



TEARA AUSTRALIA

ANNUAL  
REPORT  
2013 / 2014





Cover image: Marquinho Rondao (pictured with two of her daughters) is a community and maternal health volunteer with TEAR's partner Oasis, in Mozambique.

"I joined Oasis to create change in the community I live in. So that there is better health and environmental hygiene... I work because of my faith, because I am a human being and I feel everyone deserves to be cared for. God gave me this gift so that I can learn and teach others. My dream is this gift will increase so that I don't become weaker and that my community can become stronger."

## Mission Statement

TEAR Australia is a Christian development, relief and advocacy organisation responding to global poverty and injustice. Our vision is for a just and compassionate world in which all people have the opportunity to achieve their God-given potential.

We will:

- Inform, challenge and empower Australian Christians to make biblically-shaped responses to poverty and injustice
- Support community-based Christian groups, churches and mission organisations around the world as they work holistically with poor communities in development, relief and advocacy
- Adhere to biblical teaching, and evaluate our work and attitudes in its light
- Maintain a low-cost administration regime in order to maximise the funds allocated to project partners.

## Values

As a faith-based Christian organisation, TEAR Australia seeks to adhere to biblical teaching and evaluate our work and attitudes in its light. Consequently, we have made a commitment to the values listed below. These values are embedded in every aspect of the work we do, in Australia and around the world.

- The poor
- The whole person
- Justice
- Prayer
- Relationships
- Participation
- Excellence
- Learn from others
- Collaboration
- Accountability

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### Accountability and Accreditations

The work of TEAR Australia is guided by the following memberships, codes of conduct and standards to which we observe and adhere:

- Australian Council for International Development (ACFID) Code of Conduct: [www.acfid.asn.au/code-of-conduct](http://www.acfid.asn.au/code-of-conduct)
- People in Aid Code of Good Practice: [www.peopleinaid.org](http://www.peopleinaid.org)
- Department of Foreign Affairs and Trade (DFAT) accreditation: [www.dfat.gov.au](http://www.dfat.gov.au)
- Micah Network member: [www.micahnetwork.org](http://www.micahnetwork.org)
- Integral Alliance member: [www.integralalliance.org](http://www.integralalliance.org)

TEAR Australia has a process for handling complaints. Should you wish to read our complaints policy, lodge a complaint or give any feedback, please email [feedback@tear.org.au](mailto:feedback@tear.org.au) or phone (03) 9264 7000.

TEAR Australia is committed to full adherence to the ACFID Code of Conduct. Should you wish to lodge a complaint against TEAR Australia's compliance with the Code, please contact ACFID via email at [code@acfid.asn.au](mailto:code@acfid.asn.au). Information about how to make a complaint can be found at [www.acfid.asn.au](http://www.acfid.asn.au)



"My hope for Tomorrow stems from

our Lord Jesus, because he is our life; and there are tomorrow images which are mentioned in the Bible, from the image of the kingdom as mentioned in Zechariah as well as Isaiah. In both places, there are images where it shows that tomorrow is where children will live in safety, where people will live a long life, where there is truth in the community, there are proper wages which are paid for the people, and there is harmony among the people when they are living together. These are some of the images which are there. And I look at tomorrow, from the kingdom image, and I want to realise it. And so I have a hope that this is going to happen, because it is mentioned in the Bible." *Kennedy Dhanabalan (Executive Director of EFICOR, India, a TEAR partner)*



## NATIONAL DIRECTOR'S REPORT

Dear TEAR Supporters,

What is your hope for Tomorrow? Inspired by the vision of a world without poverty and injustice, TEAR launched a new campaign this year – forTomorrow – which invites each of us to reflect on our own hopes for scripture fulfilled and a world where everyone experiences “fullness of life”. As you would expect from a TEAR campaign, we don’t want to just dream – we want to encourage people to take action today in order to create a different tomorrow for those suffering from poverty.

ForTomorrow has been part of an exciting start this past year to TEAR’s new Strategic Plan. The Plan includes a renewed focus on how TEAR can effectively inform, challenge and empower our supporters – Australian Christians – recognising the dynamic changes in the Christian landscape over the past decade. While TEAR’s message of biblical justice has not shifted, our Strategic Plan guides TEAR to use new voices, approaches and technologies to reach out to supporters and parts of the church not already involved with the work of TEAR.

Internationally, we continue to focus our work on reaching out to places of great need – prioritising projects that work with the poorest of the poor across Africa, Asia, and the Pacific. We also continue to grow our Dhumba program, which is involved with Aboriginal and Torres Strait Islander communities. Working in places of great need means we continue to work in countries experiencing violence and unrest. Therefore, the long-term goals of reconciliation and peace, as a result of transformational development, remain a high priority.

In the midst of a tight financial year, and in a sector which has a growing proliferation of agencies asking for your support, we

feel very blessed to end the year with our donations and gifts from supporters up by about \$1 million on the year before. However, as you can read in the financial section, our overall income was relatively flat. TEAR will continue to look for innovative ways to empower our supporters to help us fundraise. Thanks to the many of you involved with this already!

As we pull this report together, several people have commented to me that it feels like the world is experiencing a season of darkness. An upsurge in war across many parts of the world, terror-related violence, the mistreatment of refugees and asylum seekers, the poor being pushed further to the margins - and the list seems to go on and on. It is in times like this that the work of TEAR is at its most important. Our partners are proactively shining light into the darkness – which is exactly what we are all called to do as Christians – shining the light of hope, love and mercy.

When you read this year’s Annual Report, I hope you can celebrate with us about the light that our local and international partners are shining in their communities. Thank you for your support, and for being part of making “fullness of life” a reality for others.

**Matthew Maury**  
National Director

*This year, TEAR’s educational priorities are focused on the issues of women and poverty, and climate change. As our partners experience, the two issues are linked. Globally, women disproportionately bear the burden of poverty. This burden is in many places exacerbated by changes in weather patterns. In May I spent a couple of weeks with TEAR partners in Mozambique and saw projects aimed at tackling these two challenges. I met women involved with a tomato-growing cooperative in rural communities across the south of the country. World Relief Mozambique is working hard to help these women increase their income and raise the health, education and overall quality of life for their families while trying to find creative ways to mitigate the impact of increasing weather variability and resulting floods. It was encouraging to hear the individual stories of how this project was transforming these women and empowering them to become agents of change in their families and communities. However, they also made it clear that they are vulnerable to the increasing variability of weather and the related natural disasters. I left Mozambique with a renewed passion that we as Australians need to work to adjust our lifestyles so that we do not contribute to the injustice of climate change. It is a matter of justice.*

## CHAIR’S REPORT



As I write this I’m coming to the end of a decade on the TEAR Board, and for the past year have had the privilege to serve as its Chair. Naturally, ten years has seen significant change both within TEAR and in our social and political environment. We have welcomed a new National Director, been subject to increasing compliance requirements, and seen public and government sentiment about aid shift significantly.

Throughout all the change, I’ve appreciated the constants. Whatever the issue, TEAR’s mission, beliefs and values have been central to board decision-making. Board discussions consistently return to key questions:

- What does this mean for our partners and the communities they serve?
- Are we acting biblically?
- Is this consistent with our values?

This focus is integral to TEAR’s success and a big part of why I’ve found my time on the board so challenging and satisfying.

At its core, good governance is about keeping TEAR aligned with its mission. This requires effective risk management which the TEAR Board takes very seriously. Issues such as financial reserve levels, safety, and managing exchange rate fluctuations are just a few of these important governance discussions. This year, we’ve also finalised the changes to our constitution, with a few updates to ensure the continued effectiveness of the board, and also commenced a review of the board sub-committee structure.

TEAR has operated with a deficit budget (spending more than we receive in revenue) for the past two years. We have budgeted for a further deficit in the coming year. This

is an intentional decision to reduce TEAR’s reserves, which grew beyond our needs when the Australian dollar was strong. Clearly, a deficit budget is not sustainable, so we are working to both grow donation income and control expenses so we can transition smoothly back to a balanced budget.

The generous support of Australian Christians is crucial to TEAR’s work. While all gifts are important, relying on “ad hoc” donations makes it harder to commit to the long-term work of our partners. Only about 20% of donations to TEAR come through regular giving. This is a much lower figure than other NGOs in our sector and is not consistent with our desire to encourage Australian Christians to make a long-term discipleship response to issues of poverty and injustice. As TEAR works to address this, I ask you to consider what role you can play.

Driving TEAR’s work is our vision of a just and compassionate world, in which all people have the opportunity to achieve their God-given potential. As Paul wrote in his appeal to the Corinthians:

*The goal is equality, as it is written: “The one who gathered much did not have too much, and the one who gathered little did not have too little”. 2 Corinthians 8:1 4b-15*

I long for that sort of equality in our world and feel privileged to have been able to work towards it through TEAR’s Board.

**Anastasia Davy**  
Chair of the Board



**T** “My hope forTomorrow is that everybody everywhere would have the opportunity to experience the fullness of life that Jesus spoke about. This includes living in communities where neighbours care for each other, have enough food, opportunities for education – the opportunity to be all that God intended them to be.” *Matthew Maury (TEAR National Director)*



## INTERNATIONAL PROGRAM REPORT

Annual Reports are a great opportunity to present statistics and graphs to give a snapshot of what an organisation has been doing in the past 12 months. TEAR Australia celebrates that during 2013/14 we were able to use the \$14,591,264 entrusted to us to support 92 partners implementing 176 projects in 24 countries.

It's difficult, however, for the statistics to fully capture the breadth of the development process - how safe a mother feels now that she only has to walk a kilometer to the newly constructed well in Zambia; the opportunity that is given to young girls to speak up about what they believe needs to be addressed in their village in the Solomon Islands; the reduced levels of hidden conflict that may exist within communities in South Sudan; or the joy and love that comes from an improved relationship between an Afghan father and his daughter who suffers from mental health problems. Each of these situations can arise within the various projects TEAR is privileged to support; however, it is not always easy to capture the importance of their value through statistics.

After a number of years of increasing funds to the development work of our partners, 2013-14 was a year of adapting to a tighter financial position. The majority of projects supported by TEAR have an initial three-year cycle, and depending on the nature of the project, activities may continue for a second or third cycle. It is important that the funds entrusted to TEAR can meet the longer-term goals of these development projects. The tightening of our financial position has presented many challenges for our partners and the communities where they operate. We will continue to work closely with our partners, ensuring they have a clear understanding of TEAR's projected income to enable their development activities to be properly planned.

This year has been the first for our current five-year Strategic Plan. In much the same

way as TEAR's international partners, and the communities where they work, change and respond to their operating environment, this plan enables us to remain flexible and ready to adapt to our changing world. The following three areas will be key to how the International Program will work:

1. We will continue to work in partnerships with local organisations. Respectful working relationships with groups based in the field have been, and will remain, key to the way TEAR operates. We believe solid relationships with partners that are based on mutual respect and trust will contribute to effective development outcomes. Such relationships don't just happen, they require work and accountability from both TEAR and our partners.
2. TEAR is committed to partnering with organisations working in complex and difficult environments. Projects in Afghanistan and Somalia, for example, may not always result in immediate positive changes with highly significant impacts. However, we will continue to stand in solidarity with our partners who are seeking to demonstrate God's love and justice in insecure and sometimes very dangerous locations.
3. We will continue to prioritise the work of emerging local partners. These groups are often small in size but have the capacity to bring deep contextual knowledge and understanding to the development process. We believe there is a real strength in working through groups that are passionate about their work, flexible in their approach and form an important and integrated part of their local community.

As I am writing this Annual Report, my email inbox is filled with reports from Afghanistan, Somalia, and South Sudan. The news from

our partners tells of worsening operating environments. In amongst these reports is a message from our Africa Team Leader, Marshall Currie, who has visited partners, observing their work and meeting project participants - the people who are the most important part of all TEAR's international work. Marshall reflects on how impressed he was with one of our partners - that they are "playing much more of an empowering, educating role and less of a provider role". He said: "It was a very moving experience just walking through many villages and talking with people over several days. Living at its most stripped back, basic and hard. Communities, not without their social problems, but, also with a strong sense of identity, belonging and of being good neighbours."

Marshall's email gives a glimpse into TEAR's approach to effective development: TEAR playing its role getting to know and walking alongside partner organisations; demonstrating values such as grace, humility, accountability and justice that are integral to our Christian faith; partners creating opportunities for communities to solve their own challenges, and communities having the opportunity to positively develop their own relationships.

Your support is enabling such good work to be achieved and we thank you.

*Phil Wilkerson*

**Phil Wilkerson**  
International Program Coordinator

## DISTRIBUTION OF INTERNATIONAL PROGRAM FUNDS 2013 / 14

### AFRICA

Country	Partners	Projects	Development & Humanitarian Assistance
Ethiopia	3	4	\$465,975
Kenya & Somalia	5	8	\$653,643
Mozambique	2	2	\$216,060
South Sudan	4	6	\$775,928
Sudan	1	1	\$229,745
Tanzania	2	2	\$215,077
Uganda	7	10	\$403,572
Zambia	4	5	\$415,881
Zimbabwe	6	6	\$503,094
<b>TOTAL</b>	<b>34</b>	<b>44</b>	<b>\$3,878,975</b>

### SOUTH ASIA

Country	Partners	Projects	Development & Humanitarian Assistance
Afghanistan	5	20	\$1,848,511
Bangladesh	6	12	\$874,561
India	14	46	\$2,099,510
Nepal	9	17	\$1,441,839
Pakistan	3	4	\$273,795
Sri Lanka	1	3	\$109,221
<b>TOTAL</b>	<b>38</b>	<b>102</b>	<b>\$6,647,437</b>

### SOUTH EAST ASIA & PACIFIC

Country	Partners	Projects	Development & Humanitarian Assistance
Myanmar	4	7	\$680,029
Cambodia	6	8	\$670,863
Indonesia	3	5	\$121,539
Laos	3	5	\$606,696
Solomon Islands / PNG	1	1	\$45,182
Thailand	1	1	\$5,732
Philippines	2	2	\$406,671
<b>TOTAL</b>	<b>18</b>	<b>27</b>	<b>\$2,536,712</b>

**PARTNERS** } TOTAL 92 } **PROJECTS** } TOTAL 176



**TOTAL INTERNATIONAL DISBURSEMENTS:**  
**\$14,591,264**

**TEAR AUSTRALIA'S INTERNATIONAL PROGRAM FUNDING WENT TO PROJECTS INVOLVED ACROSS TEN SECTORS:**



**T** “My hope for tomorrow is that every child grows up in a family that loves, nurtures and supports them and a community that releases them to their full potential.”  
*Lynne Knight (Africa Team Leader with Family Impact, a TEAR partner)*



**Did you know?**  
 The majority of our 92 partners are emerging or evolving organisations, Christian organisations with grassroots connections. TEAR Australia is committed to supporting them to develop their organisational capacity.

## Key international partnerships

TEAR Australia acknowledges the support of the Australian Government's **Department of Foreign Affairs and Trade (DFAT)**. In 2013/14, TEAR received \$5,488,199 from DFAT and these funds were allocated to 20 of our partners who are working to alleviate poverty. TEAR is one of ten Australian Non-Government Organisation Cooperation Program (ANCP) partner agencies that work to increase the impact and reach of the Australian aid program. We look forward to continuing to work with the Australian Government, ensuring that Australia's aid program achieves effective outcomes for people living with poverty.

TEAR Australia is also a member of the **Australian Council for International Development** and participates on a number of its committees.

TEAR and many of our implementing partners are also members of **Micah Network**, a global Christian community of organisations and individuals committed to integral mission.

TEAR is a member of the **Integral Alliance**, a global alliance of 19 Christian relief and development agencies, working together to present a more effective response to Disaster Management.

## Emergency response

In the 2013/14 financial year, TEAR Australia provided \$561,915 towards emergency relief and rehabilitation programs.

The most significant of these was Typhoon Haiyan (8 November 2013), for which we provided more than \$400,000 in support to partners in the Philippines.

Other emergency responses this year were to: EFICOR in India for a consolidated emergencies grant; World Renew Uganda

for refugee emergency response; Tearfund UK in South Sudan for conflict response in Juba County.

*Photo left: Josephine was employed by the cash for work program, implemented by TEAR's partner World Renew (Philippines), to help the community reclaim land for a shared vegetable garden. Photo by Tom Price / Integral Alliance*

## Small and Emerging Partners Initiative (SEPI)

This year, the SEPI program has supported nine of TEAR Australia's partners across Uganda, Kenya, South Sudan, Tanzania, Myanmar, Indonesia, India, Zambia and Cambodia. SEPI was planned to be a two-year engagement with partners, and half of our partners have now formally completed their involvement. Most of the remainder will do so in the coming year.

SEPI has given focus for these partners to strengthen their systems and processes in areas such as governance, human resource management, strategic planning and project cycle management. Methods used have

varied and include tailored trainings, mentoring and learning exchanges.

One partner recently wrote: "We have benefited a lot with capacity building done through SEPI... we really appreciate this and there are obvious changes happening within the staff, but also at Diocesan level. May God bless you for coming up with the SEPI idea!"



*Above: BRAC, a TEAR partner in Tanzania, has greatly benefited from the extra organisational strengthening and support provided through the SEPI program.*

## ROCS Zambia

*For more than 10 years, TEAR Australia has supported the Reformed Open Community Schools (ROCS) of Zambia. Our partnership initially supported teacher and parent training, and classroom construction, but this year ROCS has moved beyond the school yard to include a focus on safe water supply, hygiene and sanitation throughout entire villages. While the project does do "bricks and mortar" work including wells and toilets, there's also a more fun approach to community change – including drama, dance and song.*

*Just six months into a three-year project, they've already reached 11,400 people (of their 24,000 goal), and even the project staff have been surprised at how enthusiastically the communities have embraced the project and appreciated*

*its approach. They've started with "Small Do-able Actions" – things people can do themselves to improve water and sanitation.*

*Peggy Nagamba is one who has taken the initiative to improve her family's health. After the sanitation training, she made this dish rack, which keeps the kitchen dishes off the ground, away from animals and dirt. The sun even dries the dishes and kills the germs. Her neighbours have dug rubbish pits, built bath shelters, improved toilets and installed "tippy taps" (handmade hand taps).*

*And their hope for the future? That every school and village they work with will be "Open Defecation Free". Now that's a vision worth holding on for.*



# LIVELIHOODS AND FOOD SECURITY

As part of TEAR Australia's ongoing commitment to tracking the impact of our International Program, a detailed internal report into one sector of our work – Livelihoods and Food Security – was completed in 2014.

The report surveyed the 68 projects funded by TEAR Australia (in the 2013/14 financial year) with Livelihoods and Food Security as a significant component of their work. The report revealed that in these 68 projects more than 122,000 people were directly impacted. Given that individuals are members of households and families, this represents an impact in approximately 734,000 lives. The projects represented total funding across the International Program to the Food Security and Livelihoods sector of \$3,880,361 in 2013-2014.

## Self-Help Groups

The largest area of impact was membership of Self-Help Groups (63,759 people participated in TEAR funded groups in 2013/14). These locally-based support groups provide small-scale savings and loans schemes, provide a forum for discussing community issues, and initiate community action plans or activities to bring about positive changes.

Self-Help Groups have many benefits:

- Local accountability: so loan repayment levels are very high (normally close to 100%).
- Efficiency: loans are accessed from the group's own savings so the required financial input from projects is low. The investment is in training and supporting the groups as they learn and mature in their group work and business skills.
- Increased economic safety net for poor households: enabling access to credit for emergencies or for income generation.
- Regular access to loans: allowing for gradual increase in household enterprises. Success allows for larger loans and greater returns.
- Bypassing local money-lenders: who often charge extortionate levels of interest.
- Enterprise: many Self-Help Groups begin group businesses that broaden their impact across the community.

## Food Security

Food Security activities impacted 21,515 people, enabling them to improve agricultural techniques, obtain improved seeds and materials, and increase yields from their farms. People are taught how to improve their resilience through activities such as grain banks or improving storage so that produce can be sold at a more profitable time. See Pauline's Story. ▶

## Work placements/ successful enterprises

It is exciting that an area of significant impact has been in the development of small, home-based commercial enterprises, or placements into formal work, for 18,855 people. Reports show that the improved finances lead to greater expenditure on education, health care, and building up family assets to provide them with greater resilience to shocks and disasters. See Kobra's Story. ▶

## Accessed government schemes

In countries like India and Bangladesh, there are government schemes that provide income support, access to micro-credit or loans, or subsidies to people living in poverty. The subsidies may be for items such as agricultural inputs or business materials. This year 6,995 people have been taught how to access such schemes.

## Cash for work / direct assistance

Cash for work, or direct assistance, is appropriate in areas of extreme poverty, disaster recovery, or where there is only a small money-based economy that can be leveraged for growth. Such direct assistance provided short-term livelihood benefits for 2,832 people during the year.

## Lifeskills / personal development

2,816 people were involved in business education, book-keeping, leadership development and group facilitation skills.

## Vocational training / technical skills

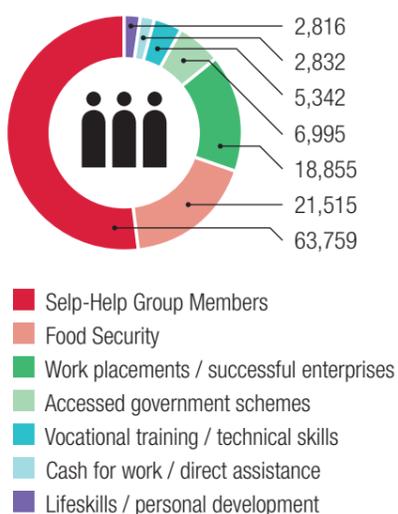
Specific technical training that is directly relevant for work placements, household businesses, or to enhance employment prospects was accessed by 5,342 people. These include, among a diverse range, training in:

- Sewing
- Mechanics
- Tailoring
- Building
- Carpentry
- Hairdressing
- Veterinary services
- Electronics/electrical
- Agricultural skills

## Business ventures and linkages with business networks

While small in number, it is also encouraging that there have been 128 instances of either creating business ventures that employ more than 10 people, or linkages with commercial networks. These broaden the reach of the impact beyond individual households and provide important economic benefits into the local economy.

## Number of individuals impacted by food and livelihoods projects, 2013-2014



## Did you know?

One of TEAR's core values is learning. As part of this, over the past year, TEAR Australia helped to fund, facilitate or participate in 30 external evaluations of our partners' programs.

## Pauline's Story

Pauline Maphosa, a maize farmer in Zimbabwe, has not only put into place the conservation farming techniques she learnt through Foundations for Farming, a TEAR partner, she is also teaching hundreds of other farmers to benefit in the same way she and her household have. On her own farm, she has increased her yield sufficiently to purchase a cow and diversify her income. With FfF, she has become a lead trainer, helping others overcome the chronic food and seed shortages in their region.

## Kobra's Story

Kobra, a woman living in Kabul (Afghanistan), had never left her home before becoming a member of a Self-Help Group with OpMercy, a TEAR partner. Through the group, she took the opportunity to take a loan and begin her first business, utilising her skills in embroidery. Her business soon expanded, and she has employed others to keep up with the demand for dresses and pants, and blouses and veils with embroidery.

Her success has enabled her to improve her house, adding two rooms. This extra space is now utilised by others in the community, including a local clinic and a literacy course.

T

“I would love to see the people and governments of developed countries understand fully the privilege and significant impact of the current Western way of life on the livelihoods of our poorer neighbours and, with a sense of moral obligation and responsibility, make choices and implementations to negate this impact. I would like to see a world of equality where people from all around the globe are able to thrive physically, emotionally and spiritually, reaching their God-given potential.” *Kate Henning (TEAR supporter, Queensland)*

## Faith in Action Bangladesh

*In July of 2013, TEAR's partner Faith in Action (Bangladesh) began working with five new villages. They described the communities as experiencing a poverty that had "crippled their thinking, creativity and initiative". FIA's community development initiatives were designed, therefore, to unlock this potential, acting as a catalyst to change.*

*A year on, they have reflected on the major achievements within the villages. The most significant is the fostering of a strong trusting relationship, as demonstrated by good levels of participation in project initiatives, including Self-Help Groups, management and enterprise training, household agriculture, primary health care and sanitation. They report that people really grab new ideas as their own and they can see the dream and vision for the future.*

*As the team has learnt and reflected on their work throughout the year, their eyes have been opened to see the needs and potential contributions of people with disabilities in these villages. As a result, FIA adapted the goals of the project, so as to expand the opportunities for active inclusion and participation of people with disabilities.*

*Mr Nripen Baidya, the founder and Executive Director with Faith in Action, has seen the community's transformation process begin, and reflects: "My hope for the community, especially as we are working for women, is to see them enjoying their full rights and equally participating in public activities like union council elections, cultural programs, and government committees. And that they will help others so they can have just and harmonised society with love, peace and justice. And that their husbands will be with them on this journey."*

*TEAR Australia shares this vision and is privileged to partner with FIA and walk alongside these villages.*





## FIELDWORKERS REPORT

TEAR Australia's Fieldworkers are volunteers placed in a wide range of roles with our partners, including project management support, technical advice, training and medical support. Their contribution is of significant value to TEAR's partners, and also in Australia, as many "returned" Fieldworkers use their unique perspective on the work of transformative and sustainable development through new roles with IPAC, the TEAR Board and key volunteer and staff positions.

In April 2014, TEAR's current Fieldworkers came together from Nepal, Afghanistan and Zimbabwe for the biennial retreat. The four-day program was an opportunity for Fieldworkers to take time out of their regular work contexts with TEAR partners to relax and be refreshed, as well as to connect with each other.

As several Fieldworkers are in the first 12 months of their 2-3 year placements, the retreat provided them with a good opportunity to reflect on their early experiences and to share the challenges and highlights of their work with experienced, empathetic colleagues.

CB Samuel, himself an Associate Fieldworker and long-time friend, and his wife Selina, joined the retreat to provide biblical reflections around the story of Moses - to expound the theme of "sustaining transformation". He taught the importance of enabling people and communities to dream, and how we can be a part of enabling these dreams to flourish.

The retreat was a fantastic opportunity to share what Fieldworkers do best - understand good practice, and explore what partnership truly looks like "on-the-ground".

Judy Powell-Thomas  
Fieldworkers Coordinator

### Fieldworkers serving in 2013/14:

- Debbie & Mick Langford (International Nepal Fellowship) - Women's and Children's Health
- Lyn & Darryl Jackson (United Mission to Nepal) - Communications Coordinator; Water and Sanitation Consultant
- Kimberly Fraser (United Mission to Nepal) - Learning and Research Advisor
- Lyn & Tom (International Assistance Mission, Afghanistan) - School Team Director; Educational Support Director
- Sarah & Vince (International Assistance Mission, Afghanistan) - Professional Development Trainer; Financial Trainer
- Joanna Lee (Family Impact Zimbabwe) - Project Management Advisor

*"The Fieldworker Retreat is a great opportunity to take our minds away from the all-consuming, seemingly insurmountable and overwhelming challenges, joys and disappointments of our own place of endeavour and hear of the efforts of like-minded people working in totally different places. This gives us an escape from the egocentrism of our tiny corner of work and reminds us that things are not better or worse than in other places and probably not all that different either, lending perspective, inspiration, encouragement and humility to our own situation. The retreat is also a time to catch up and be encouraged by the great work being done by TEAR in Australia, to hear about the current Australian environment and challenges, joys and disappointments there. It is also a time for prayer, discussion, worship, and study of God's word and reflection. On top of all that, being in such a beautiful place with like-minded people, the retreat is a time to fill with fellowship, laughter, enjoyment and good food."*

Mick Langford

(The retreat was the final one for Mick and Debbie. Shortly after, they farewelled the community and hospital in remote north-western Nepal where they have facilitated the growing obstetrics and maternal health care program for the last five years.)

### Did you know?

This year, Australia continued to support five partner organisations in Afghanistan, operating in a very complex environment. We also commenced work with new partners in Somalia and Papua (in Indonesia).

## INDIGENOUS AUSTRALIAN PROGRAM - DHUMBA



Dhumba's work centres on supporting Aboriginal and Torres Strait Islander Christians in the development of their communities, and the past year has seen some successes and some challenges.

Dhumba training partners (Wontulp-Bi-Buya College and Yalga-Binbi Institute) both saw growth in numbers as Indigenous people from Cape York and other places sought training in community development. Sixty-two students were enrolled in both colleges in community courses in 2013. Dhumba's work has not just been funding but active work to support the building of financial management and governance capacity.

Enterprise development support from Dhumba partner, Arnhem Human Enterprise Development, has seen growth in numbers and level of engagement with local people in Galiwinku. A new local community facilitator has provided important connections into the community to the benefit of all. Twenty-eight social, economic and political enterprises were active in 2013.

Challenges remain in the Dhumba program. Here are some of them:

### Challenge 1: How do we help Aboriginal Christian organisations to become project-ready, able to source, use and acquit grants?

Our response has been to allocate resources to help train in these areas. We have also been part of the development of a Practice Note which distils the broad experience of Aboriginal organisations into key principles that contribute to effective development work.

### Challenge 2: How do we encourage the aspirations for change amongst Aboriginal and Torres Strait Islander Christians when they are scattered around Australia?

Our response has been to encourage and part-fund gatherings such as Grasstree Gathering where Aboriginal and Torres Strait Islander Christians come together to share experiences and learn from each other.

### Challenge 3: How do we help Australian Christians to better understand and become advocates for change?

Our response has taken many different forms. We have provided platforms at TEAR state and national conferences for Aboriginal people to tell their story. We have taken the initiative to form and host a network of faith-based groups working to advance community awareness of constitutional recognition of First Australians. We have mobilised TEAR Action Groups around local issues affecting Aboriginal people and we have run an exposure program to central Australian communities.

### Challenge 4: How do we keep TEAR Australia accountable to its goals of being part of reconciliation in Australia?

In response, we have refreshed our Reconciliation Action Plan and become the first faith-based organisation to have a "Stretch" RAP which commits us to demanding goals. We have also embarked on a process to produce a document framing our understanding of reconciliation from a faith perspective.

Barbara Deutschmann  
Indigenous Program Coordinator



**T** "My hope is also that Aboriginal

people would rediscover our spirituality because in rediscovering our spirituality we are able to clearly recognise Christ revealed."

Denise Champion  
(an Adnyamathanha woman and TEAR supporter, Adelaide)



# forTomorrow

“I want no violence against women and I want peace.”



“My hope for tomorrow is that we must educate our girls so that after they are educated they can change the future.”



“My hope for tomorrow is that women can go anywhere and solve any problem.”



“I want to change the violence against women and girls.”



“My dream is to see the work of Saahasee all over Mumbai, not just in Thane.”



“My hope for Tomorrow is that

we will begin to recognise the image of God within every individual. As our eyes become open to identify Christ in His many guises, we will simultaneously see the restoration of dignity, the dawn of equality and the end of violence. My hope is that as this transpires, we too will discover the fingerprint of God upon all creation and respond restoratively with gratitude and grace.” *Paul Flavel (Australian Program Coordinator)*

### Did you know?

Close to 95,000 gifts were purchased through TEAR's Really Useful Gifts Catalogue this year.

### Did you know?

Almost 3,000 people give regular monthly donations to the work of TEAR Australia and our partners.



## AUSTRALIAN PROGRAM REPORT

One of the primary tasks of TEAR's Australian Program is storytelling. To achieve our goal to inform, challenge and empower Australian Christians to make biblically-shaped responses to poverty and injustice, we engage in a wide range of narratives.

Through print and online, and via our team of experienced Christian communicators, we have long worked hard to find engaging ways to retell the biblical story and explore the intersection of Christ's promise of redemption, with the experiences of people living in poverty and marginalisation.

In 2014, we were excited to launch the forTomorrow campaign, which represents a new lens through which we engage our supporters in the story of our work. ForTomorrow is TEAR's invitation to the church to engage in prophetic imagination. We are calling the church to remember that God is a God of restoration and redemption, and that one day this world will be the way it was always meant to be. Going beyond just imagination, we are challenging Australian Christians to act today as if God's tomorrow has already been fully realized, and, in doing so, we see a better tomorrow for those facing the challenge of poverty and injustice in our world here and now.

ForTomorrow has been a key component in the roll-out of the Australian Program's five-year Strategic Plan. The Strategic Plan focuses on three overarching objectives, toward which we have made significant progress:

1. To deepen TEAR's relationship with the Christian community;
2. To work cooperatively across the organisation to develop a cohesive message;
3. To develop a healthy and sustainable base of giving.

A key staff appointment this year has been TEAR's first Fundraising Coordinator. This position brings significant strategic direction to the work of fundraising and supporter engagement, and we are already beginning to see the benefits of this increased public support for campaigns.

A key partnership has formed with performance poet Joel McKerrrow. Joel is an exceptional creative talent who has been representing TEAR at events across Australia. The video of his poem, entitled "forTomorrow", has been seen by people thousands of times in many different contexts.

This year, our level of engagement with multimedia, through video and social media platforms, has been higher than ever before. The launch of [fortomorrow.org.au](http://fortomorrow.org.au) has provided a strong platform for creative biblical reflection, and a magnification of the voices of the poor and marginalised.

It has been an extraordinary year of creativity in the Australian Program, and we thank our supporters for their input and engagement with the work. TEAR's Australian Program is truly an expression of collaboration between supporters, staff and volunteers, and it is my hope that we are able to continue to forge new ways for our supporters to inform and contribute.



**Paul Flavel**  
Australian Program Coordinator

### Advocacy

TEAR continues to place a high priority on empowering Australian Christians to speak out as a response to poverty and injustice. This year, this has primarily been achieved through our participation in the Make Poverty History and Micah Challenge coalitions. As part of our involvement with Micah Challenge, TEAR continues to be a lead agency on the Hope for Creation campaign that encourages Australian Christians to "change the conversation on climate change".

In January, TEAR responded quickly to the Federal Government's decision to cut foreign aid, calling on our supporters to commit to contacting their MPs. Over 4000 people took up that pledge.

As the work of both Make Poverty History and Micah Challenge are centred on the Millennium Development Goals, which has a timeframe to 2015, much work and consultation has been taking place to determine the future of these coalitions past the beginning of 2015. Overwhelmingly, development agencies and churches have asked for these coalitions to continue and, therefore, TEAR will remain committed to these coalitions into the future.

### Did you know?

More than 20,000 individual people gave a financial gift to TEAR Australia in 2013/14. Of those, more than 4,800 gave for the first time.



### Justice Conference 2015

This year, TEAR Australia has taken the initiative to establish The Justice Conference in Australia. Currently one of the largest international gatherings on social and biblical justice in the United States, the conference will be an opportunity for TEAR Australia to engage with new, growing Church communities, and particularly young adults. It is designed to encourage conversation around the key justice-related issues facing our communities today.

The Justice Conference Melbourne will be held in April 2015, providing a new forum for TEAR Australia to further engage with Australian Christians.



“If I ever have children,

I want poverty to be just a bedtime story that I tell them. That my children learn that poverty was a bad thing that happened in the past, but it is not in their lifetime. So they can look to the future.” *Ruby Burgess (TEAR supporter, 15 years old, NSW)*

# forTomorrow

“And if you spend yourselves on behalf of the hungry and satisfy the needs of the oppressed, then your light will rise in the darkness, and your night will become like the noonday.”

ISAIAH 58:10

**ForTomorrow** is the most significant innovation for the Australian Program in many years. More than a simple education or fundraising campaign, **forTomorrow** represents a new way for us to biblically imagine a better future, and a new way to connect our supporters and the development programs we support internationally and in Australia.

Initially, **forTomorrow** will focus around two issues of concern, as identified by our partner organisations: women and poverty, and climate justice. Many of the **forTomorrow** resources created this year focus on these issues. In the future, the **forTomorrow** issues may change, while the biblical framework around imagining a better tomorrow will remain.

Launched in January 2014, the **forTomorrow** suite of resources have been created for the [fortomorrow.org.au](http://fortomorrow.org.au) website, including over 40 unique blog posts, biblical reflections, social media links, prayer and videos. Across the country, launch events (including the National Conference in Sydney) have enabled supporters to gather

and share in the vision for a better tomorrow and engage further in the work of our partners. The **Ambassadors forTomorrow** program has given supporters a new way to engage with TEAR Australia. This exciting initiative has already seen Australian Christians commit to give, live, learn, pray, and speak up about injustice.

In late 2014, we will begin the first “Speak forTomorrow” series of presentations in churches and Christian groups around the country. It is expected that this will become an annual event.

**ForTomorrow** enables us to use refreshed language – you’ll notice that there is a strong emphasis on biblical visions of a better tomorrow. We focus on Isaiah 58’s vision of a tomorrow of justice, hope and peace. We delight in a tomorrow where every tear will be wiped away, the light of a new day will dawn and all will know the fullness of life in Christ.

Our prayer is that this justice, this hope, this peace will dwell with our organisation, our partners, and our supporters – engaging with Christ’s vision **forTomorrow**.

Videographer Daniel Wieckmann teamed up with performance poet Joel McKerrow to create this extraordinary vision forTomorrow.



A new prayer resource leads Australian Christians through a 31-day journey designed to inspire them to take action for the world’s poor. Each page is a spark for daily prayer, encouraging people to cry out to the Lord and listen to the voice of God.



The forTomorrow blog has given space for a wide variety of Christians to publish their own biblically-shaped visions for a better world. Including theological examination, poetry, lifestyle reflections, and insights from those working with the poor and marginalised, these blogs have extraordinary depth and vision.



In June 2014, the TEAR National Conference was the largest gathering of supporters with over 400 attendees. Guest speakers included Joel Edwards (Micah Challenge), Dirk and Nel (Afghanistan), Tumaini Matutu (Tanzania), Mark Galpin (Nepal), Dhana Lama (Nepal) and Denise Champion (Australia).



The Ambassador Program was launched this year in response to a changing church and the growing desire of supporters to be more holistically committed and supported by TEAR Australia. The role continues to be shaped by this growing grassroots movement, as Ambassadors contribute their passion and skills.

**JUSTICE CAN'T COME SOON ENOUGH:  
SEEK TOMORROW, ACT TODAY.**



## A prayer forTomorrow

Eternal God,  
Open my eyes to  
see beyond today.

Creator God,  
Open my hands to  
work for tomorrow.

Merciful God,  
Open my heart to  
love forevermore.



## PEOPLE AT TEAR

The work of "People at TEAR" is to support both paid staff (52 people) and volunteers (more than 700) so that TEAR's mission is fulfilled. Some highlights for this year include:

### Volunteers

TEAR's Volunteer Strategy was formed through a collaborative process involving staff and volunteers. In developing TEAR's Volunteer Strategy, it has been vital to recognise TEAR's history, the value of community movements and the changing face of Australian volunteering. TEAR has set aside extra resources specifically to support TEAR volunteers and starts by focusing on Ambassadors and TEAR Reps. Specific supports include regular communication, training events, opportunities to act, connecting people through hubs, relationships with Australian Program staff and better infrastructure.

### Consultation

TEAR is intentional in consulting staff on matters which affect them. The People at TEAR (PaT) Working Group has representatives from each team who help shape our strategies and employment policies, choose training providers, address safety matters and ask questions on behalf of their teams. All staff are advised of the agendas for each PaT Working Group discussion and encouraged to contribute their ideas. Staff are also surveyed for their opinion every two years in depth.

### Fair pay

Every three years, TEAR compares the remuneration of our staff to the sector in order to ensure that staff are paid fairly and their work appropriately valued. Our policy is to pay the National Director position at the lowest quartile and the rest of our staff at the median for their role. This provides fair pay which is no better or worse than the sector but values the existing staff and contributes to the quality of skills retained.

### Gender

The overall findings of the Gender Audit (2013) revealed that the organisation has made significant progress since the last audit (2008). The Gender Working Group (made up of TEAR staff) oversees the gender justice framework, especially in terms of how clearly our gender commitment is articulated as an expectation and accountability throughout our people policies and other documents, and through staff gender skills.

**Susan Vulling**  
People at TEAR Coordinator

## ENVIRONMENTAL RESPONSIBILITY

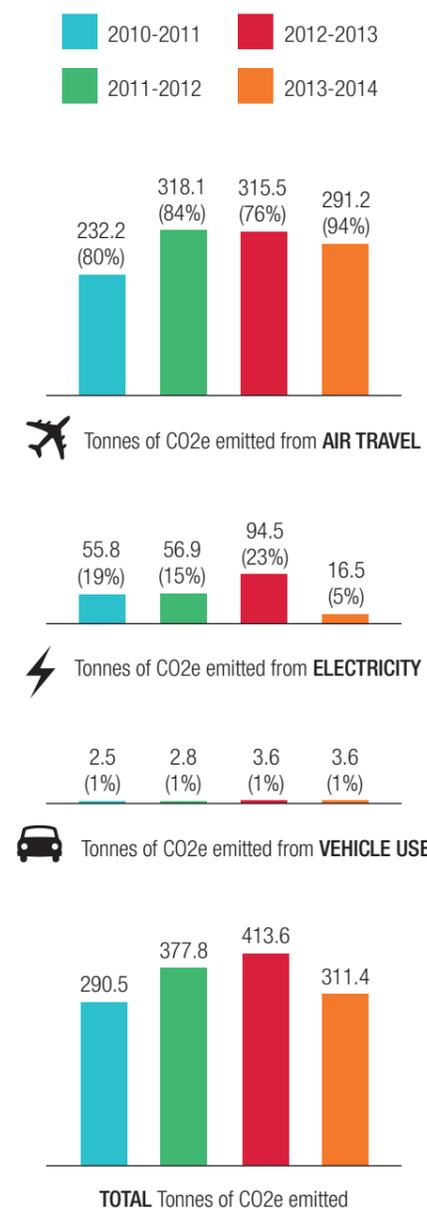
TEAR Australia acknowledges that we have an impact on the environment whilst carrying out our aid and development objectives. We strive to minimize this impact as much as possible while remaining committed to efficiency, effectiveness and excellence in our work.

In 2013-2014, as part of our on-going commitment to responsibly managing our environmental impact, TEAR revised our Environment Policy and the Environmental Stewardship section of our Strategic Plan in order to create clearer environmental stewardship objectives for TEAR staff and volunteers, and to create an improved environmental accountability framework.

TEAR continues to monitor our organisational carbon footprint. This year, TEAR's overall carbon footprint decreased from that of the previous year. Much of this decrease was due to the transfer of the national office electricity source to 100% renewable energy. There was also a slight decrease in air travel by TEAR staff.

All carbon emissions attributable to TEAR operations in 2013-2014 have been offset via certified Voluntary Carbon Standard carbon credits. These carbon credits have been obtained through TEAR Australia's support for the New Lao Stove Project developed by the Group for the Environment, Renewable Energy and Solidarity (GERES). The New Lao Stove Project supplies fuel-efficient cooking stoves to Cambodian households, thus reducing household wood fuel requirements and carbon emissions.

### TEAR Australia Carbon Inventory



**T** "I have also become increasingly aware of how God's people everywhere live interconnected lives. I know that real people's tomorrows are affected by the lifestyle choices that I make today. Other people's hopes for tomorrow are connected in some way to my own transformation. It is not enough for me to give and pray. I also need to stand in solidarity and live mindfully rather than mindlessly."  
*Becca Allchin (TEAR supporter, Melbourne)*

**T** "My hope is that in Kingdom come, we will see God's amazing design intent, in all its complexity, elegance and beauty, fully realized for both the planet and the people who inhabit it. I mean, who else but God would set out to design an air-filtration system, shade structure, multi-species habitat and food source, and end up with a tree?!"  
*Karyn Lochore (TEAR supporter, Perth)*



# TEAR AUSTRALIA BOARD



**Ms Anastasia Davy** BA, M Int & Com Dev  
**Appointed:** 2006 (also Associate Member 2004-06)  
**Responsibilities:** Board Chair; Executive Committee Chair; floating portfolio on other subcommittees  
**Number of meetings attended:** 6/6

*Ana is a Policy Adviser in the Social Inclusion Branch of the Department of Human Services (currently on parental leave). She has management experience in a range of justice and Christian programs and was an Australian Youth Ambassador for Development with one of TEAR's partners in Cambodia.*



**Dr Elizabeth Hill** PhD, BEc (Soc. Sc) (Hons), Grad Cert Community Adult Education  
**Appointed:** 2011  
**Responsibilities:** Executive Committee Member; Membership Committee Chair  
**Number of meetings attended:** 5/6

*Elizabeth is a Senior Lecturer in Political Economy at the University of Sydney. Her teaching and research focuses on issues of international development with particular reference to the employment experience of women.*



**Ms Elizabeth Moncrieff-Philp** BA, BTh, MSW, Grad Dip MHSc  
**Appointed:** 2005 (completed Oct 2013)  
**Responsibilities:** Board Chair; Executive Committee Chair; floating portfolio on other subcommittees  
**Number of meetings attended:** 3/3

*Elizabeth is a Social Worker with Eyre Mental Health Services in rural South Australia. She was previously TEAR's SA State Coordinator (1999-2005). Elizabeth was also a member of the Executive Committee of Interserve and a partner with them in Nepal (1985-1991).*



**Ms Rachel Bertram** Cert III (Aged Care), BSc & BA, MMgt candidate  
**Appointed:** 2013  
**Responsibilities:** Associate Board Member; Risk, Audit & Finance Committee Member; IPAC Executive Member  
**Number of meetings attended:** 6/6

*Rachel is completing a Masters of Management at the University of Technology Sydney, focusing on community and not-for-profit management. Rachel is a performing artist and is heavily involved with TEAR's Young Adults network in Sydney.*



**Mr Brett Gresham** BEng (Civ), M Lit Dev Stud  
**Appointed:** 2010  
**Responsibilities:** Board Deputy-Chair; IPAC Executive Chair  
**Number of meetings attended:** 6/6

*Brett manages The Australian Volunteers for International Development program (funded by DFAT) and is the owner and director of a small business. A Civil Engineer, he has extensive experience working internationally in development and project management.*



**Ms Helen Beazley** BA, Grad Dip (Ed), M Ed, M Com Devt  
**Appointed:** 2007  
**Responsibilities:** Membership Committee Member; IPAC Executive Member  
**Number of meetings attended:** 4/6

*Helen is the Administrative Co-ordinator for Servants to Asia's Urban Poor. She has a background in government policy, community-based capacity building, administrative and consultative work.*



**Dr Paul Mercer** MBBS, DipRACOG, FRACGP  
**Appointed:** 2005 (completed Oct 2013)  
**Responsibilities:** Audit and Risk Committee Member; Governance Committee  
**Number of meetings attended:** 2/3

*Paul is the Principal General Practitioner of Silky Oaks Medical Practice and is actively involved in various leadership roles within his professional field. He has had volunteer roles with TEAR since 1975, including being involved in TEAR's project allocations through the National Allocations Committee (now IPAC).*



**Ms Elaine Stops** BA  
**Appointed:** November 2013  
**Responsibilities:** Associate Board Member; Risk, Audit & Finance Committee Member  
**Number of meetings attended:** 2/2

*Elaine is completing a Grad Dip in Psychology. She has been a volunteer with TEAR Australia's communications team. She volunteers as a companion for a person with a mental illness and is a committed youth leader at her church.*



**Mr Matthew Maury** BA (Hons), MBA (Dev Studies), GAICD  
**Appointed:** 2009  
**Responsibilities:** Board Secretary; Executive Committee Member; Risk, Audit and Finance Member; Membership Committee Member  
**Number of meetings attended:** 6/6

*Matthew is TEAR Australia's National Director. Over the past 20 years he has worked in a variety of positions with Christian development agencies, ranging from grassroots community development to senior management. His experience involves work with poor and marginalised communities in Africa, Asia, Latin America and the Middle East.*



**Mr David Bartlett** FCA, BEc, Med, Grad Dip CS, Cert. Gov, JP  
**Appointed:** November 2013 (also consulting member 2011)  
**Responsibilities:** Risk, Audit & Finance Committee Member  
**Number of meetings attended:** 1/3

*David is a Partner at Resolve Consulting Chartered Accountants. He has 20 years' experience in the not-for-profit sector in CFO roles as well as strong board governance experience as Company Secretary and Chairman of numerous organisations in the community, mission and education sectors.*



**Mr Greg Manning** BE (Hons 1), M Dev Studs  
**Appointed:** 2012  
**Responsibilities:** IPAC Executive Member  
**Number of meetings attended:** 6/6

*Greg is a bus driver in Brisbane, exploring the application of the lessons he learnt while living in India over 11 years, which included a placement as a TEAR Fieldworker. He was recently the Facilitator of the Micah Network's HIV Forum.*



**Mr Scott Cantrill** CertIV YthDev, BEc  
**Appointed:** 2011 (completed Nov 2013)  
**Responsibilities:** Associate Board Member; Audit and Risk Committee Member; IPAC Executive Member  
**Number of meetings attended:** 4/4

*Scott is the Administration Officer for Urban Seed (currently on leave). He has been volunteering with TEAR's young adults engagement in Victoria for many years.*



**Ms Joanna Betteridge** BA, LLB, LLM, GAICD, Acc M LEADR  
**Appointed:** 2010 (also Consultative Member in 2009)  
**Responsibilities:** Risk, Audit & Finance Committee Chair  
**Number of meetings attended:** 6/6

*Joanna Betteridge is the Principal of Betteridge Legal Consulting, a lawyer practising in employment and safety law. She has significant board governance experience in a range of sectors including health and not-for-profit and is a Senior Fellow and Lecturer for Monash University's Law Faculty post-graduate program.*



**Ms Jane Furniss** BA, LLB (Hons), M Int Devt  
**Appointed:** November 2013  
**Responsibilities:** Risk, Audit & Finance Committee Chair  
**Number of meetings attended:** 3/3

*Jane has a background in international law, development and governance. She has worked as a lawyer in Australia and Asia and has board and senior management experience in international development, advocacy and education sectors.*



**Ms Brooke Prentis** BCom, BA, GradDipICAA, CA  
**Appointed:** November 2012  
**Responsibilities:** Risk, Audit and Finance Committee Member  
**Number of meetings attended:** 5/6

*Brooke is an Aboriginal Christian and is a descendant of the Waka Waka nation of Queensland. Brooke is a Chartered Accountant and senior finance professional in Brisbane. She has 12 years' experience in the corporate and not-for-profit sector in accounting roles and working with organisations to improve their financial governance. Brooke remains very involved in working with and alongside Aboriginal and Torres Strait Islander peoples and communities through ministry.*

**Did you know?**  
 TEAR Australia's International Program funds are allocated with the support of a team of dedicated volunteers with skills relevant to international community development. This unique decision-making structure provides an extraordinary level of transparency and objectivity to TEAR Australia's International Program.

# AUDIT REPORT



www.youraccountant.com.au

**TEAR AUSTRALIA**  
ABN 85 085 413 832

**Independent Audit Report to the members of TEAR Australia**

**Report on the Financial Report**

We have audited the accompanying summarised financial report of TEAR Australia, comprising the summary statement of financial position as at 30 June 2014, the summary income statement, statement of changes in equity for the year then ended, and related notes, which was derived from the financial report of TEAR Australia for the year ended 30 June 2014. We expressed an unmodified auditor's opinion on that financial report in our auditor's report.

**Board's Responsibility for the Summarised Financial Report**

The board is responsible for the preparation and presentation of the summarised financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the *Australian Charities and Not-for-Profits Commission Act 2012* and the disclosure requirements set out in the ACFID Code of Conduct.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the summarised financial report based on our procedures, which were conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements.

**Auditor's Opinion**

In our opinion, the information reported in the summarised financial report is consistent, in all material respects, with the financial report from which it was derived. For a better understanding of the scope of our audit, this auditor's report should be read in conjunction with our audit report on the financial report.

*Saward Dawson*

**Saward Dawson Chartered Accountants**

*Tim Flowers*

**Tim Flowers**

Blackburn

Dated: 16 September 2014

70 Albert Street / PO Box 254  
Blackburn, Victoria 3130  
Tel: +61 3 9894 2500 Fax: +61 3 9894 1822  
contact@youraccountant.com.au

**PRINCIPALS:** Stuart Saward FCA, Cliff Dawson FCA, Peter Shields CA, Tim Flowers CA, Joshua Morse CA  
**ASSOCIATE:** Cathy Braun CA

Liability limited by a scheme approved under Professional Standards Legislation.




## Board Declaration

The Board of TEAR Australia declares that the accompanying concise financial report is presented fairly in accordance with applicable Australian Accounting Standards and is consistent with the Company's 30 June 2014 financial report. In respect to the 30 June 2014 financial report of TEAR Australia, the Board declares that:

The financial statements and associated notes comply with Accounting Standards and the requirements of the Australian Council for International Development Code of Conduct (ACFID).

The summary reports have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Implementation Guidance available at [www.acfid.asn.au](http://www.acfid.asn.au)

The financial statements and notes give a true and fair view of the financial position as at 30 June 2014 and performance of the Company for the year then ended; and in the Board's opinion, there are reasonable grounds to believe that TEAR Australia will be able to pay its debts as and when they become due and payable. This statement has been made in accordance with a resolution of the Board made on 16 September 2014.

*Anastasia Davy*

**Anastasia Davy**  
Chair

*Brett Gresham*

**Brett Gresham**  
Vice-Chair

# FINANCE AND ADMINISTRATION REPORT



## Operating Result

The operating result for the 2014 financial year has been very encouraging for TEAR Australia. Through the generosity of supporters, donations rose by 11.6% from the previous year. This increase was extremely timely and welcome, reducing the size of the deficit for the year. In addition to funding the development program, TEAR also received over \$430,000 in public donations specified for emergency relief, which was forwarded to partners assisting with the aftermath of Typhoon Haiyan that devastated parts of the Philippines.

TEAR was very appreciative of the Department of Foreign Affairs and Trade's decision to maintain its level of aid and development support through TEAR Australia. TEAR is hopeful and confident that the relationship with DFAT will remain fruitful, with an expectation that the financial support will continue, while remaining within the boundaries set by the TEAR Board.

Overheads continued to be kept at the low levels as previous years. Some savings were made through the slight reduction in staff numbers through natural attrition. TEAR continues to keep expenses as low as possible without compromising on quality or efficiency.

The percentage of funds allocated to aid and development expenditure was 83%. This is an extremely high percentage and is an improvement on the previous year. As always, while the percentage is high, the quality and effectiveness of the funds spent on aid and development can be more important. TEAR continues to measure results and seek ways to improve the quality of the development work of partners.

The amount of expenses and disbursements to partners exceeded the total income for the financial year. A shortfall had been budgeted

for the year in order to reduce the amount of funds held; however, going forward the level of income will need to be held or increase in order to maintain commitments to partners.

This coming year we will see the launch of TEAR's new grant management system. This will provide a secure, more streamlined and improved platform for the management of TEAR's field projects.

TEAR continues to rely on the ongoing support of donors each year to fund the excellent development work carried out by partners in poor communities around the world.

*For a copy of the full financial statement for the year to 30 June 2014, please contact the TEAR Office on 1800 244 986 or go to [www.tear.org.au](http://www.tear.org.au)*

The following accounts are included in the Financial Reports for the Annual Report. If you would like a further explanation of the accounts, please contact TEAR.

### Funds to International Programs

These are funds invested into development and aid programs run by TEAR's implementing partners and fieldworkers around the world

### Program Support Costs

These are the expenses incurred by TEAR in overseeing the aid and development program. Investing in good monitoring and evaluation helps ensure the funds entrusted to TEAR are used effectively, with the aim to maximise the long-term benefits of community development and relief work.

### Community Education

These are expenses related to education work within Australia. This includes education staff salaries, advocacy campaigns, and

the production and distribution of TEAR's educational resources.

### Fundraising Costs

These are the expenses relating to maintaining and growing TEAR's financial support. This includes the production of the Gift Catalogue and the processing of the orders/donations.

### Accountability and Administration

These are expenses such as bank fees, administration and executive staff salaries, computer and software expenses, governance expenses, and support for international development networks.

### Domestic Program Expenditure

This is the support and funding for the Indigenous development program in Australia.

*Ashley Humphreys*

**Ashley Humphreys**  
Finance and Administration Coordinator

## TEAR Australia Income Statement

For the year ended 30 June 2014

	2014	2013
REVENUE	\$	\$
Donations and gifts	10,763,971	9,641,105
Bequests and Legacies	517,265	1,102,086
Grants		
Department of Foreign Affairs & Trade	5,488,199	5,488,199
Other Australian Agencies	-	-
Other Overseas Agencies	-	-
Investment Income	245,535	413,543
Other Income	24,677	195,375
<b>TOTAL REVENUE</b>	<b>17,039,647</b>	<b>16,840,308</b>
<b>EXPENDITURE</b>	<b>\$</b>	<b>\$</b>
International Aid and Development Programs Expenditure		
International programs		
Funds to international programs	13,269,518	13,109,196
Program support costs	1,321,746	1,232,488
Community education	1,529,549	1,440,364
Fundraising costs		
Public	474,931	483,406
Government, multilateral and private	24,500	18,965
Accountability and Administration	1,115,947	1,184,874
<b>Total International Aid and Development Programs Expenditure</b>	<b>17,736,191</b>	<b>17,469,293</b>
<b>Domestic Programs Expenditure</b>	<b>334,247</b>	<b>282,205</b>
<b>TOTAL EXPENDITURE</b>	<b>18,070,438</b>	<b>17,751,498</b>
<b>EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	<b>(1,030,791)</b>	<b>(911,190)</b>

NOTE: During the financial year, TEAR Australia had no transactions in the Political or Religious Adherence Promotion category, or Non-Monetary Income and Expenditure categories. See the summary on page 25 for an explanation of the account categories.

## TEAR Australia Statement of Financial Position

As at 30 June 2014

	2014	2013
ASSETS	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	5,852,052	4,690,969
Financial Assets	2,925,230	5,869,458
Trade and other receivables	18,657	247,101
Inventories	1,635	4,339
Other current assets	24,670	28,054
<b>TOTAL CURRENT ASSETS</b>	<b>8,822,244</b>	<b>10,839,920</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	2,616,948	2,252,552
Financial assets	871,792	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,488,740</b>	<b>2,252,552</b>
<b>TOTAL ASSETS</b>	<b>12,310,984</b>	<b>13,092,472</b>
<b>LIABILITIES</b>	<b>\$</b>	<b>\$</b>
<b>Current Liabilities</b>		
Trade and other payables	288,107	44,752
Current tax liabilities	7,896	9,604
Provisions	528,956	548,968
<b>TOTAL CURRENT LIABILITIES</b>	<b>824,959</b>	<b>603,323</b>
<b>Non-Current Liabilities</b>		
Provisions	37,324	28,696
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>37,324</b>	<b>28,696</b>
<b>TOTAL LIABILITIES</b>	<b>862,283</b>	<b>632,020</b>
<b>NET ASSETS</b>	<b>11,448,701</b>	<b>12,460,453</b>
<b>EQUITY</b>	<b>\$</b>	<b>\$</b>
Financial assets revaluation reserve	15,837	-
Property revaluation reserve	400,000	-
Foreign currency reserve	(190,205)	206,595
General reserve	4,900,000	5,600,000
Committed funds reserve	6,323,069	6,653,858
Retained surplus	-	-
<b>TOTAL EQUITY</b>	<b>11,448,701</b>	<b>12,460,453</b>

# Statement of Changes in Equity

For the year ended 30 June 2014

	Retained Surplus \$	Foreign Currency Reserve \$	General Reserve \$	Committed Funds Reserve \$	Financial Assets Revaluation Reserve \$	Property Revaluation Reserve \$	Total \$
<b>Balance at 30 June 2012</b>	-	(60,916)	5,500,000	7,665,048	-	-	<b>13,104,132</b>
Surplus(Deficit)	(911,190)	-	-	-	-	-	(911,190)
Transfers to and from reserves	911,190	0	100,000	(1,011,190)	-	-	-
Net unrealised gains on Foreign Exchange Contracts	-	267,511	-	-	-	-	267,511
<b>Balance at 30 June 2013</b>	-	<b>206,595</b>	<b>5,600,000</b>	<b>6,653,858</b>	-	-	<b>12,460,453</b>
Surplus(Deficit)	(1,030,791)	-	-	-	-	-	(1,030,791)
Transfers to and from reserves	1,030,791	-	(700,000)	(330,789)	-	-	-
Gains on Revaluation of Land & Buildings	-	-	-	-	-	400,000	400,000
Net Fair Value Gains on Available-For-Sale Financial Assets	-	-	-	-	15,837	-	15,837
Net unrealised losses on Foreign Exchange Contracts	-	(396,800)	-	-	-	-	(396,800)
<b>BALANCE AT 30 JUNE 2014</b>	-	<b>(190,205)</b>	<b>4,900,000</b>	<b>6,323,069</b>	<b>15,837</b>	<b>400,000</b>	<b>11,448,701</b>

NOTE: There are no adjustments or changes in equity due to, for example, adoptions of new accounting standards.

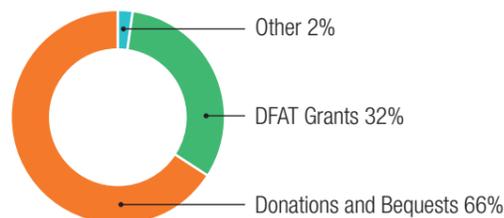
# Table of Cash Movements for Designated Purposes

For the year ended 30 June 2014

	Cash available at beginning of year \$	Cash raised during year \$	Cash disbursed during year \$	Cash available at end of year \$
Total for other purposes	4,690,969	17,598,090	16,437,007	5,852,052
<b>Total</b>	<b>4,690,969</b>	<b>17,598,090</b>	<b>16,437,007</b>	<b>5,852,052</b>

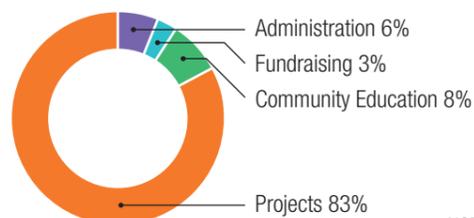
NOTE: No individual project received greater than 10% of the international aid and development revenue earned during the financial year.

Source of Income	2014	2013
Donations and Bequests	66%	64%
DFAT Grants	32%	32%
Other	2%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>



Percentages of total income received for the financial year.

Disbursements	2014	2013
Projects	83%	82%
Community Education	8%	8%
Fundraising	3%	3%
Administration	6%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>



Percentages of total expenditure received for the financial year.

NOTE: The percentage for Projects includes the Funds to International Programs, Program Support Costs and Domestic Program Expenditure.

# FREQUENTLY ASKED QUESTIONS

TEAR Australia is a Christian relief, development and advocacy agency responding to the needs of poor communities around the world. Our motivation comes from our belief that God loves all people, and in Christ offers them the opportunity of a new life. We believe that God is just, and has particular care for the poor and those who suffer as victims of injustice.

We work in partnership with other Christian groups, including churches, relief and development agencies and community-based organisations, which are working with the poor in their communities. We seek to build effective relationships with these partners, grounded in mutual respect, trust and accountability.

Priority is given to those programs that strive to involve the most marginalised and exploited members of each community, regardless of their religious or political beliefs.

## Did you know?

We believe the staff of our partner organisations are best placed to guide development work with local communities. Their understanding of the cultural context and the historical factors surrounding a community places them in a strong position to build relationships and implement effective development work. Where a partner organisation requests additional technical assistance, volunteer fieldworkers from Australia may be seconded for a set period of time.

## What does "TEAR" stand for?

Established in 1971 by the Australian Evangelical Alliance, TEAR Australia was originally called "The Evangelical Alliance Relief Fund". As we are now an independent organisation, the letters are no longer used as an acronym. Rather, we use the by-line "Transformation Empowerment Advocacy Relief".

## Does TEAR fund proselytizing?

No. TEAR's policy is to finance the relief, development and advocacy activities of organisations who are motivated by their faith in Christ, and by their desire to demonstrate the depth of God's commitment to justice, to mercy, to the poor. We do not fund proselytizing activities, but we rejoice and celebrate when we know of people whose lives have been wonderfully and beautifully enriched by the embrace of God in Christ. But we will not support any attempt to misuse relief and development activities to manipulate people into the church. We believe such attempts lack integrity, result in poor development, and dishonour the One who is our motivation.

## How much of my donation reaches the project?

Of TEAR Australia's overall income, 6% covers administrative costs, 3% is spent on fundraising, 8% is spent on empowering people within Australia to respond to poverty and injustice and 83% goes to projects.

## How do I know the money gets there?

All projects are audited by accountants and reviewed by TEAR project workers. TEAR is also audited by registered company auditors and is fully accredited with the Department of Foreign Affairs and Trade. TEAR is a signatory to the ACFID (Australian Council for International Development) Code of

Conduct, representing our commitment to ethical standards in governance, financial management and public accountability.

## How is a project designed?

TEAR Australia's partner organisations are responsible for the design of the program or project. Although it is not the task of TEAR staff to assume responsibility for the design process, they do negotiate adjustments and revisions to project design with partners, prior to submitting funding applications. In this way, TEAR's International Program Team seeks to add value to the design process and provide assistance to our partners in thinking through the issues involved. In some cases, TEAR Fieldworkers will also be involved in working with partners during the design phase.

## How is a project selected?

Projects are selected on the basis of the following strategic objectives. They should:

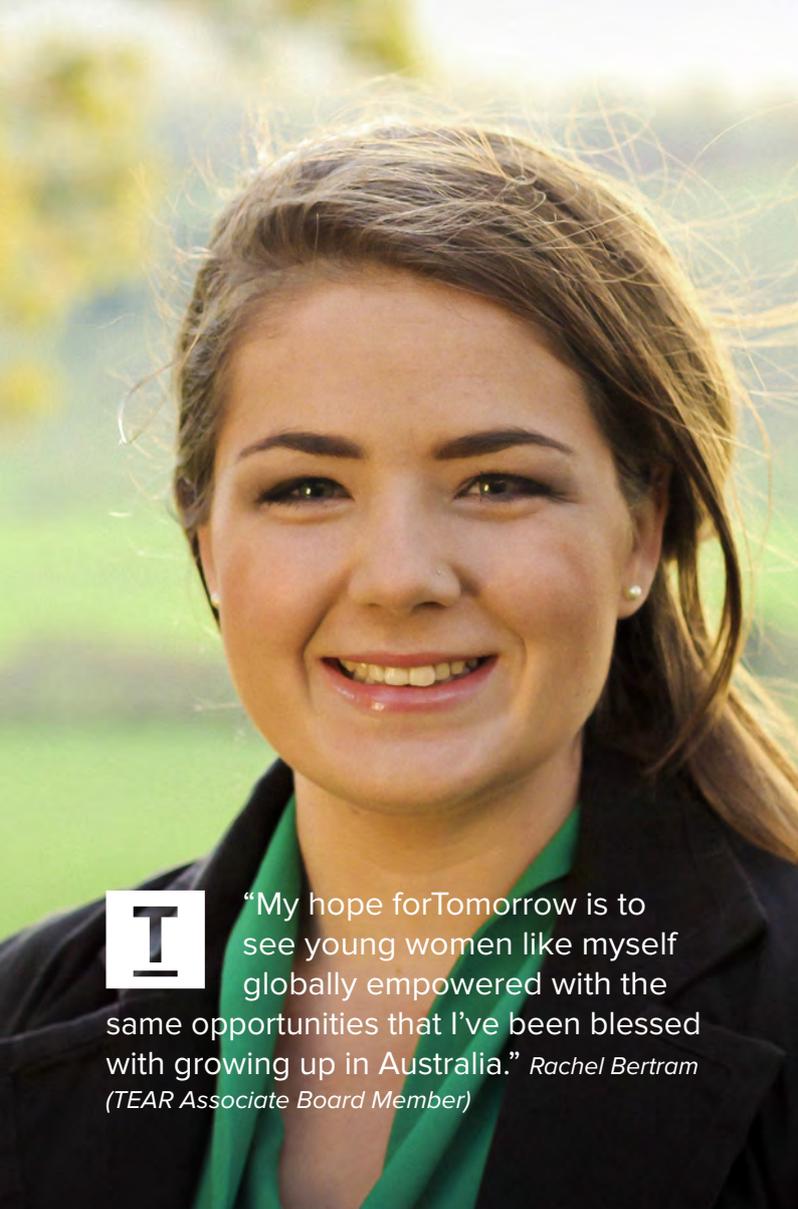
- focus on the poorest and most marginalised people;
- give priority to the rights, interests, needs and capacities of the people they serve;
- address both the symptoms and the causes of poverty and marginalisation;
- produce tangible, lasting improvement in the lives of the people they serve;
- strengthen skills within communities, civil society and government to address their own development priorities.

## How are projects evaluated?

An evaluation process is built into the initial design of every project, and is regularly conducted during implementation of the program. Regular reflections and evaluation by the community and local staff members, technical evaluation by experts, and the observations of TEAR staff are used to keep the project on the path to achieving its goals. As projects reach their completion, or reach a new stage, often an external consultant is employed to facilitate the reflection and learning process.



“My hope for tomorrow is that, like Saahasee has empowered us, I want each woman to empower at least one more woman.”



“My hope for Tomorrow is to see young women like myself globally empowered with the same opportunities that I’ve been blessed with growing up in Australia.” *Rachel Bertram*  
(TEAR Associate Board Member)

# THANK YOU!

As part of the TEAR movement, you are supporting our partners to walk alongside communities on the long road out of poverty. We thank you for your generosity, your prayer, your time, your action, your heart for the poor and your thirst for justice.

### State Offices:

**NSW, ACT and NT**  
Suite 413/410 Elizabeth St  
Surry Hills 2010  
T: (02) 9212 4499  
E: nsw@tear.org.au

**SA** 176 Wattle St  
Malvern 5061  
T: (08) 8291 8160  
E: sa@tear.org.au

**WA** PO Box 87  
Subiaco 6904  
T: 08 6262 2823  
E: wa@tear.org.au

**QLD** PO Box 488  
Narangba 4504  
T: 07 3888 0571  
E: qld@tear.org.au

**VIC and TAS**  
PO Box 164  
Blackburn Victoria 3130  
1/4 Solwood Lane  
Blackburn Victoria 3130  
T: (03) 9264 7000  
vic@tear.org.au

### TEAR Australia National Office:

PO Box 164  
Blackburn Victoria 3130  
1/4 Solwood Lane  
Blackburn Victoria 3130

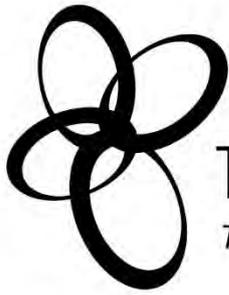
ABN 85 085 413 832  
ACN 085 413 832

Toll free: 1800 244 986  
T: 03 9264 7000  
F: 03 9877 7944

E: tearaust@tear.org.au  
W: www.tear.org.au

**Integral:**





**TEARAUSTRALIA**

*TRANSFORMATION • EMPOWERMENT • ADVOCACY • RELIEF*

**Tear Australia**  
**ABN: 85 085 413 832**

Financial Statements  
For the Year Ended  
30 June 2014

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## **Directors' Report For the Year Ended 30 June 2014**

The Directors submit the financial report of TEAR Australia (the Company) for the financial year ended 30 June 2014

The names of each person who has been a director during the year and to the date of this report are:

Anastasia Davy (Chair)	
Brett Gresham (Vice Chair)	
Matthew Maury (Secretary)	
Helen Beazley	
Joanna Betteridge	
Elizabeth Hill	
David Bartlett	Appointed November 2013
Brooke Prentis	
Paul Mercer	Term Ended November 2013
Greg Manning	
Jane Furniss	Appointed November 2013
Elizabeth Moncrieff-Philp	Term Ended November 2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### **Principal Activities**

The principal activities of the Company during the financial year were responding to global poverty and injustice around the world.

### **Short-term and Long-term objectives**

The company's short-term objectives are to:

- Educate Australian Christians about poverty and injustice and give them practical ways to respond.
- Fund development projects in partnership with local Christian agencies.
- Mobilise Christians to participate in advocating political, church and business leaders around campaigns achieving poverty alleviation goals.
- Achieve success in MDG targets and campaigns in partner countries.

The company's long-term objectives are to:

- Eliminate poverty and injustice in partner communities around the world.
- Mobilise Australian Christians to live more justly and sustainably.

### **Strategies**

To achieve its stated objectives the company has adopted the following strategies

- Fundraising campaigns at Christmas, Easter, End of Financial Year.
- Peer-to-peer online fundraising.
- Partnering with 90 agencies in 25 countries to implement development projects.
- Church engagement through state-based staff and volunteers.
- Advocacy through key coalitions on poverty/justice issues.

### **Key Performance Measures**

The company measures its own performance through the use of both quantitative and qualitative benchmarks. These benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved

- Project by project outcomes and impact indicators - ranging from water, health, income, education, food security.
- General Donations and Income Raised to support poverty alleviation projects.
- Number of active monthly supporters.
- Number of active TEAR Groups across Australia.
- Income per fundraising appeal.
- Number of people served by projects.

**Information on Directors**

Elizabeth Moncrieff-Philp (Term Ended November 2013)

Qualifications BA, BTh, MSW, Grad Dip MHSc  
 Experience Member since 2005. Social Worker with Eyre Mental Health services.  
 Special Responsibilities Board Chair, Executive Committee Chair

Anastasia Davy

Qualifications BA, Masters (Int & Comm. Dev.)  
 Experience Member since 2006. Policy Advisor at Department of Human services.  
 Special Responsibilities Board Chair, Executive Committee Chair

Matthew Maury

Qualifications BA (Hons), MBA (Development Studies)  
 Experience Member since 2009. TEAR Australia's National Director. 20 years experience with Christian development agencies.  
 Special Responsibilities Board Secretary, Executive Committee, Risk, Audit & Finance Committee

Helen Beazley

Qualifications BA, Grad Dip (Ed), M.Ed., M.Com Community Devt.  
 Experience Member since 2007. Background in community sustainability, government policy and capacity building projects.  
 Special Responsibilities Dhumba Committee, International Program Allocation Committee,

Joanna Betteridge

Qualifications BA, LLB, LLM, GAICD, Acc M LEADR  
 Experience Member since 2010. Principal of employment and safety law firm Betteridge Legal Consulting. Lecturer at Monash University.  
 Special Responsibilities Risk, Audit & Finance Committee Chair

Brett Gresham

Qualifications B.Eng (Civ), M.Lit. Dev Stud.  
 Experience Member since 2010. Background in international development and project management. Former TEAR fieldworker in Afghanistan.  
 Special Responsibilities Board Deputy Chair, International Program Allocations Committee Chair

Paul Mercer (Term Ended November 2013)

Qualifications MBBS, DipRACOG, FRACGP  
 Experience Member since 2005. Has held volunteer roles with TEAR since 1975. Principal General Practitioner of Silky Oaks Medical Practice.  
 Special Responsibilities International Program Allocation Committee, Risk, Audit & Finance Committee.

David Bartlett

Qualifications FCA; BEc; MEd; GradDipCS; Cert. Governance; JP  
 Experience Member since 2013. Partner at Resolve Consulting Chartered Accountants with extensive Non-Profit Executive and Board experience  
 Special Responsibilities Risk, Audit & Finance Committee

Elizabeth Hill

Qualifications PhD, BEc (Soc.Sc) (Hons), Grad Cert Community Adult Education  
 Experience Member since 2011. Lecturer in Political Economy at The University of Sydney. Former TEAR fieldworker in India.  
 Special Responsibilities Executive Committee, Membership Committee Chair

Gregory Manning

Qualifications B.E. (Hons1) MADev  
 Experience Member since 2012. Worked with Micah Network Australia in HIV prevention and education. Former TEAR fieldworker in India.  
 Special Responsibilities International Program Allocation Committee

**TEAR Australia**  
**ABN 85 085 413 832**

Brooke Prentis

Qualifications BCom, BA, Grad.Dip ICAA, CA  
 Experience Member since 2012. Accountant with experience in the corporate and not for profit sector including Aboriginal and Torres Strait Islander organisations.  
 Special Responsibilities Risk, Audit & Finance Committee

Jane Furniss

Qualifications BA, LLB (Hons), M. Int Devt  
 Experience Member since 2013. Experience in International law, development and governance. Board & senior management experience in development, advocacy & education sectors.  
 Special Responsibilities International Program Allocation Committee

**Meetings of Directors**

During the financial year six meetings of directors were held. Attendances of each director were as follows:

Name	Number eligible to attend	Number attended
Anastasia Davy (Chair)	6	6
Matthew Maury (Secretary)	6	6
Brett Gresham (Vice Chair)	6	6
Helen Beazley	6	4
Joanna Betteridge	6	6
Paul Mercer	3	2
Elizabeth Hill	6	5
Gregory Manning	6	6
Brooke Prentis	6	5
Jane Furniss	3	3
David Bartlett	3	1
Elizabeth Moncrieff-Philp	3	3

The company was incorporated under the Corporations Act 2001 on 12 December 2012 as a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2014 the total amount that members of the company are liable to contribute if the company is wound up is \$109. (2013: \$110).

**Auditors Independence Declaration**

The auditors independence declaration for the year ended 30 June 2014 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Members of the Board:

Board member:  .....  
 Anastasia Davy (Chair)

Board member:  .....  
 Brett Gresham (Vice Chair)

Dated:  day of September 2014

**TEAR AUSTRALIA**  
ABN 85 085 413 832

### **Auditors Independence Declaration**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been no contraventions of any applicable code of professional conduct in relation to the audit

*Saward Dawson*

**Saward Dawson Chartered Accountants**

*Tim Flowers*

**Tim Flowers**

Blackburn

**INCOME STATEMENT FOR THE YEAR ENDED**  
**30 June 2014**

	Note	2014	2013
Revenue from Operating Activities	2	17,039,647	16,840,308
Funds to Overseas Projects		(13,269,518)	(13,109,196)
Australian Indigenous Projects		(334,247)	(282,205)
Other Projects Expenses		(1,321,746)	(1,232,488)
Community Education		(1,529,549)	(1,440,364)
Fundraising - Public		(474,931)	(483,406)
Fundraising - Government		(24,500)	(18,965)
Administration		(1,115,947)	(1,184,874)
<b>Deficit for the Year</b>		<b>(1,030,791)</b>	<b>(911,190)</b>

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED**  
**30 June 2014**

	Note	2014	2013
<b>Deficit for the Year</b>		(1,030,791)	(911,190)
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>		-	-
Net Gain on Revaluation of Land and Buildings		400,000	-
<b>Items that may be reclassified to profit or loss</b>			
Net Gain on Revaluation of Available for Sale Financial Assets		15,837	-
Net Unrealised Gain/(Loss) on Foreign Exchange Contracts		(190,205)	206,595
<b>Other Comprehensive Income for the Year</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b>(805,159)</b>	<b>(704,595)</b>

**STATEMENT OF FINANCIAL POSITION AS AT  
30 June 2014**

	Note	2014	2013
<b>Current Assets</b>			
Cash and Cash Equivalents	6	5,852,052	4,690,969
Financial Assets	7	2,925,230	5,869,458
Trade and Other Receivables	8	18,657	247,101
Inventories	9	1,635	4,339
Other Current Assets	10	24,670	28,054
<b>Total Current Assets</b>		<b>8,822,244</b>	<b>10,839,920</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	11	2,616,948	2,252,552
Financial Assets	7	871,792	-
<b>Total Non-Current Assets</b>		<b>3,488,740</b>	<b>2,252,552</b>
<b>TOTAL ASSETS</b>		<b>12,310,984</b>	<b>13,092,472</b>
<b>Current Liabilities</b>			
Trade and Other Payables	12	296,003	54,356
Provisions	13	528,956	548,968
<b>Total Current Liabilities</b>		<b>824,959</b>	<b>603,324</b>
<b>Non-Current Liabilities</b>			
Provisions	13	37,324	28,696
<b>Total Non-Current Liabilities</b>		<b>37,324</b>	<b>28,696</b>
<b>TOTAL LIABILITIES</b>		<b>862,283</b>	<b>632,020</b>
<b>NET ASSETS</b>		<b>11,448,701</b>	<b>12,460,453</b>
<b>EQUITY</b>			
Financial Assets Revaluation Reserve	15	15,837	-
Property Revaluation Reserve	15	400,000	-
Foreign currency reserve	15	(190,205)	206,595
General reserve	15	4,900,000	5,600,000
Committed funds reserve	15	6,323,069	6,653,858
Retained Surplus	16	-	-
<b>TOTAL EQUITY</b>		<b>11,448,701</b>	<b>12,460,453</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED**  
**30 June 2014**

	Note	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Donations Received		10,763,971	9,641,105
Bequests and Legacies Received		517,265	1,117,109
Operating Grants Received		6,037,019	3,981,266
Other Income Received		12,011	133,434
Payments to Suppliers & Employees		(4,896,726)	(4,991,354)
Distributions to Overseas Partners & Fieldworkers		(13,603,764)	(13,391,401)
Interest & Dividends Received		267,824	442,472
<b>Net Cash Provided by (used in) Operating Activities</b>		<b>(902,400)</b>	<b>(3,067,369)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Available for Sale Financial Assets		(901,906)	-
Proceed from Sale of Available for Sale Financial Assets		457,091	-
Proceeds from Sale of Property, Plant & Equipment		745	3,921
Redemption (placement) of Held to Maturity Financial Assets		2,538,881	1,899,704
Purchase of Property, Plant & Equipment		(31,328)	(60,882)
<b>Net Cash Provided by (used in) Investing Activities</b>		<b>2,063,483</b>	<b>1,842,743</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net Cash Provided by (used in) Financing Activities</b>		-	-
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>1,161,083</b>	<b>(1,224,626)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>4,690,969</b>	<b>5,915,595</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	6, 18	<b>5,852,052</b>	<b>4,690,969</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED  
30 June 2014**

	Note	Retained Surplus	Property Revaluation Reserve	Foreign Currency Reserve
<b>Balance as at 30 June 2012</b>		-	-	<b>(60,916)</b>
Deficit for the Year		(911,190)	-	-
Transfers to and from Reserves		911,190	-	-
Net unrealised gains on Foreign Exchange Contracts				267,511
<b>Balance as at 30 June 2013</b>		-	-	<b>206,595</b>
Deficit for the Year		(1,030,791)	-	-
Transfers to and from Reserves	15, 16	1,030,791	-	-
Gains on Revaluation of Land & Buildings		-	400,000	-
Net Fair Value Gains on Available-For-Sale Financial Assets		-	-	-
Net unrealised losses on Foreign Exchange Contracts		-	-	(396,800)
<b>Balance as at 30 June 2014</b>		<b>-</b>	<b>400,000</b>	<b>(190,205)</b>

	Note	General Reserve	Committed Funds Reserve	Financial Assets Revaluation Reserve	Total
<b>Balance as at 30 June 2012</b>		<b>5,500,000</b>	<b>7,665,048</b>	-	<b>13,104,132</b>
Deficit for the Year		-	-	-	(911,190)
Transfers to and from Reserves		100,000	(1,011,190)	-	-
Net unrealised gains on Foreign Exchange Contracts					267,511
<b>Balance as at 30 June 2013</b>		<b>5,600,000</b>	<b>6,653,858</b>	-	<b>12,460,453</b>
Deficit for the Year		-	-	-	(1,030,791)
Transfers to and from Reserves	15, 16	(700,000)	(330,789)	-	-
Gains on Revaluation of Land & Buildings		-	-	-	400,000
Net Fair Value Gains on Available-For-Sale Financial Assets		-	-	15,837	15,837
Net unrealised losses on Foreign Exchange Contracts		-	-	-	(396,800)
<b>Balance as at 30 June 2014</b>		<b>4,900,000</b>	<b>6,323,069</b>	<b>15,837</b>	<b>11,448,701</b>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014**

### **Note 1: Summary of Significant Accounting Policies**

#### **Basis of Preparation**

TEAR Australia applies the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-For-Profit Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the same date that the directors' declaration was signed.

#### **Accounting Policies**

a. **Income Tax**

No current or deferred income tax assets or liabilities have been raised by the Company as it is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

b. **Inventories**

Inventories are measured at the lower of cost and net realisable value.

c. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, accumulated depreciation and impairment losses.

**Freehold Property**

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014**

### **Note 1: Summary of Significant Accounting Policies (Contd.)**

comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

#### **Plant and Equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down to its estimated recoverable amount and impairment losses are recognised in either the income statement or as a revaluation decrease if the impairment relates to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer Note 1(f)).

Plant and Equipment contributed at no or nominal cost are valued and recognised at the fair value of the asset on the date it was acquired.

#### **Depreciation**

The depreciable amount of all fixed assets (excluding freehold land) is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate (%)</u>
Buildings	2.5
Office Furniture and Equipment	5 - 17
Computer Systems	25-34
Motor Vehicles	15

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surpluses.

d. **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

### Note 1: Summary of Significant Accounting Policies (Contd.)

#### e. **Financial Instruments**

##### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in the income statement.

##### **Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

##### **(i) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### **(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### **(iii) Available-for-sale financial assets**

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014**

### **Note 1: Summary of Significant Accounting Policies (Contd.)**

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

#### **Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### **Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2014**

**Note 1: Summary of Significant Accounting Policies (Contd.)**

**f. Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be 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 immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**g. Employee Benefits**

**Short-term employee benefits**

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**Other long-term employee benefits**

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

### Note 1: Summary of Significant Accounting Policies (Contd.)

#### Retirement benefit obligations

##### *Defined contribution superannuation benefits*

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 12% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

#### h. Cash and Cash Equivalents

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

#### i. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### j. 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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### k. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2014**

**Note 1: Summary of Significant Accounting Policies (Contd.)**

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.

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

**l. Trade and Other Payables**

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

**m. Foreign Exchange Gains/Losses**

The company incurred gains and losses on foreign exchange through both the revaluation of foreign currencies held as assets at 30 June 2014 and on payments made in foreign currency. All realised gains or losses are recorded in the income statement at date of transaction, gains or losses on assets held are recorded respectively as an income or expense transactions are included respectively as a reduction or increase in the transaction value item, gains or losses on and accounted for with the original transaction.

The company uses forward purchasing contracts to assist with planning overseas commitment levels and to insulate against currency downturns. These forward contracts do not fit the definition of an effective hedge and the unrealised gains or losses on open contracts at year end are held in equity reserves.

**n. Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2014**

	<b>2014</b>	<b>2013</b>
<b>Note 2: Revenue</b>		
Operating Activities		
Donations	10,763,971	9,641,105
Legacies & Bequests	517,265	1,102,086
AusAID Grants	5,488,199	5,488,199
Other Income	24,677	195,375
Non-operating Activities		
Interest Received	235,596	413,543
Other Investment Income	9,939	0
Total Revenue	<u>17,039,647</u>	<u>16,840,308</u>
<b>Note 3: Surplus/(Deficit) from Ordinary Activities</b>		
<b>Expenses</b>		
Depreciation of Property, Plant & Equipment	(66,794)	(88,870)
Net gain on Disposal of Property, Plant & Equipment	608	2,000
Rental Expense	(22,898)	(19,763)
Total	<u>(89,084)</u>	<u>(106,633)</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2014**

**Note 4: Key Management Personnel Compensation**

**Key Management Personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. The Key Management Personnel during the year were:

Matthew Maury	National Director
Barbara Deutschmann (0.6 EFT)	Indigenous Program Coordinator
Peter Fitzgerald	South Asia Team Leader
Ashley Humphreys	Finance & Administration Coordinator
Paul Flavel	Australian Program Coordinator
Susan Vulling (0.6 EFT)	Human Resources Coordinator
Phil Wilkerson	International Program Coordinator
Coby Hallas (0.857 EFT - Appointed March 2014)	Communications Coordinator

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	Salary & Fees	Superannuation	Bonus	Non-cash Benefits	Total
<b>2013</b>	377,900	54,164	-	124,388	<b>556,452</b>
<b>2014</b>	460,244	69,182	-	128,400	<b>657,826</b>

**Note 5: Auditors' Remuneration**

	Note	2014	2013
Fees for auditing financial report		15,170	14,933
Other Services		-	3,650

**Note 6: Cash and Cash Equivalents**

Cash at bank and on hand		5,852,052	4,690,969
		<u>5,852,052</u>	<u>4,690,969</u>

**Note 7: Financial Assets**

CURRENT			
Held to Maturity Financial Assets	7a	2,925,230	5,869,458
		<u>2,925,230</u>	<u>5,869,458</u>

NON CURRENT			
Held to Maturity Financial Assets	7a	405,348	-
Available For Sale Financial Assets	7b	466,444	-
		<u>871,792</u>	<u>-</u>

a. Held to Maturity Investments			
Government and Fixed Interest Investments	19	3,330,577	-
		<u>3,330,577</u>	<u>-</u>

b. Available for Sale Financial Assets			
Shares in listed corporations at fair value:			
Balance at the beginning of the year		-	-
Purchases		901,906	-
Disposals		(457,091)	-
Fair Value Remeasurement gains/(losses)		21,629	-
Balance at the end of the year	19	<u>466,444</u>	<u>-</u>

**Note 8: Trade and Other Receivables**

Debtors		18,657	40,506
Unrealised Foreign Currency Gains		-	206,595
	19	<u>18,657</u>	<u>247,101</u>

The Company forward purchases US dollars and at balance day has open contracts requiring valuation at year end. In financial year 2013 due to weakening exchange rates unrealised gains were booked as an asset. In financial year 2014 with stronger exchange rates unrealised losses were booked as a liability refer note 12.

**Credit Risk:**

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. There are no indicators of impairment on receivables at year end and no provision for doubtful debts has been raised.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2014**

	Note	2014	2013
<b>Note 9: Inventories</b>			
Stock of Publications at cost		1,635	4,339
<b>Note 10: Other Current Assets</b>			
Prepayments		24,670	28,054
<b>Note 11: Property, Plant &amp; Equipment</b>			
<b>Plant &amp; Equipment</b>			
Office Furniture & Equipment at Cost		129,859	129,859
Accumulated Depreciation		(94,097)	(77,760)
		<u>35,762</u>	<u>52,099</u>
Computer Systems at Cost		324,286	297,420
Accumulated Depreciation		(270,662)	(247,676)
		<u>53,624</u>	<u>49,744</u>
Motor Vehicles at Cost		44,000	44,000
Accumulated Depreciation		(39,527)	(34,439)
		<u>4,473</u>	<u>9,561</u>
<b>Land &amp; Buildings</b>			
Freehold Land at Cost		1,500,000	1,500,000
Independent Valuation increment in 2014		400,000	-
Total Land	20	<u>1,900,000</u>	<u>1,500,000</u>
Buildings at Cost		722,356	722,356
Accumulated Depreciation		(99,267)	(81,208)
	20	<u>623,089</u>	<u>641,148</u>
Total Land & Buildings		<u>2,523,089</u>	<u>2,141,148</u>
Total Property, Plant & Equipment		<u>2,616,948</u>	<u>2,252,552</u>

The freehold land and buildings were independently valued at 30 June 2014 by Lawrence Commercial Valuers. The valuation was based on the fair value less cost to sell. The valuation resulted in a \$400,000 revaluation being recognised for the year ended 30 June 2014 according to stated accounting policies. The valuation was applied solely against the land value of the property as no significant improvements have been made to the property since the previous valuation.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2014**

Reconciliation of the carrying amounts of each class of asset at the beginning and end of the previous and current financial year is set out below.

	Land	Buildings	Furniture & Fittings	Computers	Motor Vehicles	Total
<b>Balance at 1 July 2012</b>	<b>1,500,000</b>	<b>636,678</b>	<b>72,779</b>	<b>56,089</b>	<b>18,916</b>	<b>2,284,462</b>
Additions	-	22,250	0	38,631	-	60,881
Disposals	-	-	(2,134.00)	(283)	(1,504)	(3,921)
Depreciation and Amortisation	-	(17,780)	(18,546)	(44,693)	(7,851)	(88,870)
<b>Balance at 30 June 2013</b>	<b>1,500,000</b>	<b>641,148</b>	<b>52,099</b>	<b>49,745</b>	<b>9,560</b>	<b>2,252,552</b>
Additions	-	-	-	31,328	-	31,328
Revaluation increments/ (decrements)	400,000	-	-	-	-	400,000
Disposals	-	-	-	(137)	-	(137)
Depreciation and Amortisation	-	(18,059)	(16,337)	(27,312)	(5,086)	(66,794)
<b>Balance at 30 June 2014</b>	<b>1,900,000</b>	<b>623,089</b>	<b>35,762</b>	<b>53,624</b>	<b>4,473</b>	<b>2,616,948</b>

	Note	2014	2013
<b>Note 12: Trade and Other Payables</b>			
Current			
Trade creditors & accruals		86,315	44,337
Micah Network funds received in advance		11,587	-
Current tax liabilities		7,896	9,604
Payments received in advance		-	415
Unrealised foreign currency losses		190,205	-
	19	<u>296,003</u>	<u>54,356</u>

The Company forward purchases US dollars and at balance day has open contracts requiring valuation at year end. In financial year 2014 with stronger exchange rates unrealised losses were booked as a liability. In financial year 2013 due to weakening exchange rates unrealised gains were booked as an asset refer note 8.

	2014	2013
<b>Note 13: Provisions</b>		
<b>Employee Benefits</b>		
Balance at the beginning of the year	577,664	574,132
Additional provisions raised during the year	293,280	380,172
Amounts used	(304,664)	(376,641)
Balance at the end of the year	<u>566,280</u>	<u>577,664</u>
Current	528,956	548,968
Non-current	37,324	28,696
	<u>566,280</u>	<u>577,664</u>

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2014**

**Note 14: Capital & Leasing Commitments**

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable - Minimum lease payments:

Not later than 12 months

later than 12 months but not later than five years

later than 5 years

	2014	2013
	8,220	9,043
	32,195	33,159
	-	-
	<u>40,415</u>	<u>42,202</u>

The lease commitment is a non-cancellable operating lease for photocopiers contracted for but not capitalised in the financial statements with a five-year term. Increases in lease commitments may occur in line with the consumer price index (CPI). The lease open at 30 June 2013 was cancelled and a new photocopier lease signed from 1 June 2014.

**Note 15: Reserves**

a. **Property Revaluation Reserve**

The Property Revaluation Reserve records the revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, amounts may be shifted to the income statement.

b. **Foreign Currency Reserve**

The Foreign Currency Reserve holds movements in currency valuations as at balance date for outstanding Forward Exchange Contracts designated as hedges.

c. **General Reserve**

TEAR's Reserve, Foreign Exchange Exposure and Investment Policy provides for potential needs such as essential funding commitments after a sudden or prolonged downturn in income receipts, or to meet a critical need of an overseas partner. As at 30 June this reserve was \$4.9M and forms part of financial assets.

d. **Committed Funds Reserve**

TEAR Australia has moral funding commitments to implementing partners for aid and development projects over the coming year. These are in excess of the current reserves therefore TEAR continues to be reliant on future donations from supporters to fulfil these commitments.

Committed Funds Reserve also includes donations received for specific projects that have not been expended as at 30 June.

Donations received for specific projects but not expended as at 30 June

	2014	2013
	14,301	13,209

e. **Financial Assets Reserve**

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write downs) that relate to financial assets that are classified as available for sale.

**Note 16: Retained Surplus**

For improved disclosure, Retained Earnings are segregated into separate reserves. The balance of retained earnings is shown under Retained Surplus. As the balance of equity is absorbed into the Committed Funds Reserve, the Retained Surplus is nil.

**Note 17: Related Party Transactions**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the financial year \$765 was paid to Resolve Consulting for services. Subsequent to the payments David Bartlett a Principal of Resolve Consulting was appointed to the TEAR Australia Board. No further payments were made post this appointment.

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2014**

<b>Note 18: Cash Flow Information</b>	<b>2014</b>	<b>2013</b>
<b>Reconciliation of Cash</b>		
Cash at bank and on hand	5,852,052	4,690,969

**Note 19: Financial Instruments**

The Company's financial instruments consist of deposits with banks, short-term investments, accounts receivable and payables. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the policies to these financial statements, are as follows:

<b>Financial Assets</b>		<b>2014</b>	<b>2013</b>
Cash	6	5,852,052	4,690,969
Held to maturity financial assets	7a	3,330,577	5,869,458
Available for Sale	7b, 20	466,444	-
Trade and other receivables	8	18,657	247,101
<b>Total financial assets</b>		<b>9,667,730</b>	<b>10,807,528</b>
<b>Financial Liabilities</b>			
Trade and other payables	12	296,003	54,356
<b>Total financial liabilities</b>		<b>296,003</b>	<b>54,356</b>

**Note 20: Fair Value Measurements**

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

<b>Recurring Fair Value Measurements</b>	<b>Note</b>	<b>2014</b>	<b>2013</b>
<i>Financial Assets</i>			
Available-for-sale financial assets			
- shares in listed corporations	7,20(i)	466,444	-
		466,444	-
<i>Property Plant and Equipment</i>			
Freehold Land	11, 20(ii)	1,900,000	1,500,000
Freehold Buildings	11, 20(ii)	623,089	641,148
		2,523,089	2,141,148

(i) For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

(ii) For freehold land and buildings, the fair values are based on the external independent valuation performed in 2014.

**Note 21: Table of Cash Movements for Designated Purposes**

	<b>Cash available at beginning of year</b>	<b>Cash raised during year</b>	<b>Cash disbursed during year</b>	<b>Cash available at end of year</b>
Total for other purposes	4,690,969	17,598,090	16,437,007	5,852,052
<b>Total</b>	<b>4,690,969</b>	<b>17,598,090</b>	<b>16,437,007</b>	<b>5,852,052</b>

No individual project received greater than 10% of the international aid and development revenue earned during the financial year.

The accompanying notes form part of these financial statements

**TEAR Australia**  
**ABN 85 085 413 832**

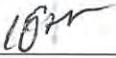
## **Director's Declaration For the Year Ended 30 June 2014**

In accordance with a resolution of the directors of TEAR Australia, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 21, are in accordance with the Australian Charities and Not-For-Profit Commission Act 2012 and:
  - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position of the company as at 30 June 2014 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Chair   
Anastasia Day

Vice Chair   
Brett Gresham

Dated this  day of September 2014

**TEAR AUSTRALIA**  
ABN 85 085 413 832

## **Independent Audit Report to the members of TEAR Australia**

### **Report on the Financial Report**

We have audited the accompanying financial report of TEAR Australia, which comprises the statement of financial position as at 30 June 2014, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **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. Those 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 from 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 judgment, 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 company's preparation of the financial report that gives a true and fair view 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 directors, 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 the *Australian Charities and Not-for-Profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-Profits Commission Act 2012*, which has been given to the directors of TEAR Australia, would be in the same terms if given to the directors as at the time of this auditor's report.

**TEAR AUSTRALIA**  
ABN 85 085 413 832

## Independent Audit Report to the members of TEAR Australia

### Auditor's Opinion

In our opinion, the financial report of Tear Australia is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012*

*Saward Dawson*

**Saward Dawson Chartered Accountants**

*Tim Flowers*

**Tim Flowers**

Blackburn

Dated: 16 September 2014