

Annual Report

2018/19

Transform.
Empower.
Advocate.
Restore.



TEAR
AUSTRALIA

Who we are

We're focused in places where the challenges are great, partnering with local Christian agencies to end poverty, challenge inequality and build sustainable communities. Together, we act with courage, tackling injustice in order that all may experience fullness of life.

Mission

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

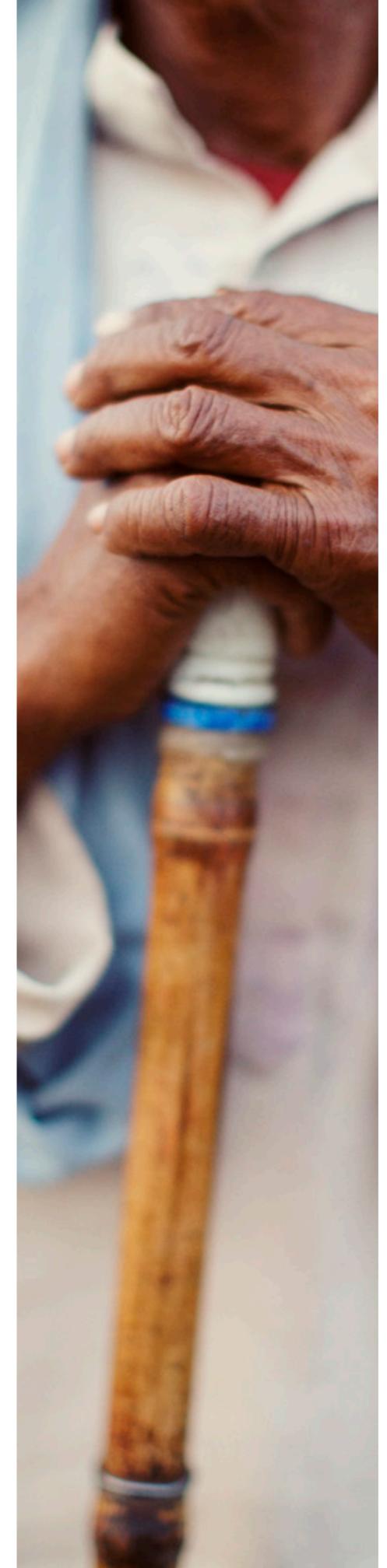
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Cover image: Forced to flee her home in South Sudan, Rachel* walked for three days to find safety for her nine children in a refugee camp in Northern Uganda. Despite experiencing severe adversity, Rachel and her children are incredibly resilient. Through the support of Tutapona, our Christian partner working in the refugee settlement, Rachel has begun a journey of healing. Rachel's story testifies to TEAR Australia's calling to work in the world's most desperate and hardest places.

*Name has been changed to protect identity



Chief Executive Officer + Chair of the Board's Report



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Yeast, salt and light. Over the past year we have regularly returned to these examples of biblical imagery as we have considered the unique work of TEAR. These metaphors have also been important themes as we have developed our new three-year strategic plan.

While our vision for a more just and compassionate world remains unchanged, our four strategic priorities for the next three years will provide a foundation for how TEAR works towards this vision. These four strategic drivers are:

- A Commitment to Hard Places
- Working for Climate Justice
- Strengthening Civil Society
- Broadening Engagement

Focusing on hard places underlines our commitment to be working where the needs are greatest – and using an evidence-based approach to identifying places where poverty, inequality, and injustice are the worst so we can focus our program support to those parts of the world. This means a continued commitment to be salt and light in some very challenging contexts. These are often countries considered fragile states due to conflict and insecurity. TEAR recognises that committing to these parts of the world includes facing increased risks and thus we work to balance good decision making

processes and risk management with an understanding that being involved in 'hard places' also means making a long term commitment and a faithfulness that doesn't always see quick results.

Tackling the root causes of injustice is central to our theory of change, and as such working for Climate Justice has been an important part of TEAR's work for a couple of decades. Given the increased urgency for action, our new strategic plan places Climate Justice as a priority for the work we will do in Australia and with our partners to tackle what we see as the biggest risk to successfully addressing entrenched poverty. Our leadership in the global Renew Our World movement and the related education and advocacy campaigns over the past year has been one of the most visible representations of our Climate Justice work.

Our third strategic driver is focused on our work Strengthening Civil Society. This includes our partnership with both international Christian partners and the church in Australia to further their effectiveness as movements of justice and positive social change. Like yeast, we know that TEAR can play a catalytic role (often behind the scenes) in helping to support internal organisational development, sustainability of impact, improve advocacy, and support the work of coalitions fighting injustice.

Finally, TEAR will continue its work to broaden engagement – with new and also unlikely partners – to further our mission and impact. We have been working on reaching new parts of the Christian community in Australia with the message of biblical justice, and have continued to invest in a variety of ways to achieve this goal. These include events (such as the Justice Conference and Just Women gatherings), a new digital strategy and tools, our growing read-a-thon program, and other creative methods for getting more people involved and supporting the work of TEAR.

Over the past year TEAR's board and staff have strived to build a strong organisational culture anchored in our Christian identity which places a high value on safeguarding vulnerable people and on gender justice. As such, the board endorsed the findings from the Victorian Institute of Forensic Medicine's recommendations to ACFID members to raise standards in order to ensure the prevention of sexual misconduct, abuse and harassment. Seeing safeguarding vulnerable people as core to TEAR's work, this has received an extra focus over the past year as TEAR also works with its project partners to raise standards.

As you will read in the finance section of this report, we were pleased and thankful to achieve our first surplus budget for several years (noting that past deficits were

intentional in order to spend reserves). Behind this news is the important story of a very faithful supporter base – who are generous with their contributions, prayers, and overall support for TEAR.

Cost structures for organisations like TEAR continue to be stretched as compliance obligations rise every year – and with them the related costs. That, coupled with decreasing returns on fundraising investment, continue to keep budgets tight and this is expected to be the case for the near future.

This year we have also been pleased to see the continued growth of our revised First People Program – creating new project models in order to facilitate new partnerships.

Thanks to all of you for continuing to walk with us in this shared belief that we can make a difference – that God is at work with and through our efforts to help alleviate poverty and suffering, bringing hope and new life. May the metaphors of yeast, salt and light continue to represent the ways TEAR is working to build a more just and compassionate world.

Matthew Maury
Chief Executive Officer

Peter Snowsill
Chair of the Board



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TEAR Australia at a Glance

Internationally...



760,341
people directly*
participate in



106
projects



through
57
Christian
partners



in
19
countries
across Africa,
Asia and the
Pacific

*For every person directly involved, we expect a further 4-5 people in their household to be indirectly reached.

In Australia...



2
projects



through
2
indigenous
partners



52
staff



500+
churches:
fundraising,
advocacy, prayer
and education



400+
volunteers:
driving the
conversation
on justice

Financially...



86 cents in every donated dollar goes
to projects and community education



Partners
Total
57



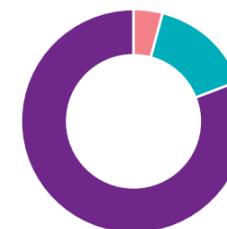
Projects
Total
106



Total
International
Program

\$10,269,212

Total Program Analysis



- Development Program: \$8,268,618
- International Project Support: \$1,561,786
- Humanitarian Emergency Grants: \$438,808

International Program Funding According to Sectors



- Livelihoods & Food Security: 29%
- Basic Health: 21%
- Strengthening Civil Society: 17%
- Basic Education: 11%
- Water & Sanitation: 8%
- Disaster Relief & Recovery: 5%
- Other: 5%
- Partner Organisational Development: 3%
- Environmental Sustainability: 1%



The Multidimensional Poverty Index (MPI) is a global tool that measures the deprivations people face across different aspects of their lives – health, education and standard of living. According to the MPI, sub-Saharan Africa is home to an increasing proportion of the world's poor – from 28% in 2010 to 42% in 2018. Of the world's poorest 30 countries, 28 are in sub-Saharan Africa.

Over the next 30 years, the world's population is predicted to increase by two billion people. Half of that growth is expected to occur in sub-Saharan Africa, where the population of one billion will double by 2050, putting more pressure on health, education and food production systems.

In recognition of these trends and in-line with our commitment to be “salt and light in hard places”, TEAR is committed to directing more of its resources to sub-Saharan Africa, with the aim that within seven years 35% of our international program funding will be allocated to partners in Africa.

Sources: <https://ophi.org.uk/multidimensional-poverty-index/mpi-resources/>
<https://www.un.org/en/sections/issues-depth/population/>
<https://data.worldbank.org/region/sub-saharan-africa?view=chart>



28
of the
world's poorest
thirty countries
are in sub-
Saharan Africa.

Sarifina's story

There is a special kind of ache in the heart of a mother that doesn't have enough food to feed her children. It's an ache that weighs heavily, and which Sarifina from Zambia knows all too well.

Not long ago, she was struggling to put enough food on the table for her five children. Finding enough to eat was always a problem, and life was tough. But with support from TEAR's partner in Zambia, the Reformed Church of Zambia Diaconia, she has learnt valuable farming techniques. These new skills mean that this year she will not only have enough to feed her children – she will have the income to send them to school.

Her self-worth and confidence has grown as well. She's become a community leader – a chairperson of the Self-Help group network in her village, representing 50 households. Sarifina's heart is now full of hope and the possibilities for the future.



This project receives support from the Australian Government through the Australian NGO Cooperation Program (ANCP).

Africa



Development &
Humanitarian
Assistance

Country	Partners	Projects	Development & Humanitarian Assistance
① Ethiopia	4	6	\$325,965
② Mozambique	4	5	\$368,376
③ Somalia	1	1	\$503,913
④ South Sudan	2	2	\$492,769
⑤ Sudan	1	1	\$213,212
⑥ Uganda	3	3	\$88,553
⑦ Zambia	2	3	\$221,647
⑧ Zimbabwe	2	2	\$287,269
TOTAL			\$2,501,704



Within seven years

35%

of our international program funding

will be allocated to partners in Africa.



Rachel's long journey

Rachel was a successful farmer, able to earn an income and support her family with nutritious food. All of her children were in school. But that was before they were forced to flee their home in war-ravaged South Sudan, where ongoing conflict has shattered lives and people's ability to live and work together with peace and security.

Rachel and her nine children walked for three days to the Ugandan border. She still doesn't know what happened to her husband.

Even in the relative safety of a refugee settlement in northern Uganda, the trauma and isolation of their situation remained and Rachel became physically sick with worry, plagued with the memories of what she had seen and the fear that she would never recover.

Through the support of Tutapona, our Christian partner working in the refugee settlement, Rachel has begun a journey of healing. Their trauma rehabilitation program has taught her hope, courage and how to take steps of forgiveness – building a strong foundation from which she has been able to confidently support her family, and others in the community

Like you, we yearn for more stories like Rachel's. To see those carrying burdens of suffering, isolation and uncertainty be lifted with hope and the opportunity to flourish again. Hope in hard places is powerful. And we passionately believe it is possible.

Forgiveness and Restoration in Zimbabwe

Barnabas and Mukelo, from Zimbabwe, have been married for 42 years. For the past three years they have been involved with a program led by TEAR's partner HEFO, learning about conservation agriculture.

HEFO was started by Zimbabwean churches motivated by faith in Jesus and a passion to help vulnerable men and women living in villages in rural Nkayi district. Alongside skills training, HEFO's vision is for "restored dignity" for the people they work with, so that everyone is honoured and respected.

Barnabas and Mukelo now have a reliable harvest and, through HEFO, have learnt how to live together harmoniously. For the first time, Mukelo feels respected by her husband.

HEFO enables communities to work together for the benefit of everyone, and thanks to their important work, Barnabas and Mukelo's community is thriving.



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South Asia

The world's fastest economic growth is currently occurring in South Asia and poverty rates have declined significantly in recent years. But this is from a low base, and over 40 per cent of the world's poor¹ still live in the region. Inequality is increasing and there are large disparities even within countries. For example, while poverty rates are around one per cent in Kerala in southern India, over 50 per cent of people in Bihar in northern India are living in poverty. Motivated by the relentless love of Jesus, TEAR's partners are focused on regions and groups of people who are being left behind.

In South Asia 70 million children under five – 42.8 per cent – are stunted or under-weight. Intra-household disparities in deprivation in nutrition among children under five in the region are stark. Some 22.7 per cent of children under five live in a household in which at least one child is malnourished and at least one child is not. In Pakistan over a third of children under five experience intra-household inequality in deprivation in nutrition.

¹ Poor are those living in "multi-dimensional poverty" (<https://ophi.org.uk/multidimensional-poverty-index/>)



In South Asia,
70
million children
under five
are stunted or
under-weight.

Bridging Peace

For TEAR's partner Shanti Nepal, working towards holistic transformation means all project activities, from toilets to health advice, are about building stronger communities.

And in one Tamang community, Shanti has found a way to foster peace in a divided village. Here, the project has brought together mothers from Christian and Buddhist families, who prior to the project had been in conflict, and formed groups, which are forums to pass on knowledge and practices. The project focuses on improving health by overcoming some of the major causes of illness and death in these remote communities, such as water-borne disease, complications in child birth, and respiratory illness. Together, with the support of Shanti, these mothers have, for the first time, worked together to improve sanitation in their village.

So what impact does all this have on the health of the children and families? Improved sanitation has a clear link to health, and so does growing up in a peaceful village, where diversity is accepted and equality respected. No amount of toilets could achieve that much.



South Asia

			Development & Humanitarian Assistance
Country	Partners	Projects	
① Afghanistan	4	8	\$1,340,391
② Bangladesh	5	9	\$516,005
③ India	6	27	\$1,507,010
④ Nepal	7	12	\$1,077,864
⑤ Pakistan	2	4	\$152,043
TOTAL			\$4,593,313



In Chitrakoot, TEAR's partner EFICOR has been working with

20 villages

to tackle climate change.

Improving lives through community groups

In the Indian district of Chitrakoot, TEAR's partner EFICOR has been working with 20 villages to establish community groups that can tackle the effects of climate change together.

Chitrakoot is a drought-prone, deforested part of India, and because of this, harvests are often poor. With EFICOR's help, these communities have set up women's self-help groups and village watershed committees. The aim of these groups is to train members to access government support and to learn how to improve water retention in their land.

Now, thanks to EFICOR, the work these communities have undertaken is beginning to be noticed more widely. Government officials have visited and villages once neglected are now getting access to services such as: tree saplings from the Forestry Department; veterinary advice from the Animal Husbandry Department; training from the agricultural department on drought resistant seeds and mixed cropping; roads have been built to two villages and some even have obtained electricity connections. As well as this women's self-help groups are being connected to government support through banks. All this will ensure communities are able to keep working to tackle challenges and work for a better life long after the project support finishes.

This project receives support from the Australian Government through the Australian NGO Cooperation Program (ANCP).

Building stronger communities

The roofline and porches of the newly built Anganwadi centre, in the village of Dervaliya, are painted a deep pink, and stand out against the paler pink of its walls. The people who built this centre, through determination in the face of corruption and greed, stand proudly before it.

In 2012, the village was awarded government funds to build the centre, but unbeknownst to the villagers, the money was siphoned off by the elected village leaders. It wasn't until TEAR's partner EFICOR began working with the village in 2015 that the corruption was exposed.

Through an EFICOR-supported village development committee (VDC), new elected leaders were appointed and members were given the training required to petition the government for help in bringing the corrupt former leaders to account. As a result of the dedication of VDC members, the government ordered the former leaders to pay back the stolen funds so that the Anganwadi centre could finally be built.

Today, the building is used as a much-needed preschool and a child and maternal health centre, serving a community built on honesty and determination.



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South East Asia + Pacific



Uneven, that's the headline regarding poverty reduction across South East Asia and the Pacific.¹ Pleasingly, while many communities in the region have experienced statistically significant reductions in MPI (Multidimensional Poverty Index) values in recent years, this change has not been even. As a result, TEAR's partners are focused on working in regions and with groups of people who are being left behind.

TEAR's partners in this region also work amid a tide of closing civic space and increasingly restrictive legal and political environments.² The focus of TEAR's work in the region is to support our partners to initiate and nurture informal, local (and typically non-registered) Community Based Organisations (CBOs) through which poor and marginalised communities are able to self-identify critical local social issues, health-related issues, and livelihoods issues, and to organise resources, skills, and people to address these issues. CBOs foster sustainable personal behaviour-change among CBO members and throughout their home communities – behaviour change that is focused on creating better social, health and livelihoods outcomes.

¹ <https://ophi.org.uk/global-multidimensional-poverty-index-2019-illuminating-inequalities/>
² <https://www.usaid.gov/asia-civil-society>

The projects TEAR supports in South East Asia and the Pacific include elements such as:

- participatory community planning and organising;
- human rights and civil rights education;
- facilitating access to rights and entitlements (including lobbying, petitioning, advocating for access to rights and entitlements);
- conflict resolution and peace building training (including strengthening family relationships);
- gender justice education and advocacy;
- environmental action;
- facilitating the development of climate change resilience strategies;
- supporting alternative livelihoods strategies;
- vocational training;
- savings and loans;
- improving health through improving access to sanitation and health care;
- inclusive quality formal and non-formal education for children, youth and adults.



South East Asia

			Development & Humanitarian Assistance
Country	Partners	Projects	
① Cambodia	5	5	\$503,872
② Indonesia	3	6	\$259,629
③ Laos	3	4	\$448,270
④ Myanmar	2	4	\$288,117
⑤ Solomon Islands & PNG	1	3	\$91,547
International Workshop	0	1	\$20,974
TOTAL			\$1,612,409



A mushrooming business opportunity!

Do you know how mushrooms are grown? Khin Thida from Myanmar now does, after training with TEAR's partner Precious Stones. And she's developed her knowledge into a thriving small business.

Through a scholarship from Precious Stones, Khin Thida studied an advanced business course, learning business planning and financial management. Coupled with a business loan from Precious Stones, she was able to grow her mushrooms – and her business!

Khin Thida currently has orders for over 1500 mushroom bags and is supplying mushroom bags across Yangon, and to regional centres.

Khin Thida's dream is to improve her business and to work with other women who are also interested in the mushroom growing business. At the moment she works from her family home, but next year she plans to rent a much larger space so she can increase production.

Lucky by name, resolute by nature

His name might mean 'lucky', but for Mornng Samnang, it's more like hard work and resilience that has changed his life. And through TEAR's partner in Cambodia, Ponleu Ney Kdey Sangkhum (PNKS), Samnang has been given opportunities to fulfil his God-given gifts and dreams, despite his disabilities.

When PNKS met Samnang he was living in isolation from his community, unable to provide an income for his family. Aware of his situation, PNKS explained the benefits of joining his local village development association (VDA). Significantly for Samnang, these VDAs are purposeful about including some of the most isolated and marginalised community members – including those with disabilities.

With his VDA membership, Samnang was given access to training in a range of areas such as vegetable growing, raising animals and human rights. Today Samnang loves tending to his vegetable garden and breeding chickens, which he sells for \$5 each.

Not only is Samnang providing a better diet and income for his family, he is also confidently contributing to his community's development as a key member of the VDA. Samnang's life is a wonderful example of how God's work of transformation and restoration can happen alongside others.

This project receives support from the Australian Government through the Australian NGO Cooperation Program (ANCP).



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Engaging youth for community change

Across the Solomon Islands, young people have traditionally been excluded from driving community change, with Elders taking the lead as decision-makers. Material poverty and lack of access to meaningful work sometimes leads to youth disengagement, displacement from home and involvement in drugs and crime. TEAR's partner Ola Fou is engaging young people to become agents of change in their own communities and organisations, equipping them to be future leaders.

In order to start conversation and get to the heart of how these young people feel, Patricia Kennedy, Ola Fou's Training Leader in the Solomons describes how they use a traditional method called 'talanoa' to engage disenfranchised youth...

"Talanoa is how we start a conversation, and it's how I do most of my youth work. When we sit together with young people, we start with one general question and let the conversation or the topic flow. You let everyone reflect from their own position and share from the heart, of their own story. People unveil their feelings. We are relational people, who want to sit around the fire and talk. That's how we learn and how the information comes. If you use this, it has a rich result."

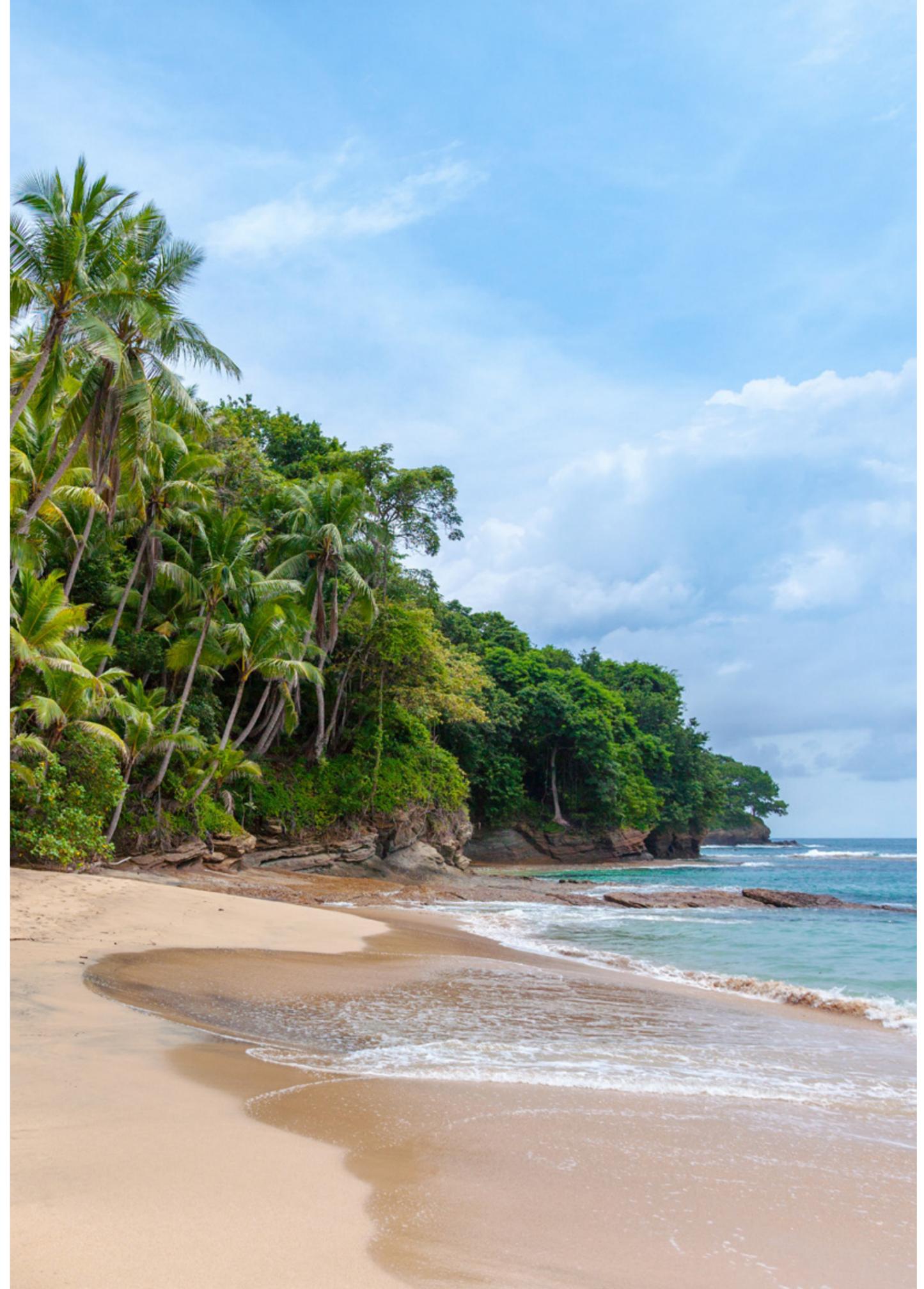
Patricia's students are encouraged to connect with other young people to plan village development activities like cleaning up the village, connecting small businesses to new markets or protecting their natural environment. All of these initiatives are challenging the traditional notion that young people have nothing to contribute – while still respecting the position of the Elders who are consulted every step of the way. After all, as Ola Fou nurtures young people to create positive change, they are investing in the Elders of tomorrow.

The need for nutrition

TEAR Australia's partner YASERA knows that when families are strong, communities thrive. Their project, Papua Family Strengthening (FAST), involves engaging churches in integral mission in the Jayawijaya District of Papua province, Indonesia. It's built on the success and ongoing relationship established in the area through the previous Families for Life (FfL) project implemented by World Relief.

The communities in the Papua highlands suffer from high rates of HIV, child malnutrition, domestic violence and community violence, while rates of both education and household income are low. YASERA knows that these issues are rooted in broken relationships, and so its focus lies in working alongside the church to create peaceful, healthy, self-sufficient families.

For Selviana, a mother of five from Kono District, the project has helped her to understand the importance of a varied diet. Her youngest son, four-year-old Edon, was dangerously underweight, but after enrolling him in a feeding program and learning about different foods, she is now able to provide for him. Edon now eats three times a day, and enjoys rice, sweet potatoes, meat, vegetables and fruit. Selviana is looking forward to planting a vegetable garden at home and selling her produce at the market to support her whole family.





This year TEAR Australia has continued to pursue our vision for reconciliation through the work of the First Peoples Program. In light of the injustices experienced by Australia's First People, TEAR responds in two ways:

1. We provide support to Aboriginal and Torres Strait Islander peoples who are working to achieve their potential and gain greater control over their own affairs.

Hope for Health, Arnhem Land project with our partner Why Warriors.

In April 2019 a group of 28 courageous Yolngu participants from Elcho Island took part in a two week live-in health journey to experience a different way of eating and living. They put their bodies on the line and personally engaged in the fight against the epidemic of chronic disease overwhelming their own remote community. By embracing this process for themselves, they are empowered with knowledge, energy and capacity to be the role models for their families and communities so desperately need.

The Hope for Health retreat is a comprehensive residential health experience. The time is spent moving, playing, dancing, learning, creating (incredible artworks), and of course eating amazing, nutritious food. Participants receive medical reviews, naturopathic consultations, massages and osteopathic treatments – all from deeply committed and qualified volunteer practitioners. The food is based on the framework of the Yolngu traditional diet. Daily workshops communicated in Yolngu Matha, build nutrition knowledge and practical food skills for participants to continue to apply when they return home.

"I'm feeling stronger every day. I want to get this health message out to other communities..." – Warren Buyulma (male participant)

"I'm feeling full of joy and energy, time to start dancing!" – Glenda (female participant)

"We are making these changes to our health for our children... they will be more healthy too." – Helen Guyupul (Steering Committee Member and HfH staff member)

2. We mobilise Australian Christians and the wider community to work towards a more just and equitable society.

Reflections on Reconciliation

TEAR's Reconciliation Week 2019 series brought together "7 Reflections on Reconciliation" based on interviews with four Christians from Indigenous and non Indigenous backgrounds.

"Reconciliation is not only just making friends but actually becoming family. We care about our family, we're invested in our family, and we want to see the people in our family do well and to flourish. Reconciliation helps in the process of us becoming family. Once you consider people family, it's like a bond for life and you can't switch it off." – Rhanee Tssetsakos

"While interpersonal relationship is important, the Bible does address systemic issues. The positive thing we learn from this is that we can actually make a change. We can be involved in restoring things at a cultural level and also at an individual level. That is something that should excite us." – Tanya Riches

"Paul says we are Reconcilers. That is our destiny! God has enlisted us into that carrying that message! It is the way we live, it is the way we act. It is the way we speak! All this is the message of reconciliation because, through Jesus, my whole paradigm has shifted!" – Mark Kickett

Read more of these reconciliation reflections at: tear.org.au/what-we-do/first-peoples/what-does-reconciliation-mean-to-you

"Reconciliation is the beginning of a new journey. It is a journey embedded in faith and in justice, in good will and certainly in love. Reconciliation is also a journey that has God as its main focus. It is a journey of people walking together." – Mark Kickett



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TEAR Australia's program focus continues to be on long-term community development and in building resilience to the shocks and challenges that face communities living in poverty. When these communities, and others within our program area, are affected by disasters, TEAR Australia seeks to respond through partner organisations. TEAR prioritises responses through its local partners, but where this isn't possible, we will respond through Integral Alliance members.

As a signatory to the Charter4Change, an initiative that seeks to enable more locally-led responses to humanitarian crises, TEAR commits to maximising the amount of humanitarian funding going to local partners.

Of the total funding provided to partners for humanitarian response in 2018-2019, \$160,450 or 39% of total funding was sent directly to local partner organisations.

14,752 men, 20,928 women, 7,846 boys, 7,416 girls, and 52 people with disabilities were directly assisted through the humanitarian response projects supported by TEAR Australia. This totals 50,994 people.



50,994
people

were directly assisted through the humanitarian response projects supported by TEAR Australia.



Emergency Humanitarian Grants

① Bangladesh	\$81,723	⑤ Mozambique	\$80,644
② Ethiopia	\$24,285	⑥ Uganda	\$37,125
③ India	\$25,040	⑦ Solomon Islands & PNG	\$57,653
④ Indonesia	\$132,338		
TOTAL			\$438,808

Note: The Emergency Humanitarian Grants are included in the country analysis on pages 6, 10 and 14. They are split out here for further transparency in our annual report.

During the year TEAR Australia supported the following humanitarian responses:



Country



Partner



Event



Funding

	Country	Partner	Event	Funding
August 2018	Indonesia	Yasera	North Lombok Earthquake Response	\$20,000
September 2018	PNG	Ola Fou	PNG Earthquake Response	\$20,000
November 2018	Indonesia	Tear Netherlands	Sulawesi Earthquake and Tsunami	\$114,000
December 2018	Uganda	Tutapona	Trauma Rehabilitation for South Sudanese Refugees	\$35,530
January 2019	Ethiopia	ZOA Ethiopia	Drought relief – water tanking	\$24,000
January 2019	Bangladesh	World Concern Bangladesh	Integrated Response for Rohingya Refugees and Host Community	\$2,102
March 2019	Bangladesh	World Concern Bangladesh	Protection for Rohingya Youth	\$79,500
March 2019	Mozambique	Oasis Mozambique	Cyclone Idai Response, Manga Loforte	\$83,450
March 2019	Indonesia	Yasumat	Sentani Flood Response	\$12,000
May 2019	India	EFICOR	Cyclone Fani Relief	\$25,000
TOTAL				\$415,582



Banana chips for recovery; Sulawesi, Indonesia

Suparjo, 60, and his wife Ina, 64, had been living in Palu city for many years before the earthquake on 28 September 2018. Their home was destroyed and they were forced to flee to an internally displaced people's (IDP) camp, leaving everything behind.

Since then, they have been living in a temporary shelter provided by a local NGO in the camp in Pombewe village and surviving on food donated through aid agencies. Keen to rebuild their livelihood, they saved what they could and participated in a cash-for-work program supported by TEAR Australia.

Before the disaster, the couple made banana chips to sell in Palu city. With their skills and savings, they decided to restart their business. Every day, Suparjo buys bananas from the local market and together they turn them into banana chips. Now, they sell their product through small kiosks around the village and the cash they earn is enough to buy food for their meals.

In March 2019, the project, supported by TEAR Australia, distributed an unconditional multipurpose cash grant to survivors in the IDP camp. Suparjo and Ina were able to purchase additional materials to grow their business as well as chickens that now roam freely around their house.

They love the community atmosphere at the IDP camp and are grateful for the help they have received, but for Suparjo and Ina, and other survivors, they dream of finding a permanent home again.



39%
of total funding

was sent directly to local partner organisations.



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Social Enterprise

TEAR Australia's Social Enterprise and Impact Investing Program has continued to develop during 2018-2019. The program now has two streams. We assist existing partners with their plans to address social and environmental challenges through social enterprises. At the same time, we work with an established faith aligned business as it seeks to expand operations and offer new hope for people coming out of trafficking and abusive relationships.



Social Enterprise 1 County: India

Create + build

Problem + Market Demand	<ul style="list-style-type: none"> A TEAR partner in India has extensive experience working and training women in poor urban communities, however there is limited access to sustainable and meaningful employment. Lack of structured, quality and dependable care options for an aging population especially in major cities in India. Demand from growing middle income families to obtain supportive home care services driven by renewed awareness of health issues and greater income capacity.
Solution	<ul style="list-style-type: none"> Recruit and train women and operate a home-care social enterprise to service growing middle income families.
Impact	<ul style="list-style-type: none"> Provide meaningful employment and decent wages for women who are living in poor urban communities.
TEAR's Role	<ul style="list-style-type: none"> Organised workshop and advising NGO on social enterprise business model, strategy, and financial feasibility. Provide access to grants to start and test business model.



Social Enterprise 2 County: Philippines

Grow + scale

Problem + Market Demand	<ul style="list-style-type: none"> Women who have been rescued from trafficking often face the risk of re-exploitation without a stable transition back into society, and a comprehensive employment, training and social support is a large part of that. There is a large demand for business process outsourcing (BPO) services globally and Philippines is a well-established locale that provides BPO services.
Solution	<ul style="list-style-type: none"> Established a BPO company that trains, employs and supports women who have been rescued from trafficking or abused; model can be highly replicable in other trafficking hot-spots.
Impact	<ul style="list-style-type: none"> Provide computer-based jobs and living wage to women through various technical and livelihood programs to facilitate integration back into society.
TEAR's Role	<ul style="list-style-type: none"> Raise and invest funds for a loan to employ more women from difficult circumstances to service sales growth. Link with TEAR partners in Nepal to recruit women coming out of trafficking to participate in their pilot training program.



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Program Evaluations

Evaluations are an essential element of TEAR's learning and reflection. During 2018-2019 there were 15 evaluations completed.

For TEAR's partner organisations, evaluations provide an opportunity to reflect on their own experience, assess progress and help plan for the future.

Myanmar

An evaluation of the Holistic Development Program implemented by World Concern Myanmar showed that project targets have been achieved or over-achieved, and that the work has had positive impacts in improving nutrition across the villages and in reducing levels of illness such as diarrhoea. Food security has also been improved, although the extent of this improvement was not even across the various villages. At a village level, the development of community-led Village Action Plans has resulted in improved infrastructure, facilities, transportation and agricultural production.

Nepal

In Nepal, the Mountain Livelihoods Project of INF Nepal was evaluated to assess the sustainability and impact of the previous five years' work. The project followed a group-based approach and supported the formation of 243 self-help groups in three districts with a total of 4341 members. Through the provision of training and building relationships with other service providers, 80% of groups accessed resources from other agencies. More than 80% of respondents in the evaluations said that they had been able to improve their livelihoods as a result of the project, with 75% of men and 86% of women saying that their incomes had increased. The evaluation found that by forming mixed groups of men, women, people with disabilities and lower caste community members, discrimination based on caste, gender and traditional cultural practices was reduced within the communities.



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More than
80%
of respondents
said they had been
able to improve
their livelihoods as a
result of the project.



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Somalia

The evaluation of Medair's Care Group project in Somalia focusing on maternal and child health found significant improvements in health statistics and behaviours over the course of the project. Highlights include an increase from 69% to 99.6% of newborns breastfed within the first hour of birth; an increase from 7.4% to 100% of infants under six months of age who were breastfed; an increase from 64.2% to 99.3% of mothers who sought medical attention from a health facility for their sick children; 100% of children sleep under mosquito nets; immunisation increasing from 5.3% of children to 87.9%; and the percentage of women who had their deliveries assisted by a trained assistant increased from 21.1% to 90.3%. The evaluation concluded that the project had saved the lives of under-fives and that children were growing healthily due to improved nutrition and reduced incidence of disease. Despite the effectiveness of the work, due to the levels of insecurity and the lack of government or other health service providers, the evaluation concluded that the work would continue to require the input of the project to maintain the improvements. Both Medair and TEAR are committed to continuing the work to ensure that its life-saving impact continues.

The three projects highlighted above were partly funded through support from the Australian Government's Australian NGO Cooperation Program (ANCP).

Part of TEAR's effectiveness work is the PPOSI program (People and Partners; An Organisational Strengthening Initiative). This work specifically supports our partners in their organisational development processes to strengthen their long-term ability to act autonomously and flourish in their work. TEAR assists partners to strengthen people, skills, and processes so that they are in the best position to facilitate positive change in communities. PPOSI's approach is strengths based, recognising that leaders within our partner organisations are (with appropriate support, facilitation, resources and networks) able to identify their own priorities, solutions and ways forward.

Eight TEAR partners (across all three regions) have been involved in PPOSI over the past year. Partners have focused on leadership development, strengthening governance, strategic planning and developing staff skills and stronger processes in different areas including financial systems, group facilitation and increasing accountability to communities.

HEFO, one of TEAR's partners in Zimbabwe embarked upon a significant piece of work to improve their governance structures and function. Through support from PPOSI a consultancy program was designed and implemented. This program was conducted by local governance experts who worked intensely with the leadership team, the board and project committees. As a result of that training and ongoing coaching and support from TEAR, HEFO have achieved the following:

- A more engaged board with strong understanding of HEFO's values, work and the organisational strategic plan.
- A more effective governance structure and increased diversity of board members (including more women and more board members from the communities where HEFO work).
- Stronger board member capacity – board members know their roles and responsibilities and have an identified action plan for how to fill skill gaps.
- New policies and processes developed (including code of conduct, terms of office for board members, board member induction tools and manual and a board self-assessment process).
- Functioning project committees providing stronger accountability between HEFO and communities.

The board chair said, *"Before we were scattered, but now we are becoming more pointed like an arrow, as we are learning to become more united and focused about our role."*

It is an absolute privilege to work alongside our partners in this way and to support them to become strong and capable organisations responding to God's call for them in their contexts.



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Highlights include an increase from

7.4%
to
100%

of infants under six months of age who were breastfed.



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Australian Programs Report

Over the past year tens of thousands of Australians have engaged with TEAR's Australian Program work. Whether it be our publications, digital presence, church and community engagement activities or our advocacy work, TEAR's footprint has reached far and wide. We are pleased to share a number of highlights from the past 12 months that reflect both the diversity of our work as well as its impact.

Fundraising

Useful Gifts Catalogue + Shops

54,933 gifts purchased through the Useful Gifts Catalogue enabled families all over the world to enjoy improved health, education, clean water and nutritious food, while living in stronger, safer communities. 332 Useful Gifts Shops operated by Australian volunteers, brought the gifts to their local communities at Christmas and throughout the year, making it easier to give meaningful gifts to celebrate Christ's birth.

Read-a-thon story

"TEAR read-a-thon captured the imagination of many of our students. In part it was simply the joy and challenge of reading that made read-a-thon exciting. But more than this, it was also a time for students to "lift their gaze" by learning about students in parts of the world where opportunities for schooling and higher education are limited." – Teacher, WA, 2018

"TEAR read-a-thon provided our school with an opportunity to make a difference in the lives of less fortunate communities, and to show a Christian heart to others. It also gave us the opportunity to foster a love for reading with our students and to engage them in lots of reading activities." – Teacher, WA, 2019

There's a movement in Australia, of hopeful followers of Jesus, walking as one. Fuelled by the knowledge that God is actively working to reconcile our broken world.

It's a movement marked by honest prayer and biblical engagement. It's grounded in partnership with the global church to end poverty, challenge injustice and ensure sustainable communities.

It's a movement sustained by everyday lifestyle choices and sacrificial giving. Together we are a collective of voices, stories and actions, filled with God's spirit.

Together we are TEAR Australia.



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54,933

Useful Gifts

were purchased and

332

Useful Gift Shops

were operated by Australian volunteers.



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Renew Our World

Renew Our World is a global campaign with a vision for a world where all people have their basic needs met and can live life in all its fullness – where relationships are restored with God, with each other and with creation. Our world faces a paradox: that the more we succeed in economic development, the more we fail on environmental sustainability, with the poorest people being impacted first and most severely. In the face of this challenge we know that God is at work, renewing all things, and that we, his church, are called to join him.

Since launching in 2017, Renew Our World has grown to 13 national campaigns and gained immense reach across global networks. We seek to ignite a powerful Christian movement that takes action, lives differently and prays together. In Australia, the campaign engages a growing community who are mobilising the wider church to bring about change. We amplify personal behaviour change to politicians and decision makers as a demonstration that people care and are willing to act. Stories are powerful, and like a light sparking and catching on, these stories from Australia and beyond are an invitation to build the movement for change.

The Renew Our World campaign amplified the efforts from the church around the world at the UN climate change talks, COP24, and met with 17 government delegations, asking governments to step up on climate pledges. TEAR's Advocacy Director was one of the representatives of the global campaign, presenting an open letter to world leaders, signed by 65 influential Christians from 15 countries. Alongside the UN talks, it was hugely encouraging to be supported by local Polish churches and for them to hear about creation care and justice for the first time, and support the campaign in prayer.

Community engagement

TEAR's grassroots movement has always played a vital role in encouraging and empowering the Australian Church to be more actively responsive to issues of poverty and injustice. Grassroots leaders, volunteers, groups and advocates prophetically drive the conversation forward and are key to TEAR's ongoing connection and work with the local church. This year saw TEAR implement a range of community organising initiatives aimed at equipping and training grassroots leaders to continue to build on this rich legacy. In particular, TEAR relaunched its Ambassador program as a vehicle for faith based volunteers to begin leading the conversation in their church on faith and justice, and established and piloted training in faith-based community organising and brought hundreds of people together for regional TEAR Gatherings. Over the course of six months, TEAR trained, equipped and brought together more than 400 volunteers, advocates and grassroots leaders; unpacking issues of faith, climate justice, extreme poverty and movement building as well as teaching skills in one to ones, group facilitation, MP engagement, community mapping and storytelling.



Advocacy

Future of Food report

In 2018, TEAR produced the Future of Food report exploring the links between food security, poverty and climate change and highlighting the threat climate change poses to achieving zero hunger. Hundreds of TEAR supporters wrote messages in support of increasing aid to support climate resilience-building in developing countries and Australian action to tackle climate change. These messages were delivered to a number of senior MPs and senators alongside lobbying meetings at Parliament House.

Prayer

2019 Lent Series – He Restores my Soul

1,222 signed up for our 2019 Lent resources, 640 of these were new supporters to TEAR. Our Lent Study Guide was downloaded by 305 people.

"Thank you very much for the Lent prayer cards... I felt so good when I received them because I had something that I can pray for TEAR about."



1222
people

signed up for our Lent resources.



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Staff Leadership Team + Board Members

Staff Leadership Team

Matthew Maury Chief Executive Officer
Phil Wilkerson International Program Director
Paul Flavel Australian Program Director
James Burnet Chief Financial Officer
Karen Naylor People and Culture Director
Ashley Humphreys Finance Director
Kelly Rae South Asia Regional Team Leader
Jo Knight Advocacy Director

Board Members



Matthew Maury (CEO)
 BA (Hons), MBA (Dev Studies), GAICD
 Appointed: 2009
 Responsibilities: Governance Committee Member; Membership Committee Member
 Number of meetings attended: 6/6

Matthew is TEAR Australia's CEO. For more than 25 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 marginalised communities in Africa, Asia, Latin America and the Middle East. Matthew is the Vice-Chair of the ACFID Board, Board Member for the Campaign for Australian Aid, Vice-Chair of the Micah Global Board and Vice-Chair of the Integral Alliance.



Joanna Watts
 BA (Hons), PG Cert (Higher Education Administration)
 Appointed: November 2015
 Responsibilities: Deputy Chair; Governance Committee Chair
 Number of meetings attended: 5/6

Joanna is Director of Operations in the University of Melbourne Advancement Office. She has worked in Higher Education in the UK and Australia and has over 25 years' experience of governance in educational and philanthropic settings. Joanna has been involved with TEAR since 2005.



Peter Snowsill
 BE (Hons), MAICD
 Appointed: November 2015
 Responsibilities: Board Chair; Program Committee Member
 Number of meetings attended: 6/6

Peter is a Chemical Engineer with governance, management and project expertise in technology development, water treatment, renewable energy and international aid. He is the COO for a listed manufacturing technology company and director and co-owner of a chemical manufacturing and distribution business.



Dr Stephen Bevis
 BA, PhD
 Appointed: November 2018
 Responsibilities: Governance Committee Member; Membership Committee Member
 Number of meetings attended: 3/3

Steve is the minister of the John Flynn Memorial Uniting Church, founding Director of the Alice Springs Meeting Place Foundation Ltd, and is the chair of Indigenous Theological Education in Central Australia (ITECA). A former TEAR Australia staff member, Steve's experience and research interests include Aboriginal Christianity and desert spirituality.



Dr Barbara Deutschmann
 BA, DipEd, PhD (Uni of Divinity)
 Appointed: November 2016
 Responsibilities: Program Committee Chair
 Number of meetings attended: 6/6

Barbara has a background as a teacher in Australia and a health program trainer in India. She formerly worked with TEAR Australia in the International and First Peoples Programs. She maintains an interest in public theology with special interest in gender and Hebrew Bible.



Hannah Kallady
 BA, M Jnl
 Appointed: November 2018
 Responsibilities: Governance Committee Member
 Number of meetings attended: 3/3

Hannah is a Senior Digital Strategist at ntegrity, where she's worked with some of Australia's leading brands across the non-for-profit, government and commercial sectors. Previous roles included Coordinating Editor and Editor at Large of an online lifestyle magazine.



Peter Lochore
 BA, LLB (1st Hons), LLM
 Grad Dip Bus Law, LLM
 Appointed: November 2018
 Responsibilities: Assurance Committee Member
 Number of meetings attended: 3/3

Peter is an experienced dispute-resolution lawyer in public, civil and commercial law. From 2000, he worked for the State Solicitor's Office (WA) for 15 years. Peter joined Francis Burt Chambers as an independent barrister in 2015. He is a nationally accredited Mediator.

Associate Board Members



Taminka Hanscamp
 LLB(Hons)/BGLST,
 Cert III Christian Ministry & Theology
 Appointed: August 2018
 Responsibilities: Governance Committee
 Number of meetings attended: 5/6

Taminka works in policy and compliance for the Victorian Public Service. As a person with a disability, she is interested in the impact of disability on development and church engagement. She serves on her church board.



Graham Hall
 B Bus, CPA, GAICD
 Appointed: May 2017
 Responsibilities: Assurance Committee Member
 Number of meetings attended: 5/6

Graham is the Corporate Services General Manager at a "for purpose" aged care and community development organisation. His experience includes working as a CFO in the aged care sector and within financial services, and as a senior finance executive in an international business.



Joanna Lee
 BSc (Hons I), BA (Geography and Economics), MSocSc(IntlDev)
 Appointed: November 2017
 Responsibilities: Membership Committee Chair; Program Committee Member
 Number of meetings attended: 6/6

Joanna is a project manager in the Church and Community Engagement team of Churches of Christ in Queensland. Her previous roles include Environmental Consulting at GHD Pty Ltd, Executive Assistant for Micah Global, and volunteering with a TEAR Australia partner in Zimbabwe.



Barry Morris
 Dip Tech (Comm), FCA
 Appointed: April 2016
 Responsibilities: Assurance Committee Chair
 Number of meetings attended: 6/6

Barry currently serves on the Board of Bible Society Australia. He has experience as CFO of publicly listed companies and religious charities, the Director of Finance at The Institute of Chartered Accountants in Australia and State Manager of large legal firms.



Lauren Espedido
 Bachelor of Commerce –
 Professional Accounting
 (BCom-ProfAccg), Provisional CA
 Appointed: May 2019
 Responsibilities: Program Committee
 Number of meetings attended: 1/1

Lauren is a consultant in the not-for-profit sector in areas of governance and financial management. She is currently undertaking studies to become a Chartered Accountant and is passionate about education, health care and aid.

Outgoing Board Members

Joanna Betteridge, Peter Noble, Brett Gresham



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TEAR Australia
ABN 85 085 413 832

Report of the Independent Auditor on the Summary Financial Statements

Opinion
 The summary financial statements, which comprise the summary statement of financial position as at 30 June 2019, the summary statement of income and expenditure and other comprehensive income, summary statement of changes in equity for the year then ended and board declaration, are derived from the audited financial report of TEAR Australia for the year ended 30 June 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial report.

Summary Financial Statements
 The summary financial statements do not contain all the disclosures required by the Australian Accounting Standards – Reduced Disclosure Regime and the *Australian Charities and Not-for-profits Commission Act 2012*. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The summary financial statements and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

The Audited Financial Report and Our Report Thereon
 We expressed an unmodified audit opinion on the audited financial report in our report dated 20 September 2019.

Board's Responsibility for the Summary Financial Statements
 The board is responsible for the preparation and presentation of the summary financial statements.

Auditor's Responsibility
 Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Seward Dawson

Jeffrey Tulk
 Jeffrey Tulk
 Partner

 Blackburn
 Dated 18 September 2019

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PRINCIPALS: Bruce Seward FCA Peter Shields FCA
 Joshua Morris CA Jeff Tulk CA
 Matthew Stokes CA

Directors: Marie Ickeringill SSA Cathy Braun CA
 Murray Nicholls CA Helen Boucher CA
 Vicki Adams CA CPA CFP®

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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 2019 financial report. In respect to the 30 June 2019 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. The financial statements and notes give a true and fair view of the financial position as at 30 June 2019 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 18 September 2019.

Peter Snowsill
 Chair

Joanna Watts
 Deputy Chair

Last financial year (2019) was a solid one for TEAR, with income up 2% to \$15.0M, and a surplus result recorded for the first time since 2012.

TEAR's income was up due to growth in monetary donations (up 2% to \$9.5M), and growth in DFAT Grant income (up 3% to \$4.5M). The increase in donation income was achieved as faithful supporters increased their overall giving, against the industry norm. The increased DFAT Grant income was due to TEAR holding over unspent grant income at the end of 2018, to better align with project expenditure which was deferred until 2019. TEAR was also grateful to receive a small number of bequests totalling \$133K.

TEAR's Non-Monetary income (donated volunteer services) was down 11% to \$186K due to the adoption of a more conservative recognition of these hours, rather than a reduction in the number of faithful volunteers.

Investment income was strong, up 53% to \$364K, due to changes in TEAR's investment portfolio. Under a new investing framework, TEAR now has a higher weighting on growth assets and higher performing defensive assets, compared to TEAR's traditional heavy weighting in low-interest term deposits.

Other income was also up 89% to \$364K, primarily due to new income from licencing the International Justice Conference into several countries around the world.

Around seven years ago TEAR made a conscious decision to increase funds to international programs and run a series of deficit budgets to "wind down" a build-up of surplus funds. In the last couple of years TEAR has reduced funds to international programs as part of a

wider strategy to bring the budget back into balance. Funds to international programs in 2019 were therefore down 9% to \$8.7M.

The fall in the Australian dollar below USD\$0.70 is a longer term concern, however in the short term TEAR is protected by US dollar hedges covering 75% of budgeted 2020 international program spend, and 50% of forecast 2021 international program spend.

All other internal costs were up around 7%, after a tight fiscal 2018, reflecting increased compliance costs and a small expansion in our Community Education work.

James Burnet
 Chief Financial Officer and Company Secretary

If you would like a further explanation of the accounts, please contact TEAR. For a copy of the Full Financial Statement for the year to 30 June 2019, please contact the TEAR Office on 1800 244 986 or go to www.tear.org.au

TEAR Australia Income Statement

The following account classification definitions are included to assist in reading the financial reports:

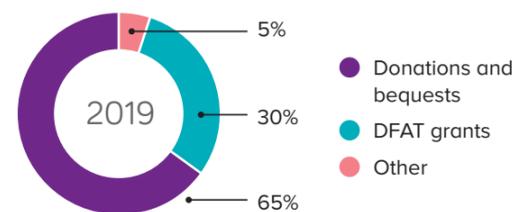
Funds to International Programs

Funds invested into development and aid programs run by TEAR's implementing partners and fieldworkers around the world.

Domestic Program Expenditure

Support and funding for TEAR's First Peoples development program within the Australian Aboriginal and Torres Strait Islander communities.

Source of Income



Percentages of total income for the financial year.

Program Support Costs

Expenses (including International Program staff salaries) in overseeing the aid and development program. Investing in monitoring and evaluation helps ensure the funds entrusted to TEAR are used effectively, with the aim to maximise long-term benefits of community development and relief work.

Community Education

Expenses relating to education work within Australia. This work includes advocacy campaigns and the production and distribution of TEAR's educational resources.

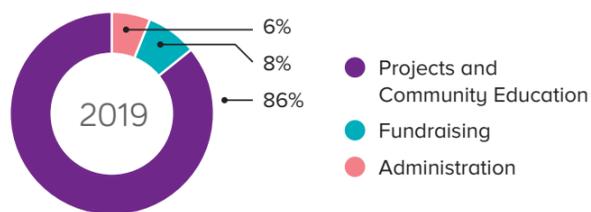
Fundraising Costs

Expenses in maintaining and growing TEAR's financial support relating to donation income. The costs include production of the Useful Gifts Catalogue and the processing of the orders/donations.

Accountability and Administration

Expenses supporting the board, executive, finance, administration, HR, ITC and customer service functions.

Disbursements



Percentages of total expenditure for the financial year.

The percentage for Projects and Community Education under Disbursements includes the Funds to International Programs (58%), Program Support Costs (11%), Domestic Program Expenditure (2%) and Community Education (15%).

Statement of Financial Position

As at 30 June 2019

	2019	2018
ASSETS	\$	\$
Current Assets		
Cash and cash equivalents	2,259,413	4,362,617
Trade and other receivables	196,979	81,153
Financial assets	-	2,070,491
Other assets	502,339	315,840
TOTAL CURRENT ASSETS	2,958,731	6,830,101
Non-Current Assets		
Financial assets	5,242,594	1,370,101
Property, plant and equipment	2,958,257	2,961,519
Intangible assets	215,210	121,734
TOTAL NON-CURRENT ASSETS	8,416,061	4,453,354
TOTAL ASSETS	11,374,792	11,283,455
LIABILITIES	\$	\$
Current Liabilities		
Trade and other payables	298,919	297,120
Provisions	724,573	572,114
Other current liabilities	-	242,584
TOTAL CURRENT LIABILITIES	1,023,492	1,111,818
Non-Current Liabilities		
Provisions	59,897	59,849
TOTAL NON-CURRENT LIABILITIES	59,897	59,849
TOTAL LIABILITIES	1,083,389	1,171,667
NET ASSETS	10,291,403	10,111,788
EQUITY	\$	\$
Property revaluation reserve	844,323	844,323
Foreign currency reserve	420,762	279,610
Designated funds reserve	198,966	101,539
Committed funds reserve	8,827,352	8,886,316
Retained surplus	-	-
TOTAL EQUITY	10,291,403	10,111,788

See the summary on page 40 for an explanation of the account categories.

Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 30 June 2019

	2019	2018
	\$	\$
REVENUE		
Donations and gifts		
Monetary	9,454,064	9,255,047
Non-monetary	185,786	207,955
Bequests and legacies	133,004	382,220
Grants		
Department of Foreign Affairs & Trade	4,462,301	4,351,646
Investment income	363,625	237,019
Other income	364,253	193,243
TOTAL REVENUE	14,963,033	14,627,130
EXPENDITURE		
Aid and Development Program Expenditure		
Funds to international programs	8,707,426	9,571,261
Program support costs	1,561,786	1,493,461
Domestic program expenditure	279,105	205,205
Community education	2,080,604	1,968,032
Total Aid and Development Program Expenditure	12,628,921	13,237,959
Fundraising costs		
Public	1,170,921	1,110,752
Government, multilateral and private	17,515	17,400
Accountability and administration	921,427	768,200
Non-monetary expenditure	185,786	207,955
TOTAL EXPENDITURE	14,924,570	15,342,266
EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE	38,463	(715,136)
Other Comprehensive Income	141,152	775,985
Total Comprehensive Income for the Year	179,615	60,849

No individual project received greater than 10% of the international aid and development revenue earned during the financial year; therefore, no Table of Cash Movements has been included. See the summary on page 40 for an explanation of the account categories.

Statement Changes in Equity

For the year ended 30 June 2019

	Retained Surplus \$	Property Revaluation Reserve \$	Foreign Currency Reserve \$	Designated Funds Reserve \$	Committed Funds Reserve \$	Total \$
Balance at 30 June 2017	-	844,323	(496,375)	396,809	9,306,182	10,050,939
Comprehensive Income						
Surplus (deficit)	(715,136)	-	-	-	-	(715,136)
Other Comprehensive Income for the Year						
Net Fair Value gains on revaluation of property, plant and equipment	-	-	-	-	-	-
Net unrealised gains/(losses) on foreign exchange contracts	-	-	775,985	-	-	775,985
Total Comprehensive Income for the Year	(715,136)	-	775,985	-	-	60,849
Transfers to and from reserves	715,136	-	-	(295,270)	(419,866)	-
Balance at 30 June 2018	-	844,323	279,610	101,539	8,886,316	10,111,788
Comprehensive Income						
Surplus (deficit)	38,463	-	-	-	-	38,463
Other Comprehensive Income for the Year						
Net unrealised gains/(losses) on foreign exchange contracts	-	-	141,152	-	-	141,152
Total Comprehensive Income for the Year	38,463	-	141,152	-	-	179,615
Transfers to and from reserves	-38,463	-	-	97,427	(58,964)	-
BALANCE AT 30 JUNE 2019	-	844,323	420,762	198,966	8,827,352	10,291,403

Memberships, Accountability + Accreditations



TEAR Australia is a member of Australian Council for International Development (ACFID) and committed to full adherence to its Code of Conduct. TEAR also participates in a number of their Communities of Practice that provide a means for members to come together to share, learn, collaborate and advocate around international development and justice issues.

Complaints regarding a breach of the ACFID Code of Conduct can be directed to ACFID via email at code@acfid.asn.au. For further details, see: acfid.asn.au/content/complaints

Integral:

TEAR is a member of the Integral Alliance, which is made up of 22 Christian relief and development agencies, united in their vision to alleviate suffering and restore hope in disasters. Members have committed to combining resources and drawing together their collective reach, sectoral expertise and their access to funding to respond more efficiently and effectively together to global disasters. Collectively Integral Alliance members are involved in more than 100 countries, both implementing directly and working through over 650 local partners.

In 2018/19, TEAR joined together with other Integral Alliance members in responding through local partners to the earthquakes and tsunami in Indonesia, and Cyclone Idai in Mozambique. See: integralalliance.org



TEAR Australia is a signatory to the Charter for Change, an initiative led by both national and international NGOs to practically implement changes to the way the humanitarian system operates to enable more locally-led responses. In 2018-19 TEAR Australia committed 39% of its humanitarian expenditure to local or national agencies. See: charter4change.org



TEAR Australia is an organisation fully accredited with the CMA Standards Council. Through commitment and compliance to these standards, TEAR Australia achieves excellence in the areas of governance, leadership, financial oversight, risk management, transparency and accountability. See: cmasc.net.au



TEAR Australia is a founding member of Micah Global, a community of over 750 members across more than 95 countries networking Christian organisations, alliances and individuals. Micah Global serves to motivate and equip the global community embracing and practicing integral mission. See: micahnetwork.org



TEAR is a founding member of Renew Our World, a global movement of Christians praying, living and campaigning to make the world fair and sustainable, bringing God's kingdom closer, so that everyone, everywhere can enjoy fullness of life. TEAR leads Renew Our World in Australia. See: renewourworld.org.au

we're for Australian Aid

TEAR Australia is an active coalition contributor to the Campaign for Australian Aid. Throughout the year, our supporters engage in dialogue with our Members of Parliament, and action to indicate their support for policy that reflects our generosity and desire for a poverty-focused aid program. Through this campaign, we celebrate the significant impact of Australian Aid in communities around the world, helping build a better, fairer future for all. See: australianaid.org



Through Micah Australia, TEAR stands together with other Christians in Australia raising a powerful voice for justice and a world free from poverty. In prayer, biblical reflection and faithful action, we are helping shape a more just world. As a coalition member, we actively shape policies, participate in events (including Voices for Justice) and engage our supporters in prayer and advocacy. See: micahaustralia.org



TEAR Australia is accredited by the Australian Department of Foreign Affairs and Trade (DFAT), responsible for managing Australia's aid program. To maintain accreditation, TEAR Australia's systems, policies and processes are rigorously reviewed by the Australian Government. We are a valued partner of the Australian Government, receiving flexible funding under the Australian NGO Cooperation Program (ANCP) each year to implement development and poverty alleviation programs overseas.

We thank DFAT for their continued support of TEAR's work. See: dfat.gov.au

Feedback

We welcome your feedback about us and our work. Should you wish to lodge a complaint, please note that TEAR Australia has a process for handling such complaints. Should you wish to read our complaints policy, lodge a complaint or give any feedback, please email feedback@tear.org.au or phone (03) 9264 7000 or via tear.org.au/feedback

TEAR Australia

We're focused in places of great need, partnering with local Christian agencies to end poverty, challenge inequality and build sustainable communities. Together, we act with courage, tackling injustice in order that all may experience fullness of life.

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Join us

Support the work of TEAR Australia today and join us on a journey of transformation. Simply go to tear.org.au/give to participate in bringing fullness of life to people living in poverty.

Thank you

to all our supporters. Together, we work towards a more just and sustainable world, in which all people are able to achieve fullness of life.

tear.org.au
usefulgifts.org



TEAR Australia

ABN 85 085 413 832

Financial Statements

For the Year Ended 30 June 2019



chartered accountants

TEAR Australia

ABN 85 085 413 832

For the Year Ended 30 June 2019

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TEAR Australia

ABN 85 085 413 832

Directors' Report

For the Year Ended 30 June 2019

The Directors submit the financial report of TEAR Australia (the Company) for the financial year ended For the Year Ended 30 June 2019

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

Joanna Betteridge (Chair)	Chair until November 2018 (term finished Nov 2018)
Peter Snowsill (Chair/Deputy Chair)	Deputy Chair until Nov 2018; Chair from Nov 2018
Stephen Bevis	Elected Nov 2018
Barbara Deutschmann	
Brett Gresham	Term finished Nov 2018
Graham Hall	
Joanna Lee	
Peter Lochore	Elected Nov 2018
Hannah Kallady	Appointed Nov 2018
Matthew Maury (also CEO)	
Barry Morris	
Peter Noble	Term finished Nov 2018
Joanna Watts (Deputy Chair)	Deputy Chair since Nov 2018

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 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 sustainable development goals 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

- Working with Christian partners to implement development projects
- Working with advocacy coalitions focused on achieving policy change on poverty and justice issues
- Various supporter education and mobilisation strategies targeting Australian Christians
- Multiple fundraising and awareness campaigns and initiatives
- Church engagement work

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 - covering water, health, income, education, food security
- Donations and Income raised to support poverty alleviation projects
- Number of supporters involved with advocacy campaigns
- Number of churches engaged with TEAR's work
- Number of TEAR Groups active across Australia

TEAR Australia

ABN 85 085 413 832

Information on Directors

Joanna Betteridge (*term ended in Nov 2018*)

Qualifications BA, LLB, LLM, GAICD, PRIMed
Experience Board Member since 2010. Principal of employment and safety law firm Betteridge Legal Consulting. Senior Fellow and Lecturer at Monash University.
Special Responsibilities Until Nov 2018: Board Chair, Governance Committee member

Stephen Bevis

Qualifications BA, PhD
Experience Board Members since November 2018. Minister of John Flynn Memorial Uniting Church, founding Director of Alice Springs Meeting Place Foundation Ltd. Former TEAR Australia staff member.
Special Responsibilities Governance Committee Member, Membership Committee Member

Peter Noble (*term ended in Nov 2018*)

Qualifications BA LLB (UQ), MIntl & Community Dev (DU)
Experience Board Member since 2014. Executive Director, Services and Innovation, at Victoria Legal Aid (Bendigo).
Special Responsibilities Until Nov 2018: Membership Committee Chair, Assurance Committee member

Barbara Deutschmann

Qualifications BA, DipEd, MTh, PhD
Experience Board Member since November 2016. Holds a PhD in Theology with a special interest in gender and Hebrew Bible. Former coordinator of TEAR's Fieldworker and Indigenous support programs.
Special Responsibilities Program Committee Chair

Brett Gresham (*term ended in Nov 2018*)

Qualifications B.Eng (Civ), M.Lit. Dev Stud.
Experience Board Member since 2010. Background in international development and project management. Former TEAR fieldworker in Afghanistan.
Special Responsibilities Until Nov 2018: Program Committee Chair

Graham Hall

Qualifications B. Bus, CPA, GAICD
Experience Board Member since May 2017. General Manager, Corporate Services, at BaptistCare. Previously worked as Chief Financial Officer in a listed financial services organisation.
Special Responsibilities Assurance Committee member

Hannah Kallady

Qualifications BA, M Jnl
Experience Board Member since November 2018. Senior Digital Strategist at ntegrity, a leading digital strategy agency. Previous roles included Coordinating Editor for an online magazine.
Special Responsibilities Governance Committee member

Joanna Lee

Qualifications BSc (Hons I), BA (Geography and Economics), MSocSc(IntlDev)
Experience Board Member since Nov 2017. Project manager within Churches of Christ in Queensland. Previously GHD Environmental Consultant, Micah Global Assistant and TEAR Associate Fieldworker.
Special Responsibilities Membership Committee Chair, Program Committee member

Peter Lochore

Qualifications BA, LLB (1st Hons), Grad Dip Bus Law, LLM
Experience Board Member since November 2018. Experienced dispute-resolution lawyer with a public (government) law background. Previously worked for the State of WA in its Crown (State) Solicitor's Office.
Special Responsibilities Assurance Committee member

Matthew Maury

Qualifications BA (Hons), MBA (Dev Studies), GAICD
Experience Board Member since 2009. TEAR Australia's Chief Executive Officer. Over 20 years experience with Christian development agencies.
Special Responsibilities Assurance Committee member, Governance Committee member, Membership Committee member

Barry Morris

Qualifications Dip Tech (Comm); FCA
Experience Board member since April 2016. Previous Chief Financial Officer and currently on the Board of Directors at Bible Society Australia. Fellow at The Institute of Chartered Accountants in Australia.
Special Responsibilities Assurance Committee Chair

TEAR Australia

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Information on Directors (continued)

Peter Snowsill

Qualifications	BE (Hons), MAICD
Experience	Board member since 2015. Chemical Engineer with governance, management and project expertise in technology development, water treatment, renewable energy and international aid.
Special Responsibilities	Board Chair (from November 2018), Deputy Chair (until Nov 2018), Program Committee member

Joanna Watts

Qualifications	BA (Hons), PG Cert (Higher Education Administration)
Experience	Board member since 2015. Director of Operations in the University of Melbourne Advancement Office. Former Associate Director of Services and Support at La Trobe University.
Special Responsibilities	Deputy Chair (from November 2018), Governance Committee Chair

Meetings of Directors

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

Name	Number attended	Number eligible to attend
Joanna Betteridge (Chair until Nov 2018)	4	4
Stephen Bevis	3	3
Peter Noble	2	4
Barbara Deutschmann	6	6
Brett Gresham	2	4
Graham Hall	5	6
Hannah Kallady	3	3
Joanna Lee	6	6
Peter Lochore	3	3
Matthew Maury	6	6
Barry Morris	6	6
Peter Snowsill (Dep. Chair then Chair from Nov 2018)	6	6
Joanna Watts (Deputy Chair from Nov 2018)	5	6

TEAR Australia

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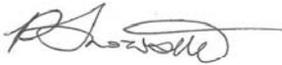
Members Guarantee

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 2019 the total amount that members of the company are liable to contribute if the company is wound up is \$130. (2018: \$122).

Auditors Independence Declaration

The auditors independence declaration for the year ended 30 June 2019 has been received and can be found on page 5 of the financial report.

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



Board member:

Peter Snowsill (Chair)



Board member:

Joanna Watts (Deputy Chair)

Dated: 18 September 2019

TEAR Australia

ABN 85 085 413 832

Auditor's Independence Declaration under Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of TEAR Australia

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commissions Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Saward Dawson



Jeffrey Tulk

Partner

Date: 18 September 2019

Blackburn, VIC

TEAR Australia

ABN 85 085 413 832

Statement of Income and Expenditure and Other Comprehensive Income

For the Year Ended 30 June 2019

		2019	2018
		\$	\$
REVENUE			
Operating Activities			
Donations and Gifts			
Monetary		9,454,064	9,255,047
Non monetary	15	185,786	207,955
Bequests and legacies		133,004	382,220
DFAT Grants	13	4,462,301	4,351,646
Other income	4	364,253	193,243
Non-operating Activities			
Investment income		363,625	237,019
Total Revenue		14,963,033	14,627,130
EXPENSES			
Funds to international programs		(8,707,426)	(9,571,261)
Domestic programs expenditure		(279,105)	(205,205)
Program support costs		(1,561,786)	(1,493,461)
Community education		(2,080,604)	(1,968,032)
Fundraising costs			
Public		(1,170,921)	(1,110,752)
Government		(17,515)	(17,400)
Accountability and administration		(921,427)	(768,200)
Non-monetary expenditure	15	(185,786)	(207,955)
Total expenses		(14,924,570)	(15,342,266)
Surplus/(deficit) for the year		38,463	(715,136)
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
- Net Movements in Unrealised Gain/(Loss) on Foreign Exchange Contracts		141,152	775,985
Other comprehensive income		141,152	775,985
Total comprehensive income for the year		179,615	60,849

The accompanying notes form part of these financial statements.

TEAR Australia

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Statement of Financial Position

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,259,413	4,362,617
Trade and other receivables	6	196,979	81,153
Financial assets	7	-	2,070,491
Other assets	10	502,339	315,840
Total current assets		2,958,731	6,830,101
Non-current assets			
Financial assets	7	5,242,594	1,370,101
Property, plant and equipment	8	2,958,257	2,961,519
Intangible assets	9	215,210	121,734
Total non-current assets		8,416,061	4,453,354
TOTAL ASSETS		11,374,792	11,283,455
LIABILITIES			
Current liabilities			
Trade and other payables	11	298,919	297,120
Short-term provisions	12	724,573	572,114
Other current liabilities	13	-	242,584
Total current liabilities		1,023,492	1,111,818
Non-current liabilities			
Other long-term provisions	12	59,897	59,849
Total non-current liabilities		59,897	59,849
TOTAL LIABILITIES		1,083,389	1,171,667
NET ASSETS		10,291,403	10,111,788
EQUITY			
Property revaluation reserve	14	844,323	844,323
Foreign currency reserve	14	420,762	279,610
Designated funds reserve	14	198,966	101,539
Committed funds reserve	14	8,827,352	8,886,316
Retained surpluses		-	-
TOTAL EQUITY		10,291,403	10,111,788

The accompanying notes form part of these financial statements.

TEAR Australia

ABN 85 085 413 832

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Property Revaluation Reserve	Foreign Currency Reserve	Designated Funds Reserve	Committed Funds Reserve	Retained Surpluses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	844,323	279,610	101,539	8,886,316	-	10,111,788
Comprehensive income						
Surplus for the year	-	-	-	-	38,463	38,463
Other comprehensive income for the year						
Net unrealised gains on Foreign Exchange Contracts	-	141,152	-	-	-	141,152
Total comprehensive income for the year						
	-	141,152	-	-	38,463	179,615
Transfers to and from reserves						
- Committed Funds Reserve/ Designated Funds Reserve	-	-	97,427	(58,964)	(38,463)	-
Balance at 30 June 2019	844,323	420,762	198,966	8,827,352	-	10,291,403

The accompanying notes form part of these financial statements.

TEAR Australia

ABN 85 085 413 832

Statement of Changes in Equity

For the Year Ended 30 June 2019

2018

	Property Revaluation Reserve	Foreign Currency Reserve	Designated Funds Reserve	Committed Funds Reserve	Retained Surpluses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	844,323	(496,375)	396,809	9,306,182	-	10,050,939
Comprehensive income						
Deficit for the year	-	-	-	-	(715,136)	(715,136)
Other comprehensive income for the year						
Net unrealised gains on Foreign Exchange Contracts	-	775,985	-	-	-	775,985
Total comprehensive income for the year						
	-	775,985	-	-	(715,136)	60,849
Transfers to and from reserves						
- Committed Funds Reserve/ Designated Funds Reserve	-	-	(295,270)	(419,866)	715,136	-
Balance at 30 June 2018	844,323	279,610	101,539	8,886,316	-	10,111,788

The accompanying notes form part of these financial statements.

TEAR Australia

ABN 85 085 413 832

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
CASH FROM OPERATING ACTIVITIES:			
Donations received		9,454,063	9,255,047
Bequests and legacies received		133,004	382,220
Operating grants received		4,908,531	5,053,653
Other income received		369,754	40,253
Payments to suppliers and employees		(6,231,180)	(5,511,487)
Distribution to overseas and domestic project partners		(8,986,531)	(9,776,466)
Interest and dividends received		123,680	158,474
Net cash provided by (used in) operating activities		(228,679)	(398,306)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for investments		(4,189,746)	(251,915)
Proceeds from sale of investments		416,843	232,190
Redemption/ (placement) of amortised cost financial assets		2,070,491	441,732
Purchase of property, plant and equipment		(172,437)	(134,579)
Proceeds from sale of property, plant and equipment		324	3,584
Net cash used by investing activities		(1,874,525)	291,012
Net increase (decrease) in cash and cash equivalents held		(2,103,204)	(107,294)
Cash and cash equivalents at beginning of year		4,362,617	4,469,911
Cash and cash equivalents at end of financial year	5	2,259,413	4,362,617

The accompanying notes form part of these financial statements.

TEAR Australia

ABN 85 085 413 832

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits 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 these 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.

These financial statements are presented in Australian Dollars, which is the Company's functional currency.

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

(b) Australian Council for International Development

The company is a registered member with the Australian Council for International Development (ACFID) and the financial statements are 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 Guide available at www.acfid.asn.au

(c) 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. The Company is a registered charity under the Australian Charities and Not-for-profits Commission Act 2012.

(d) 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 will conduct an assessment 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 property revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

TEAR Australia

ABN 85 085 413 832

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(d) Property, Plant and Equipment

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 are 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 immediately to its estimated recoverable amount and impairment losses recognised in the statement of profit and loss.

A formal assessment of recoverable amount is made when impairment indicators are present.

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 the asset's useful life 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:

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 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 Statement of Income and Expenditure and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surpluses.

Revaluation Model

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

(e) Leases

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

TEAR Australia

ABN 85 085 413 832

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(f) 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 Statement of Income and Expenditure and Other Comprehensive Income.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

(i) 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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

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.

(ii) Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which hedging accounting requirements apply.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(iv) Fair value

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.

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(f) Financial instruments

Initial recognition and measurement

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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.

(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, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Long-term employee benefits

The Company classifies employees' long service 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 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.

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.

TEAR Australia

ABN 85 085 413 832

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(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) 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.

(j) Revenue and Other Income

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.

When grant revenue is received whereby conditions are attached to the grant, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Donations and bequests are recognised as revenue when received.

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.

Volunteer services income is recognised when received, and when the fair value of those services can be reliably measured.

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

(k) Trade 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(l) 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 2019 and on payments made in foreign currency. All realised gains or losses are recorded in the Statement of Income and Expenditure and Other Comprehensive Income 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.

The unrealised gains or losses on open contracts at year end are held in equity reserves.

(m) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. In 2018, income from Justice Conference was recorded net of expenses. This year, a retrospective adjustment has been made to gross up both income and expenditure from the conference. The impact of this change is an increase of \$138,171 to both 'Other income' and 'Community Education' expense in the 2018 Statement of Income and Expenditure and Other Comprehensive Income.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Key Management Personnel Disclosures

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	Chief Executive Officer
James Burnet	Chief Financial Officer and Company Secretary
Ashley Humphreys	Finance Director
Paul Flavel	Australian Program Director
Jo Knight (0.7 EFT)	Advocacy Director
Kelly Rae	South Asia Regional Team Leader
Susan Vulling (0.6 EFT)	People at TEAR Director (left Dec 2018)
Phil Wilkerson	International Program Director
Karen Naylor	People and Culture Director (commenced Jan 2019)

The total remuneration paid to key management personnel of the Company is \$ 851,016 (2018: \$ 841,314).

3 Surplus/(Deficit) from Ordinary Activities

	2019	2018
	\$	\$
Employee benefits expense	3,950,167	3,452,185
Depreciation and amortisation	82,221	57,216
Rental expense on operating leases	19,482	32,099

4 Other Income

- Justice Conference income	271,741	138,171
- Other income	92,512	55,072
	<u>364,253</u>	<u>193,243</u>

5 Cash and Cash Equivalents

Cash on hand	4,980	4,155
Cash at bank	2,254,433	4,358,462
Total cash and cash equivalents	<u>2,259,413</u>	<u>4,362,617</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Debtors	69,995	45,761
Justice conference receivable	112,153	10,263
GST receivable	14,831	25,129
Total receivables	<u>196,979</u>	<u>81,153</u>

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.

7 Financial Assets

CURRENT

Amortised costs financial assets (Term deposits)	-	2,070,491
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NON-CURRENT

Financial assets at fair value through profit or loss

- Australian and international equities		1,422,551	891,003
- Tradeable fixed interest and hybrid securities	(a)	<u>3,820,043</u>	<u>479,098</u>
Total non-current assets		<u>5,242,594</u>	<u>1,370,101</u>

(a) These investments are managed by JB Were. Cash holdings in JB Were amounting to \$459,900 are disclosed under cash and cash equivalents.

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2019

8 Property, Plant and Equipment

	2019	2018
	\$	\$
Freehold land & building		
At independent valuation	2,941,797	2,941,797
Accumulated depreciation	(44,313)	(25,694)
Total land and buildings	2,897,484	2,916,103
Motor vehicles		
At cost	-	23,855
Accumulated depreciation	-	(23,855)
Total motor vehicles	-	-
Office furniture and equipment		
At cost	162,072	156,956
Accumulated depreciation	(148,549)	(140,849)
Total office equipment	13,523	16,107
Computer equipment		
Computer Equipment	216,324	178,525
Accumulated depreciation	(169,074)	(149,215)
Total computer equipment	47,250	29,310
Total property, plant and equipment	2,958,257	2,961,520

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	Office furniture and equipment	Computer Equipment	Total
	\$	\$	\$	\$
Carrying amount as at 1 July 2018	2,916,103	16,107	29,310	2,961,520
Additions	-	5,117	37,798	42,915
Depreciation expense	(18,619)	(7,701)	(19,858)	(46,178)
Carrying amount as at 30 June 2019	2,897,484	13,523	47,250	2,958,257

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Intangible Assets

	2019	2018
	\$	\$
Computer software - at cost	449,204	319,684
Accumulated amortisation	(233,994)	(197,950)
Net carrying value	<u>215,210</u>	<u>121,734</u>

Movements in carrying amount

	Computer Software
	\$
Carrying amount at 1 July 2018	121,734
Additions	129,520
Amortisation expense	(36,044)
Carrying amount as at 30 June 2019	<u>215,210</u>

10 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	81,577	36,230
Unrealised foreign currency gains	(a) 420,762	279,610
	<u>502,339</u>	<u>315,840</u>

(a) Unrealised foreign currency gains/losses

The Company forward purchases US dollars and at balance date has open contracts requiring re-valuation at year end. In financial year 2019 with weaker exchange rates unrealised gains were booked as an asset. See Note 14.

11 Trade and other payables

CURRENT		
Trade and other payables	106,195	164,890
Payable ATO	45,359	34,276
Conference funds received in advance	147,365	97,954
	<u>298,919</u>	<u>297,120</u>

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Provisions

	2019	2018
	\$	\$
CURRENT		
Employee benefits	724,573	572,114
NON-CURRENT		
Employee benefits	59,897	59,849

13 Other Liabilities

CURRENT

Deferred DFAT Grants	1(j) -	242,584
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14 Reserves

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.

Foreign Currency Reserve

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

Committed Funds Reserve

TEAR Australia has moral funding commitments to implementing partners for aid and development projects over the coming years that are in excess of the current reserves of \$8,827,352 therefore TEAR continues to be reliant on future donations from supporters to fulfil these commitments.

Designated Funds Reserve

The Designated Funds Reserve includes donations received for specific projects that have not been expended as at 30 June 2019 amounting to \$198,966 (2018: \$101,539). The opening balance of \$101,539 was disbursed during the year. The closing balance is made up of \$105,414 for the Cyclone Idai response in Mozambique and \$93,552 for the Sulawesi Earthquake and Tsunami response in Indonesia. These funds will be disbursed for rehabilitation work to field partners as per project budget timetables.

Retained Surpluses

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

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Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Donated volunteer services

The Company receives donated services from volunteers. Where the fair value of the non monetary donation is reasonably determinable, the revenue and corresponding expense are recognised when the non-monetary donation is received. Volunteer services are valued based on guidelines received from the Department of Foreign Affairs and Trade. The company has appropriate systems to reliably measure donated services. During the year, the total volunteer services received were valued at \$185,786. Of this amount \$163,825 is classified as community education expenditure and \$21,961 is classified as program support costs.

16 Capital and Leasing Commitments

Operating Leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	7,535
	<u>-</u>	<u>7,535</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 has been active from 1 June 2014 and concluded on 1 June 2019, with no further renewal.

17 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	5	2,259,413	4,362,617
Trade and other receivables	6	182,148	56,023
Amortised-cost investments	7	-	2,070,491
Financial assets at fair value through profit or loss	7	5,242,594	1,370,101
Total financial assets		<u>7,684,155</u>	<u>7,859,232</u>

Financial Liabilities

Trade and other payables (excluding conference funds received in advance and unrealised foreign currency losses)	11	152,274	199,166
Total financial liabilities		<u>152,274</u>	<u>199,166</u>

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2019

18 Fair Value Measurement

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.

Recurring Fair Value Measurements

	2019	2018
	\$	\$
Financial Assets		
Financial assets at fair value through profit or loss		
- Australian and international equities	1,422,551	891,003
- Tradeable fixed interest and hybrid securities	3,820,043	479,098
Property Plant and Equipment		
- Freehold Land and Building	2,897,484	2,916,103

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

For freehold land and buildings, the fair values are based on the external independent valuation performed in February 2017.

19 Events After the Reporting Period

There were no material events that occurred since the end of the reporting period.

20 Other 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 parties unless otherwise stated.

During the financial year no transactions were made to related parties, other than as disclosed in Note 2 Key Management Personnel Disclosures.

21 Contingent Liabilities

In the opinion of the Directors, the Company had \$nil contingent liabilities at 30 June 2019 (30 June 2018: \$nil).

22 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is 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 Company. At 30 June 2019 the amount that members of the company are liable to contribute if the company is wound up is \$130 (2018: \$122).

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2019

23 Additional information and declarations to be furnished under the Charitable Fundraising (NSW) Act 1991

Public fundraising appeals conducted during the financial year

General donations through: Useful Gifts catalogue, regular giving, major & general donations and emergency appeals.

	2019	2018
	\$	\$
Gross revenue from public activities	9,587,068	9,637,267
Non monetary donations and gifts	185,786	207,955
Less: public fundraising costs	(1,170,921)	(1,110,752)
Net Public Funds	8,601,933	8,734,470
Government grants	4,462,301	4,351,646
Less government fundraising costs	(17,515)	(17,400)
Net government grants	4,444,786	4,334,246
Other revenue	727,878	430,262
Net funds raised	13,774,597	13,498,978
Overseas project disbursements	8,707,426	9,571,261
Domestic project disbursements	279,105	205,205
Program support costs	1,561,786	1,493,461
Community Education costs	2,080,604	1,968,032
Non monetary expenditure	185,786	207,955
Total funds distributed towards the objectives of the Company	12,814,707	13,445,914
Subtotal	959,890	53,064
Accountability and administration expenses	921,427	768,200
Surplus / (deficit) for the year	38,463	(715,136)

Percentages

	%	%
Total cost of public fundraising/gross public fundraising income	12	11
Surplus from public fundraising/gross public fundraising income	88	89
Funds disbursed towards objectives/total expenditure	86	88
Funds disbursed towards objectives/total revenue received	86	92

TEAR Australia

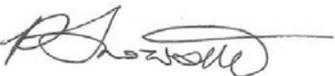
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Directors' Declaration

The Directors of the Company declare that:

1. The financial report as set out on pages 6-24, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with applicable Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of TEAR Australia as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that TEAR Australia will be able to pay its debts as and when they fall due.
3.
 - (a) The Statement of Income and Expenditure and Other Comprehensive Income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals for the financial year ended 30 June 2019, and
 - (b) The Statement of Financial Position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals as at 30 June 2019, and
 - (c) The provisions of the Charitable Fundraising Act (NSW) 1991, the regulations under the Act and the conditions attached to the authority have been complied with for the year ending 30 June 2019, and
 - (d) The internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:


Chair


Deputy Chair

Dated 18 September 2019

TEAR Australia

ABN 85 085 413 832

Independent Audit Report to the members of TEAR Australia

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of TEAR Australia (the Company), being a General Purpose - Reduced Disclosure Requirements financial report, which comprises the statement of financial position as at 30 June 2019, the statement of income and expenditure and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors 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 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Company's financial reporting process.

TEAR Australia

ABN 85 085 413 832

Independent Audit Report to the members of TEAR Australia

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

TEAR Australia

ABN 85 085 413 832

Independent Audit Report to the members of TEAR Australia

Report on the Requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015

Opinion

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991.

In our opinion:

- (i) the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
- (ii) the accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the Regulation;
- (iii) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulation; and
- (iv) at the date of this report, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Auditor's Responsibilities

Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the abovementioned Act and Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn, VIC

Dated: 18 September 2019