

Annual Report 2015/16



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CHAIRMAN'S REPORT

This year has been one of consolidation for Graceworks' Australian operations.

The Board has used the last 12 months to review our current position, commencing with a strategic planning day in February in which we reviewed the previous business plan. This provided the opportunity to set some clear priorities for the financial year. Given the recent growth in CDE funding, much of this activity centered around process and policy to ensure Graceworks can not only meet current funder obligations, but also continue to develop and grow in a sustainable manner. Whilst this work can sometimes seem removed from the life-changing in country work that you'll read about in this report, it is this background work that provides the structures to enable the organisation to remain viable, and for our programs to effect change.

To this end, work was undertaken to benchmark staff salary and ensure these accurately reflected our streams of revenue. This has resolved previous questions around remuneration, and provided greater clarity to the CEO. The Board also adopted a policy pertaining to the selection of new board members, their obligations as directors, and planning to ensure the right skills are injected to assist Graceworks to perform. The Constitution was also updated to ensure compliance with the current Incorporated Associations Act, adding clauses to allow the board to function more smoothly. Finally, after much perseverance, the historic challenge of transferring funds from Australia in to Myanmar was resolved, enabling smoother transition of project funds to projects.

A special thanks to Zoe Solomon who has provided great support to the board, and our Treasurer Des Collinson for his expertise and resolve in bringing many of these matters to conclusion. Thank you also to our CEO, Peter Simmons who has provided leadership to Graceworks in challenging times, both for Myanmar, and within the Australian Development Sector. Thank you to the many individuals, churches and businesses who have supported our work over the past year, ensuring the continuation of our mission to empower sustainable development in Myanmar.

Many thanks,

Cameron Burgess

Chairman



CEO REPORT

I am pleased to report that the past year has seen further growth and expansion of Graceworks Myanmar (GWM) in Myanmar, together with a stronger base of support being developed in Australia.

Our sustained financial support from our major donors has provided groundwork for the next three years, a wonderful achievement, as gaining funding is increasingly difficult for Australian based NGO's working overseas.

Myanmar continues its journey towards a democratic system of government, however the process is slow and challenging, particularly in light of people's expectations having been uplifted by the scale of the NLD and Daw Aung San Suu's election victory (more than 80% of primary vote). The resulting challenge is avoiding the populous becoming disillusioned with the slow pace of change. Against this backdrop, our Country Director Dr Peter Thein has produced some outstanding results for GWM over the past year.

We have had a number of highlights and celebration points that have included the opening of a new office in Sittwe (Rakhine State) as our community development education (CDE) program expands into the remote areas of a state that is now acknowledged, as the poorest in Myanmar.

This expansion has included the recruitment of ten new CDE program facilitators in the Rakhine State, which has seen Buddhists and Muslims coming together in community development projects.

In February, I signed a partnership agreement with Deakin University to undertake research into conflict, socio-political and economic dynamics in the Rakhine State. This partnership will enhance the International profile of GWM as a leader in community-led development, as the research will provide a greater understanding of conflict resolution in the expansion of GWM's community development education (CDE) program specifically in the Rhakine State.

We have 2 community centres we are currently working to expand.

The first is on Seikkyi Island and is currently an active centre housed in a 2 story building.

It includes a children's outreach and feeding program that is conducted on a weekly basis.

In October the Logos team from Operation Mobilisation sent teams to the centre. The first team were tradesmen and builders who finished the interior of the centre, tiling, painting and building handrails for the stairs. The second team were the medical arm of Logos and

included a dentist and doctor with a team who presented a training program in general health care.

During the year we acquired an acre of land in an outer Yangon region with a focus to construct a building to establish a health care training centre together with English and IT courses.

We continue to build relationships with specialist partners who compliment our work in Education, health and Livelihoods. Such as Living Water Development (LWD) an Australian based organisation delivers the water, sanitation and health (WASH) program alongside our facilitators in community development projects. As well as the Australian Conolly Foundation (MACF), who conduct medical field trips and clinics in GWM community locations.

The GWM model continues to focus on transforming communities through grass roots connections at village and community level rather than delivering programs. The impact of our work is best measured by the change and influence of people through community education by recognition that people have inherent values and abilities.

My thanks to my assistant Zoe Solomon for her support; to my board who have transitioned GWM to a stronger governance model.

To all our supporters and GWM friends and donors,

To my wife, for her tireless and sacrificial support,

Many thanks,

Peter Simmons.

(CEO)

ABOUT US

OUR PHILOSOPHY

GraceWorks Myanmar believes that the intrinsic goal of development is to advance human dignity, freedom, social equity and self-determination. A lack of development is characterised by poverty, social exclusion, powerlessness, poor-health, and shortened life expectancy. Good development outcomes are best achieved when communities have ownership of the goals and processes, and where there are participatory representation, social equity, transparency and accountability mechanisms.

Good development outcomes must also explicitly consider the importance of gender and diversity, as well as expand people's freedoms and experience of their inalienable human rights. Ensuring development outcomes are sustainable therefore requires any underlying factors contributing to underdevelopment be addressed, requiring partnership and local capacity building. Sustainable development also requires environmental concerns be given consideration. There is no single measure of development, and assessment of development requires a range of indicators.

GraceWorks Myanmar agree with the UNDP definition of 'human development' (*Human Development Report 1990*, p.10) as being a process of enlarging people's choices, the most critical ones being to lead a long and healthy life, to be educated and to enjoy a decent standard of living. If these essential choices are not available, many other opportunities remain inaccessible.

It has been noted by Professor Mark Duffield (*On the Edge of 'No Man's Land': Chronic Emergency in Myanmar*, University of Bristol) that development agencies in Myanmar create space for programs by adhering strictly to the humanitarian principles of:

- a) *humanity*—the centrality of saving human lives and alleviating suffering;
- b) *impartiality*—implementation of action solely on the basis of need, without discrimination between or within affected populations;
- c) *neutrality*—that humanitarian action must not favour any side in an armed conflict or other dispute; and,
- d) *independence*—autonomy of humanitarian objectives from the political, economic, military or other objectives that any actor may hold.

For programmatic purposes, GraceWorks Myanmar adopts these apolitical humanitarian principles in its development approach in Myanmar, through what may be termed 'humanitarian development'.

OUR MISSION

Empowering sustainable development for improved quality of life and holistic wellbeing of Myanmar's people.

OUR PURPOSE

Providing vital connections and promoting opportunities by building capacity and partnering for long term value to enable personal empowerment and community-based development.

OUR VALUES

Social justice

People have inherent value and capacity. We work alongside people in Myanmar to support them in gaining the freedoms they need to achieve the quality of life they desire. Integrity is at the heart of everything we do as we seek to address injustices with positive, long-term development that contributes to breaking the cycle of poverty.

Empowerment

People don't live in sectors. Only NGOs do. That's why we approach everything from a holistic perspective. We aim for sustainable outcomes that empower people through processes and results. We are more interested in enabling the good ideas of local people than simply delivering our own.

Equity

We emphasise respect and inclusivity for all, regardless of gender, religion, ethnicity, age or background, and seek to address marginalisation and exclusion based on these factors. We are driven by compassion and cultural sensitivity. We invest in building understanding and challenging our own thinking so that we are part of long-term change rather than band-aid solutions.

Partnership

Genuine two-way partnerships that emphasise self-sustainability are central to our contribution in Myanmar. We focus on grassroots partners and projects founded in mutual accountability and transparency.

Capacity building

We work to increase the capacity of our partners, rather than creating dependency on us. Success in the long-term will mean we've done ourselves out of a job. Participatory processes give us the opportunity for mutual learning. They make the journey as important as the destination so that we contribute to home-grown development capacity.

PROJECT HIGHLIGHTS

RESEARCH IN THE RHAKINE STATE

Having successfully secured a Deakin University Research Grant, 2016 saw Dr Vicki Ware commence research and training in arts based peacebuilding within Sittwe, Rakhine State, Myanmar.

KEY ACTIVITIES

In June 2016, Dr Ware conducted a 2-week research trip with a focus on meeting with key stakeholders to broker further research and community development linkages, and expand understanding of the conflict situation in Rakhine State.

The second part of this trip allowed Dr Ware to conduct training sessions in Sittwe, where a local Musician named Khaing Zaw was recruited to assist in preparation of training materials. Khaing has recorded multiple albums and is experienced in writing and performing songs, as well as training others. He is also active in encouraging positive social change in the Rakhine State. The combination of Khaing's expertise and experiences, as well as his unique personal qualities, make him ideal for this work. Khaing has worked with Dr Ware at both sets of training sessions, and was able to build instant rapport with participants.

Much of the 2 days were spent discussing what the groups participation in the UN Human Rights Day on December 10 would look like and writing some materials for that day, as well as briefly continuing training around identity and peace-building.

Next Steps: Khaing Zaw will continue to work with them for at least one day per month, preparing these materials. Dr Ware will work with them again for 1-2 days in November to help them fine tune the Human Rights Day materials, and to continue to bring training around identity and its role in building conflict or peace.

NEW AND EXISTING CDE FACILITATORS

Whilst there, Dr Ware also provided general Community Development Education (CDE) training of new and existing facilitators, as well as running an *introduction to songwriting and storytelling*. The group covered the importance of using cultural assets as teaching and community engagement tools, as well as the value of using the arts to build a sense of belonging in the community. This session also included some practical tips on how to compose songs and stories, particularly around a social change goal.

Later that day, a song and story competition was run, where participants presented new songs and stories. Apart from just having some fun, this modelled the extent to which much a enjoyable activity could build social cohesion and a degree of trust in a short time. It was evident from observing participants, that they both enjoyed the activity and could see the value

of these activities in helping bring together their communities around CDE. Further training in songwriting and storytelling is planned over the coming months.

From July-October 2016, Khaing Zaw visited each of the 10 new CDE project villages and began conducting preliminary songwriting activities. Arts were used initially as an engagement tool in community development, and peacebuilding activities later are to scaffold onto these, once a trusting relationship and a committed team in each location has been established. Khaing Zaw has and will also meet at least one day per month with the songwriting team at People for People (located in Sittwe) to work with them around arts-based peacebuilding. Dr Ware will mentor him in how to work through this process, during each of her visits to the Rakhine State.

These activities will form the primary data gathering of the agreed action research project into arts-based peacebuilding. Data sources include;

- Songs and stories generated during training sessions in Sittwe, and in village-based activities.
- Observations of performance events.
- Observations of people's reactions, and changed attitudes around the conflict and how to resolve it.
- Focus groups reflect on the impacts of arts-based activities, and adjust as necessary to achieve our goals.

Early work identified an absolute lack of musical instruments of any description in most villages in Rakhine State. Dr Ware has asked Khaing Zaw to try to identify particularly talented musicians, with the view of to resource them with locally-made guitars at a cost of around \$US40 each. Where current project funds are insufficient to cover this, additional donor funding will be sought from Australia.

Community Development Education

Peter Thein Nyunt, GraceWorks Myanmar's Country Director, writes that it is a privilege to send a brief report of the CDE programs in Myanmar. To facilitate best-practice participatory, community-driven, sustainable development, GWM works with eighteen paid facilitators (Thirteen from Bethel and five from MBCU). The facilitators are located in three areas: Yangon Region, Upper Myanmar and Rakhine State (See the map below for the locations of facilitators). Results to date (covering the period from October 2015 to September 2016) depict high levels of community participation in the construction of bridges, fences for water ponds, repairing roads and toilets, digging drains, and the teaching of children.





Community members repairing the road in Shwepyitha T/sp, Yangon regions



Projects in Kyauktaw, Myauk U and Minpya T/sp, Rakhine State throughout June 2016.



Children being empowered through education, in Ohn Chaw village, Mandalay Region.

The Impact

Despite the many challenges in implementing CDE programs we have witnessed impactful results. It can be difficult prioritising community committees requests, however the community members or villagers are aware of the importance of interdependence and being united in working on community affairs.

At the conclusion of this project year (October 2015 – September 2016) the impact of the CDE programs throughout the eighteen communities is very clear. Specifically there has been an increase in active participation, resulting in significant and tangible improvements in safe reliable water, preventative health and sanitation, transportation and holistic growth in children. Through utilising community assets, resources and working for the good of the community, communities have become more sustainable and been empowered to take ownership of their long-term wellbeing. In addition they have come to realise and appreciate the benefits of living in harmony.

CORPORATE GOVERNANCE STATEMENT:

The Board

- The board comprises of 4 members; Des Collinson, Peter Simmons, Cameron Burgess and Anthony Ware who are all standing for re-election at the AGM. There are 2 new members standing for election; Ben Muller and Dr Michelle Sanders.

Audit

- The Treasurer will ensure that an external financial audit is undertaken once every 12 months and the audit report and accounts will be forwarded to the Chairman and Board Members.

Annual General Meetings

- The end of the financial year for GWM is June 30.
- The board may determine the date, time and place of the GWM AGM.
- The notice convening the AGM must specify that the meeting is an Annual General Meeting.
- The ordinary business of the AGM shall be:
 - a) To confirm the minutes of the previous annual general meeting and of any general meeting held since that meeting; and
 - b) To receive from the Board Member reports upon the transactions of the GWM Inc. during the last preceding financial year.

In the event of a Board Member position becoming vacant, a vote (2/3 majority of quorum present) will be taken during AGM to appoint a replacement board member, as nominated by current Board and GWM members prior to AGM.

Income and Expenditure Statement

Graceworks Myanmar Inc.
For the year ended 30 June 2016

2016

Income	
Donations	
Contributions - Members fees	100
Donation - CDE project	62,570
Donation - Monetary	37,355
Donation - other	50
Donations & Gifts	6
Entrust - Grant - 29/06/2016	20,330
Fundraising events	7,320
GDS Grant - 17/3/2016	190,900
Interest Income	112
Realised Currency Gains	4,123
Other Revenue	2,606
Total Donations	325,472
Total Income	325,472
Gross Surplus	
	325,472
Expenditure	
Accommodation	787
Accountancy	16,046
Advertising	130
Bank Fees	240
Bank Revaluations	120
CDE-Training Expenses	5,603
Consultant fees	58,725
Cost of Living Allowance paid	3,255
Filing Fees	109
Freight & Courier	71
Fundraising Costs	4,762
General Expenses	3,624
Interest Expense	6
Merchant Fees	223
Motor Vehicle Expenses	221
Printing & Stationery	476
Project Costs sent to Myanmar	106,385
Project Management Costs	19,943
Subscriptions & Memberships	690
Telephone & Internet	3,470
Travel - International	4,579
Travel - National	3,542
Travel costs directly related to CDE project	5,735

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Income and Expenditure Statement

	2016
Travel costs directly related to GWM-Myanmar	2,016
Web design and maintenance	780
Total Expenditure	241,538
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	83,934
Current Year Surplus/ (Deficit) Before Income Tax	83,934
Net Current Year Surplus After Income Tax	83,934

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Assets and Liabilities Statement

Graceworks Myanmar Inc.

As at 30 June 2016

	NOTES	30 JUN 2016
Assets		
Current Assets		
Trade and Other Receivables	1	9,000
Other Current Assets		
Debit Card PS - BB		1,427
Entrust Account - BB		21,257
GDS Account - BB		7
Graceworks Operating Act - BB		6,632
USD Bank Account - GDS Funds		66,582
Loan - Peter Simmons		967
Goods and services tax		4,663
Total Other Current Assets		101,536
Total Current Assets		110,536
Non-Current Assets		
Plant and Equipment, Vehicles	2	1,340
Total Non-Current Assets		1,340
Total Assets		111,876
Liabilities		
Current Liabilities		
Trade and Other Payables	1	174
Total Current Liabilities		174
Total Liabilities		174
Net Assets		111,702
Member's Funds		
Capital Reserve		
Current Year Earnings		83,934
Retained Earnings		27,768
Total Capital Reserve		111,702
Total Member's Funds		111,702

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes of the Financial Statements

Graceworks Myanmar Inc.
For the year ended 30 June 2016

Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Victoria. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

These notes should be read in conjunction with the attached compilation report.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2016	2015
1. Trade and Other Receivables		
Prepayments		
Prepayments	9,000.00	30,000.00
Total Prepayments	9,000.00	30,000.00
Total Trade and Other Receivables	9,000.00	30,000.00
	2016	2015
2. Plant & Equipment, Vehicles		
Plant & Equipment		
Plant and equipment at cost	1,340.00	1,340.00
Total Plant & Equipment	1,340.00	1,340.00
Total Plant & Equipment, Vehicles	1,340.00	1,340.00

These notes should be read in conjunction with the attached compilation report.

Notes of the Financial Statements

	2016	2015
3. Trade & Other Payables		
Other Payables		
Accounts Payable	173.80	4,324.15
Total Other Payables	173.80	4,324.15
Total Trade & Other Payables	173.80	4,324.15

These notes should be read in conjunction with the attached compilation report.

BOARD OF DIRECTORS

Name: **Cameron Burgess**

Title: Chairman

Qualifications: Honours degree in Social Work, 15 years working in management and community development roles in the Not for Profit Sector.

Duration: 4 years

Name: **Peter Simmons**

Title: CEO and founder

Qualifications: Company Director, Associate Fellow Aust Institute of Management, Master of International and Community Development

Duration: 13 years

Name: **Des Collinson**

Title: Treasurer

Qualifications: Founding partner of a chartered accountancy business and has been practicing for 40 years, Director of Australia Medic Alert Foundation and a Fellow of the institute of Chartered Accountants.

Duration: 5 years

Name: **Dr. Anthony Ware**

Title: Board Member

Qualifications: Senior Lecturer in International and Community Development at Deakin University. Acting Director of the Australian Myanmar Institute.

Duration: 1 year

Secretary to the Board

Name: **Zoe Solomon**

Qualifications: Bachelor of Psychology, completing a Masters of International and Community Development.

Duration: 3 years

2015-2016 OVERVIEW

Membership Renewals

Renewed - 22

Governance

Board meetings

29th November 2015 (AGM)

21st February 2015 (Strategic Planning Day)

16th May 2016

Fundraising Events

February 2015 19th – Annual Charity Golf Day- Ringwood, Victoria.

GraceWorks Myanmar

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Facebook: [graceworksmyanmar](https://www.facebook.com/graceworksmyanmar)

