</u>	<u>1,697,360</u>
<b>Cash at the end of the financial year</b>	10	<u>1,458,617</u>	<u>1,684,764</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 19.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1 STATEMENT OF ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

### **a) Basis of preparation**

The financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and the ACFID Code of Conduct for Non-Government Development Organisations.

It has been prepared on the basis of historical costs and except where stated does not take into account changing money values or current valuations of non-current assets.

The accounting policies have been consistently applied, and except where there is a change in accounting policy, are consistent with those of the prior year.

Pursuant to AASB 1034, Information to be disclosed in Financial Reports, paragraph 3, having regard to the particular circumstances of the entity, changes to the recommended format have been made in the financial report, principally in the presentation of the "Statement of Financial Performance". In the opinion of the Directors, these changes are necessary for the presentation of relevant and reliable information about the company's performance and financial information having regard to the charitable, "not for profit", nature of the business conducted by the company.

### **b) Non current assets**

The carrying values of the non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts, the relevant cash flows have not been discounted to their present value.

### **c) Property, plant and equipment**

#### ***Acquisition***

Items of property, plant and equipment are initially recorded at cost and depreciated as outlined below.

#### ***Depreciation***

Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives. The diminishing value method of depreciation is used for all depreciable assets except computer equipment, software and buildings. For these the straight-line method is used. Depreciation rates applied range from 2.5% for buildings to 33% for computer software.

### **d) Revenue recognition – Note 2**

#### ***Appeals and donations***

AUSTCARE is a non-profit organisation and receives significant income from donations. These amounts by their nature can only be recognised when they are recorded in the books of AUSTCARE. Donations are recorded as income when they are received.

#### ***AusAID & Other Government Grants***

Grants from Federal and State Governments are generally subject to some uncertainty and are not brought to account until such time as they have been received and are disbursed. Unspent grants are shown as liabilities.

#### ***Interest revenue***

Interest is recognised as it is accrued, taking into account the effective yield on the financial asset.

#### ***Volunteer & In-kind Contributions***

The value of services provided by volunteers is not included in revenue or expenses because of practical difficulties involved in quantifying. In-kind donations and contributions are included only when the items are in new or near new condition and their value can be reasonably determined.

### **e) Provision for employee benefits**

Provision is made for employees' annual and long service leave benefits based on each employee's legal entitlements at year-end. The company's commitment with regard to employees' superannuation contributions has been fully satisfied during the year by a charge against income.

## f) Income tax

The company is a registered charity and is exempt from income tax under s50-5 of the Income Tax Assessment Act 1997.

## g) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

## h) Classification of expenses

Expenses have been classified in accordance with the format specified in the ACFID Code of Conduct for Non-Government Development Organisations.

## 2 REVENUE

	2004 \$	2003 \$
<b>FUNDRAISING ACTIVITIES</b>		
Donations and gifts	1,407,150	1,515,196
Legacies and bequests	124,525	190,905
Total revenue from fundraising activities	<u>1,531,675</u>	<u>1,706,101</u>
<b>GRANTS</b>		
ANCP income	238,801	282,279
Other AusAid grants	1,416,783	1,373,460
AusAid project overhead	108,532	350,588
State government grants	52,052	80,621
Corporate grants	116,970	
Total grant income received	<u>1,933,138</u>	<u>2,086,948</u>
<b>OTHER REVENUES</b>		
<i>From operating activities</i>		
Membership subscriptions	1,075	1,060
Interest received	23,644	10,719
Other income	23,627	12,999
<i>From outside operating activities</i>		
Gross proceeds on disposal of fixed assets	1,131	15,000
Total revenue from other activities	<u>49,477</u>	<u>39,778</u>
<b>Total revenue from ordinary activities</b>	<b>3,514,290</b>	<b>3,832,827</b>

## 3 EXCESS OF DISBURSEMENTS OVER REVENUE

	2004 \$	2003 \$
The excess of disbursements over revenue for the year was derived after charging/(crediting):		
Auditors of the company, <i>KPMG Australia</i>		
– Audit and review of the financial report	15,000	15,000
Depreciation of plant and equipment		
– Building	7,719	6,379
– Plant and equipment	24,393	29,817
Operating leases – other rental expense	–	41,926
Provision for employee benefits	(28,336)	(31,291)
(Profit)/loss on disposal of fixed assets	599	3,922

## 4 DISBURSEMENTS TO PROJECTS

During the year project funds were distributed to:

Country	Project Sector and Partner	AusAID funded \$	AUSTCARE funded \$	2004 Total \$
<b>AFRICA</b>				
Angola	Mine Action, Norwegian People's Aid		35,000	35,000
Kenya	Education, Don Bosco	75,865		75,865
Kenya	Education, Don Bosco		8,809	8,809
Kenya	Capacity Building, Gender Consultant		2,500	2,500
Mozambique	Mine Action, Handicap International France	10,807	286	11,093
Zambia	Food security, HODI	89,086		89,086
Zambia	Capacity building, Micro-credit Consultant	19,242		19,242
<b>Total Africa</b>		<b>195,000</b>	<b>46,595</b>	<b>241,595</b>
<b>ASIA</b>				
Afghanistan	Mine Action, The HALO Trust		21,000	21,000
Afghanistan	Education, Herat University		16,329	16,329
Cambodia	Integrated Project, Provincial Department of Rural Development	33,652		33,652
Cambodia	Integrated Project, Evaluation Consultant	14,162		14,162
Cambodia	Integrated Mine Action, The HALO Trust	887,179	7,356	894,535
Cambodia	Health & Education, Teuk Saat		3,795	3,795
Cambodia	Mine Action, The HALO Trust		25,533	25,533
Cambodia	AUSTCARE Office		70,486	70,486
East Timor	Education, Department of Education Bobonaro		9,892	9,892
East Timor	Capacity Building, HALARAE		26,108	26,108
East Timor	AUSTCARE Office		19,526	19,526
Nepal	Education, BRAVVE	38,959		38,959
Vietnam	Health, VABAT		79,606	79,606
<b>Total Asia</b>		<b>973,952</b>	<b>279,631</b>	<b>1,253,583</b>
<b>MIDDLE EAST</b>				
Lebanon	Education, Women's Humanitarian Organisation	44,963		44,963
Palestinian Territories	Capacity Building, Bisan Centre for Research and Development	167,468		167,468
Israel	Education & Health, Neve Shalom~Wahat al-Salam		13,086	13,086
<b>Total Middle East</b>		<b>212,431</b>	<b>13,086</b>	<b>225,517</b>
<b>Total Fund to Overseas Projects</b>		<b>1,381,383</b>	<b>339,311</b>	<b>1,720,695</b>
<i>Previous financial year 2003</i>		<i>1,615,232</i>	<i>362,675</i>	<i>1,977,933</i>
<b>Other Overseas Project Costs</b>				
Project Monitoring and Administration			<b>409,990</b>	<b>409,990</b>
<i>Previous financial year 2003</i>			<i>535,628</i>	<i>535,628</i>
			<b>2004</b>	<b>2003</b>
			<b>\$</b>	<b>\$</b>
<b>DOMESTIC PROJECTS</b>				
Refugee Learning Circle			13,041	–
TEAR			–	100
Refugee Council of Australia			5,500	10,000
ACFID			–	150
<b>Total Domestic Projects</b>			<b>18,541</b>	<b>10,250</b>
<b>COMMUNITY EDUCATION</b>				
Food for Thought/Refugee Week Admin Expenses			44,392	104,448
Education & Advocacy Section			49,018	36,322
<b>Total Community Education</b>			<b>93,410</b>	<b>140,771</b>

## 5 OTHER ASSETS

	2004 \$	2003 \$
<b>CURRENT</b>		
Debtors	1,136	2,179
Advances/deposits	4,816	35,945
Prepayments	19,408	11,359
	<u>25,360</u>	<u>49,483</u>

## 6 PROPERTY, PLANT AND EQUIPMENT

<b>NON-CURRENT</b>		
Freehold land & building, at cost	660,000	660,000
Less: Accumulated depreciation	(77,011)	(69,292)
	<u>582,989</u>	<u>590,708</u>
Plant and equipment at cost	214,626	171,661
Less: Accumulated depreciation	(115,375)	(90,983)
	<u>99,251</u>	<u>80,678</u>
Total property, plant and equipment, at net book value	<u>682,240</u>	<u>671,386</u>
<b>RECONCILIATION</b>		
<b>Freehold land &amp; building</b>		
Carrying amount at the beginning of year	590,708	597,087
Depreciation	(7,719)	(6,379)
Carrying amount at the end of year	<u>582,989</u>	<u>590,708</u>
<b>Plant and equipment</b>		
Carrying amount at beginning of year	80,678	105,032
Additions	43,565	47,521
Disposals	(599)	(42,158)
Depreciation	(24,393)	(29,717)
Carrying amount at the end of the year	<u>99,251</u>	<u>80,678</u>

### VALUATIONS OF LAND AND BUILDINGS

The independent valuation of freehold land and buildings carried out as at 19 August 2003 on the basis of open market values for existing use resulted in a valuation of freehold land and buildings of \$2,000,000.

## 7 CREDITORS

Trade creditors	220,085	153,422
Accruals	209,964	27,341
Other Funds on hand – (AusAID/Grants)	800,712	951,434
	<u>1,230,761</u>	<u>1,132,197</u>

## 8 PROVISIONS

<b>CURRENT</b>		
Provisions for employee benefits	31,453	55,481
Number of employees	15	20

## 9 COMMITMENTS

<b>OPERATING LEASE PAYABLE COMMITMENTS</b>		
Future non-cancellable operating lease/rentals of plant and equipment not provided for in the financial statements and payable:		
Within one year	–	19,857
One year or later and no later than five years	–	37,377
	<u>–</u>	<u>57,234</u>

## 10 NOTES TO THE STATEMENT OF CASH FLOWS

	2004 \$	2003 \$
<b>i RECONCILIATION OF CASH</b>		
For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheets as follows:		
Cash at bank and on hand	<u>1,458,617</u>	<u>1,684,764</u>
<b>ii RECONCILIATION OF NON-DISTRIBUTED FUNDS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net (decrease)/increase in non-distributed funds	(313,952)	(31,461)
Add/(less) non-cash items:		
Depreciation	32,116	36,096
Loss/(gain) on sale of non-current assets	(536)	31,080
Amounts set aside to provisions	<u>(24,028)</u>	<u>(31,291)</u>
Net cash provided by operating activities before change in assets and liabilities	(302,400)	502
Change in assets and liabilities:		
(Increase)/decrease in debtors/prepayments	24,122	2,416
Increase/(decrease) in creditors/other liabilities	<u>98,565</u>	<u>17,009</u>
Net cash provided by operating activities	<u>(183,713)</u>	<u>19,927</u>

## 11 MEMBERS' UNDERTAKING

AUSTCARE is a company limited by guarantee, and was incorporated on 8 June 1978. In the event of the company being wound up every member of the Company undertakes to contribute an amount of \$50. There were 42 Ordinary Members and 1 Corporate Member of the company at 30 June 2004.

## 12a AUSTCARE DISTRIBUTION FUND – MOVEMENTS OF FUNDS

Non-distributed funds at the beginning of the year	1,217,955	1,249,415
Funds raised during the year	3,514,290	3,832,827
Funds disbursed during the year	(3,828,242)	(3,864,287)
Non distributed funds at end of year	904,003	1,217,955

## 12b TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

Projects for which funds raised during the year were more than 10% of the total revenue of \$3,514,290.

	Available 1 July 2003	Cash raised during the year	Cash disbursed during the year	Available 30 June 2004
<b>PROJECT/PURPOSE</b>				
Cambodia Integrated Mine Action	566,873	726,181	974,575	318,479
Total for all other purposes	1,117,891	2,570,864	2,548,618	1,140,138
	<b>1,684,764</b>	<b>3,297,045</b>	<b>3,523,193</b>	<b>1,458,617</b>

Of the cash available at year end for all other purposes of \$1,140,138, an amount of \$236,430 is committed to funding a specific project or to be used for a designated purpose.

## 13 FUNDRAISING APPEALS CONDUCTED DURING THE FINANCIAL PERIOD

- i Fundraising appeals conducted during the year included mail appeals, telephone appeals and various other sundry fundraising projects and general receiving of indirectly solicited donations and bequests.
- ii In accordance with section 20 of the Charitable Fundraising (NSW) Act 1991, monies received in the course of fundraising appeals are applied according to the objects or purposes of the appeal net of proper and appropriate expenses. In some circumstances, appeal funds are not always expended in the year they are collected and therefore the balance of non-distributed funds at the end of the year being \$904,003 (2003-\$1,217,955) includes amounts to be applied to meet the purpose and objective of specific appeals.

	2004 \$	2003 \$
<b>iii RESULTS OF FUNDRAISING APPEALS</b>		
Gross proceeds from fundraising appeals	1,531,675	1,706,101
Less: Direct costs of fundraising appeals	<u>(329,662)</u>	<u>(417,011)</u>
Net surplus obtained from fundraising appeals	1,202,013	1,289,090
Add: Government grants	1,933,138	2,086,948
Other Income	<u>49,477</u>	<u>39,778</u>
Total revenue net of direct fundraising costs	<u>3,184,628</u>	<u>3,415,815</u>
<b>IV APPLICATION OF NET SURPLUS OBTAINED FROM FUNDRAISING APPEALS</b>		
Distributions	2,242,636	2,664,581
Fundraising Costs – Indirect	225,253	149,618
Administration expenses	1,030,691	633,076
Add: Non-distributed funds at end of the period	904,003	1,217,955
Less: Non-distributed funds at beginning of period	<u>(1,217,955)</u>	<u>(1,249,415)</u>
	<u>3,184,628</u>	<u>3,415,815</u>

## V COMPARISONS OF CERTAIN MONETARY FIGURES AND PERCENTAGES

	2004 \$	2004 %	2003 \$	2003 %
Direct cost of fundraising/ gross income from fundraising	329,662 1,531,675	22	417,012 1,706,101	24
Net surplus from fundraising/ gross income from fundraising	1,202,013 1,531,675	78	1,289,090 1,706,101	76
Total projects funded/ Total expenditure	2,242,636 3,828,243	59	2,664,581 3,864,287	69
Total projects funded/ Total income received	2,242,636 3,514,290	64	2,664,581 3,832,827	70

## 14 RELATED PARTIES

The names of each person who held the position of director of AUSTCARE during the financial year are the Rt Hon Ian Sinclair AC, Rev John Mavor AM, Barbara Young AO, Miles Hedge, Dian Ball, Pamela Greet, Rodney Rosenblum AM, Sheridan Dudley, Bill Armstrong AO, Tony Filer and Trevor Fearnley AM.

Trevor Fearnley holds a position in AdPartners Group, which results in him having considerable influence over that entity. AdPartners Group Partnership is the major supplier of fundraising services to the Company. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably expect to be available, on similar transactions to non-director related entities on an arms' length basis.

Purchases from AdPartners Group Partnership by the Company during the financial year totalled \$130,915 (2003 \$170,445) and at year end the amount payable to AdPartners Group Partnership was \$27,861 (2003 \$61,726).

The directors did not receive any remuneration or superannuation benefits during the year other than professional indemnity insurance paid on their behalf by the company.

No director has entered into a material contract with the company since the end of the previous year and there were no material contracts involving directors' interests subsisting at year-end.

## 15 FINANCIAL INSTRUMENTS DISCLOSURE

### a) Interest rate risk exposure

The company's exposure to interest rate risk for classes of financial assets and financial liabilities is as follows:

#### **Financial assets**

Cash balances and cash investments totalling \$1,458,617 (2003 – \$1,684,764 ) are subject to floating interest rates and fixed rates for periods not exceeding 45 days. The weighted average interest rate for the year was less than 5% pa (2003 – less than 5%). Of this amount \$87,783 (2003 – \$492,308) was not interest bearing.

#### **Financial liabilities**

Of the creditors of \$1,230,761 (2003 – \$1,132,197), \$697,141 (2003 – \$829,260) is interest bearing. The interest rate payable is directly linked to average rate of interest earned. The balance of creditors balances is non-interest bearing.

### (b) Credit risk exposure

Credit risk on financial assets is minimised by dealing with recognised financial institutions and related parties with acceptable credit ratings.

### (c) Net fair value

The company's financial assets and liabilities included in the balance sheet are carried at amounts that approximate net fair value.

## 16 EVENTS SUBSEQUENT TO REPORTING DATE

### International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the Company must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian Accounting Standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having an effect on the company's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would have affect in the manner in which transactions or events are presented.

The Company has not quantified the effects of the differences discussed below. Accordingly there can be no assurances that the Company's financial performance and financial position as disclosed in this report would not be significantly different if determined in accordance with IFRS.

The key potential implications of the conversion to IFRS on the Company are as follows:

- Government grants cannot be recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. Government grants shall be recognised as income over the periods necessary to match them with the related costs they are intended to compensate, on a systematic basis.

The Company is planning on formalizing an implementation project by 30 June 2005 to achieve transition to IFRS reporting.

## DIRECTORS' DECLARATION

In the opinion of the directors of AUSTCARE:

- (a) the financial statements and notes set out on pages 11 to 19 are in accordance with the Corporations Act 2001 including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2004 and of its performance as represented by the results of its operations and cash flows, for the year ended on that date; and
  - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - (iii) complying with the ACFID Code of Conduct for non-governmental development organisations; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this *18<sup>th</sup>* day of *October* 2004

Signed in accordance with a resolution of the Directors:



I SINCLAIR AC  
Director



M HEDGE  
Director

## DECLARATION BY CHIEF EXECUTIVE OFFICER IN RESPECT OF FUNDRAISING APPEALS

I, Michael G Smith, Chief Executive Officer of AUSTCARE declare that in my opinion:

- a the financial statements give a true and fair view of all income and expenditure of AUSTCARE with respect to fundraising appeal activities for the financial year ended 30 June 2004;
- b the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2004
- c the provisions of the Charitable Fundraising Act (NSW) 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2004; and
- d the internal controls exercised by AUSTCARE are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Dated at Sydney this *18<sup>th</sup>* day of *October* 2004



MICHAEL G SMITH AO

## OUR PEOPLE



Lina Caporaso OAM departed the AUSTCARE team after 19 years of dedicated service in our South Australian Office.



Joao Boavida has been instrumental in partnering AUSTCARE with government departments and local organisations in East Timor and heads up our new office in Dili.



In the AUSTCARE Sydney office we are assisted by about 30 active volunteers who work between 1 and 2 days a week in all areas of the organisation. Khalil Quereshi currently assists in the database area.



Our Australian Youth Ambassadors for Development in East Timor and Cambodia provide vital expertise and assistance to our programs. Kit Ming Leung is currently in the field in East Timor.



Oum Sang Onn is heading up our growing team of staff and volunteers in Cambodia who work both in the field and in our office in Phnom Penh.



Corinne Stroppolo, AUSTCARE's International Program Manager, received the 2004 Sydney Rotary and Mt Eliza Centre for Executive Education Scholarship.

L-R: Ian Sinclair, AUSTCARE President; Corinne Stroppolo, AUSTCARE International Program Manager; Bruce Edwards, Sydney Rotary Club President; Trevor Fearnley, AUSTCARE Board Member. Photo courtesy Paul Bennett.

---

## FRONT COVER PHOTOS

**MAIN IMAGE** Face of southern Sudan *Photo courtesy of Mick Toal* **HEALTH – CAMBODIA** This Cambodian girl, along with many others, has benefited from clean drinking water from a well installed as part of an AUSTCARE project. *Photo courtesy of Stephane Victor* **EDUCATION – AFGHANISTAN** Afghan returnee girls are able to continue the education they received in refugee camps. AUSTCARE's Books of Hope project provided reading material for hundreds of students. *Photo courtesy of UNHCR/L.Slezic/Global Aware* **FOOD SECURITY – CAMBODIA** AUSTCARE's Integrated Pest Management program works with local farmers giving communities a food secure future. *Photo courtesy of Stephanie Kratzmann* **LANDMINE ACTION – AFGHANISTAN** Afghanistan is home to many victims of war, most commonly those maimed by landmines. AUSTCARE has worked in Afghanistan on projects that help those affected by landmines rebuild their lives. *Photo courtesy of UNHCR/L.Slezic/Global Aware* **CAPACITY BUILDING – CAMBODIA** Farmers work together in Cambodia learning about different varieties of rice through AUSTCARE's Farmer Field Schools. *Photo courtesy of Stephanie Kratzmann*



#### HEAD OFFICE

69 – 71 Parramatta Rd  
Camperdown NSW 2050  
Locked Bag 15 Camperdown NSW 1450  
Telephone: +61 2 9565 9111  
Facsimile: +61 2 9550 4509  
Donations: 1300 66 66 72  
Email: [info@austcare.org.au](mailto:info@austcare.org.au)  
Website: [www.austcare.org.au](http://www.austcare.org.au)

#### CAMBODIA

# 23A Street 57, Corner 306, Sangkat Boeng  
Kengkang 1 Phnom Penh  
Telephone: +855 (0) 12 905 236  
Facsimile: + 855 (0) 23 994 117  
Email: [austcare.cambodia@online.com.kh](mailto:austcare.cambodia@online.com.kh)

#### EAST TIMOR

Suco Haksolok, Vera Cruz, Vila Verde, Dili  
PO Box 190, Dili  
Telephone and facsimile: + 670 331 0411  
Email: [austcare\\_tl@yahoo.com.au](mailto:austcare_tl@yahoo.com.au)

ABN 87 001 251 930