

Annual Report

2019/20



tearfund

Australia



Who we are

We're working in partnership to end poverty, challenge inequality and build sustainable communities. Following Jesus, we go where the need is greatest, acting with courage to tackle injustice so that all may experience fullness of life.

Our partnerships with local Christian agencies develop long-term holistic transformation for communities facing poverty and injustice around the world and in Australia. We do justice together as we inspire, connect and equip Australian Christians to live, act and pray for a more just and compassionate world.

Mission

Tearfund 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, Tearfund 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

***Like our new name... or is it an old one?** For those who have been supporting TEAR Australia for many years, you might have been calling us Tearfund since that was our original name. For others, it's brand new. Either way, the work remains the same. Legally we are still TEAR Australia operating as Tearfund. Read more about our transition as part of the global Tearfund family at tear.link/wearetearfund*



Cover image: By June 2020, Tearfund's Indian partner EFICOR had reached 4105 families with COVID-19 relief support and awareness. These vital responses, made possible through the generosity of Tearfund supporters and the support of the Australian Government, reached migrant families, daily wage labourers, people living with HIV and AIDS, and people living with disabilities.

The vulnerable situation faced by thousands of migrant workers across India over the course of the year has been sobering, as shared by EFICOR staff coordinating COVID-19 responses:

“One of the families we met walking on the road informed us that they have to travel 500 kilometers to reach their village after being unemployed for 3 months; they have been on the road for a few days now and would still continue their journey.”

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Chief Executive Officer + Chair of the Board's Report



“All they asked was that we should continue to remember the poor, the very thing I had been eager to do all along.”
(Galatians 2:10)

As we pull together this year's Annual Report and consider the past 12 months – we run short of superlatives to capture what this year has meant for the work of Tearfund Australia and our partners. You will read in the following pages that we have navigated unprecedented disruptions in every aspect of the way we work to fulfil our mission and vision. Of course Tearfund Australia is not alone in this COVID-19 context – every one of our partners has needed to adjust rapidly to a new operating reality.

Stepping back and looking at the big picture, perhaps the most troubling impact of COVID-19 is that our collective work to eliminate extreme poverty has taken a step backwards for the first time in 30 years. Economic forecasts predict that an additional 100 million people are facing extreme poverty and that the targets for the 2030 Sustainable Development Goals are facing a 7-10 year setback. In the midst of this, there are also reports showing that another 100 million people will face extreme poverty due to climate change impacts. In addition, there is a continued shift in the location of poverty – with the vast majority (over 90%) of the most poor and marginalised located in Africa in the coming years. All of these external drivers are already impacting the shape of Tearfund's work and priorities in the coming years.

While the challenges from COVID-19 have been significant and the quantum of needs is growing, in the midst of this we are able to look back on this year with thankfulness for the ways in which Tearfund has been supported and sustained. Remembering those on the margins in a time of crisis is a hallmark of followers of Jesus. We have seen this tangibly expressed through the generosity of our supporters – with donations at a higher level than we have seen for several years.

We have also seen this commitment to love our neighbours embodied in the ways our partners have responded to those in greatest need. As we all grapple with the question “Where is God in the midst of this extreme suffering?”, Tearfund has seen God's presence embodied in the hands and feet of our partners. Rather than hunkering down, they are running towards the crisis. In their actions, we are pointed to a deeper understanding of what it means to follow Jesus. We see people motivated by their faith who are willing to put themselves at risk (and in several cases, our partners have contracted COVID-19) in order to care for others. Their work is a very tangible expression of the love of God and an embodiment of good news. For their commitment – and the lives they were able to touch because of our generous supporters – we are thankful.





This was our first full year with our new Strategic Plan (see our four Strategic Drivers). The plan had been built on the premise that we wanted to do our work in more agile ways than ever before. This focus on building organisational agility predated COVID-19 and came from a recognition that for us to work effectively, we need to be able to respond to the growing pace of change in the world around us. Little did we know that this investment in new ways of working would be put to such an extreme test – requiring us to adjust rapidly our support for partners; budgeting and planning; engaging with churches, supporters and the Board; pivoting our advocacy work; and moving all of our staff to a remote working structure. In the midst of all of these changes, we are thankful for a dedicated team of staff who have had to reinvent the way they work to be good partners as we achieve our mission. We have also worked to provide our team more flexibility and increased mental health and wellbeing support, in order to help sustain them through this period.

Looking forward, we strain to discern a complex and uncertain outlook. As always, alongside the Board, we are actively working to be good financial stewards and to discover new opportunities to maximise the funds and support we are able to get to our partners. This includes working to discern appropriate reserve levels in the midst of a global recession.

We are thankful in this period to be strengthening our links with the global Tearfund family – most visibly manifested in our name change that came into effect on 1 October 2020. We are actively working with our sister Tearfund agencies around the world to consider how we can collaborate more effectively as we work to tackle big global problems like COVID-19 – but also systemic justice issues like climate justice, consumerism, food systems...among others. The Tearfund family has also been thinking theologically about the role of the church as we consider the changes needed to ‘reboot’ the economy in more sustainable and just ways.

Please read the following pages noting our thankfulness for how God continues to use a dedicated group of staff, volunteers and partners to build a more just and compassionate world.

Matthew Maury
Chief Executive Officer

Peter Snowsill
Chair of the Board

Strategic Drivers:



Hard Places

Prioritising our work in places where the impacts of poverty and injustice are at their most oppressive.



Strengthening Civil Society – Building Community

Restoring relationships and building the capability of communities.



Climate Justice and its impact on poverty

Following God’s call for creation care and consistently amplifying the voices of the most vulnerable.



Broadening Engagement

Growing our work through deepening our engagement with the local church and global partners.

In this Annual Report we have used the Strategic Drivers as our framework to reflect on our work from this past financial year.



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Tearfund Australia at a Glance

Internationally...



1,663,961
people
directly*
participate in



102
projects



through
54
Christian
partners



in
18
countries
across Africa,
Asia and the
Pacific

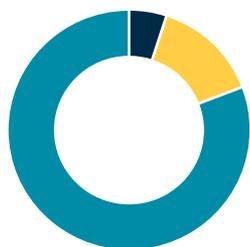


Total
International
Program

\$10,282,451

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

Total Program Analysis



- Development Program: \$8,315,036
- International Project Support: \$1,425,958
- Humanitarian Emergency Grants: \$541,457

Total International
Program: \$10,282,451

International Program Funding According to Sectors



- Livelihoods & Food Security: 31%
- Basic Health: 19%
- Strengthening Civil Society: 16%
- Basic Education: 10%
- Water & Sanitation: 9%
- Disaster Relief & Recovery: 7%
- Other: 4%
- Partner Organisational Development: 3%
- Environmental Sustainability: 1%



In Australia...



8
projects



through
6
indigenous
partners



280+
churches:
faithfully
financially
supporting



1400
people:
attended
Tearfund
events



57
staff



Tearfund helped train **500** Christians
to engage others with the message of justice



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Financially



85
cents in every
donated dollar
goes to projects
and community
education

Total direct project
participants 2019-20

Men	221,047
Women	439,089
Boys	210,940
Girls	265,054
Total (not inc COVID-19)	1,136,130
This figure includes 17,522 people with disabilities.	
People receiving COVID-19 support	527,831
Total plus COVID-19	1,663,961
Indirect at 1:4	6,655,844

COVID-19 + Emergency Response



24

partners in

13

countries received
COVID-19 response
funding (inclusive
of 3 First Peoples
partners).

Since early 2020, a huge focal point has been to support our partners in their responses to the coronavirus pandemic. Both Tearfund Australia staff and all of our international partners have made significant adaptations to working in the COVID-19 context, and the courageous dedication to bringing tangible expressions of God's love and kingdom has been unwavering. With COVID-19 creating a situation where the number of people facing extreme poverty will increase for the first time in decades, the work of our faithful partners – and our continued partnership with them – is more vital than ever.

From March-June 2020:

- 24 partners in 13 countries received COVID-19 response funding (inclusive of 3 First Peoples partners)
- \$606,431 of Tearfund funding was allocated to this response
- 527,831 direct project participants received COVID-19 support

Thank you to our supporters

We are thankful for the strength in giving, and the ongoing support of the Australian Government Department of Foreign Affairs and Trade (DFAT). Tearfund increased its total income by 8% from 2018/19 and achieved an unexpected surplus of \$1.25 million. This increase allowed Tearfund to further expand our contribution to local partners in 2019/20 and will extend our reach and effectiveness in the years to come. See the financial report for more information.

A night of lament and hope

As part of the End Covid For All campaign, around 100 Tearfund community members joined together for a Night of Lament and Hope. This online event was held in response to the devastation and grief being experienced globally, and especially by those most vulnerable. We gathered to pray, voice our own burdens and grief, and hear updates from our partner organisations. We connected with one another in the presence of God, to renew our hope.





WCL provides second wave of hygiene essentials in Phonthong district.

World Concern Lao PDR (WCL) distributed WASH essentials to families in eight villages in Phonthong district. The 1,436 families received soap, buckets, spray bottles, bleach and information about COVID-19 prevention.

WCL also provided the village development committees (VDC) with face masks, gloves, hand sanitiser and temperature scanners. “These items are beneficial as we monitor the health status of our constituents,” highlighted by Mr. Bounmy, a VDC leader from Bounkhae village.

“No other organisations in the villages have distributed any WASH supplies in the community since the beginning of the pandemic. WCL and the District Health Office are consistently working together to improve the health status of the community, especially in the time of the pandemic.” – Dr Somsouk of Phonthong District Health Office.

This initiative is under the Integrated Development Project for Community Health Promotions with funding support from Tearfund Australia, DFAT, and Entrust Foundation.

Other emergencies

The majority of humanitarian grants during the year were for COVID-19 relief, which have been covered elsewhere in this report.

\$136,790 was sent to support continued recovery work in Sulawesi after the tsunami and earthquake (October 2018), and to Mozambique to assist communities in recovering from Cyclone Idai.

Tearfund is a signatory to the Charter4Change and has committed to maximising humanitarian funding directed to local or national NGOs. Of the total \$541,457 sent to partners for both natural disasters and COVID-19 related responses, \$211,136 or 39% was sent directly to local partner organisations.



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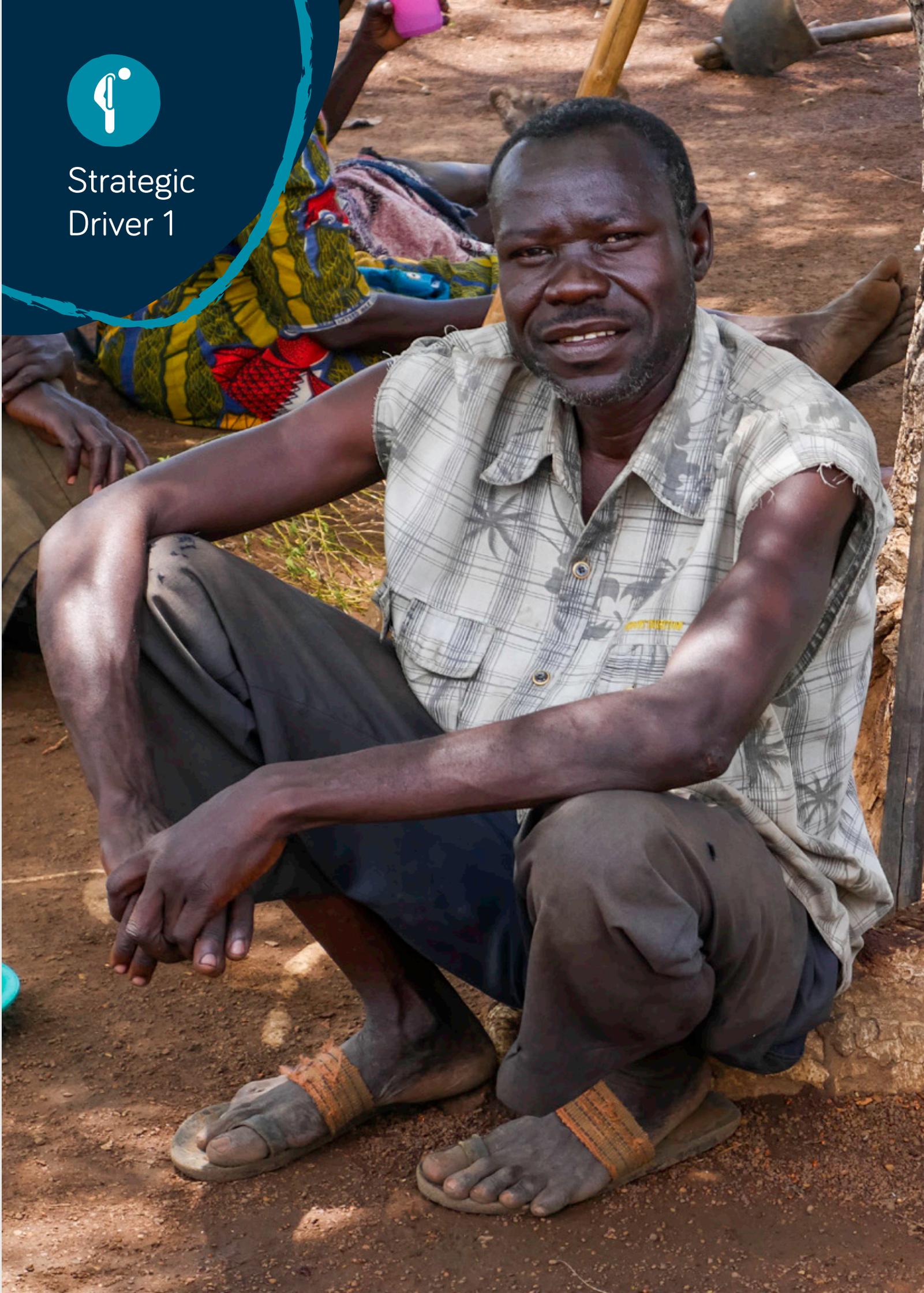


527,831

direct project
participants received
COVID-19 support.



Strategic Driver 1



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Strategic Driver 1

Hard Places

Core to Tearfund Australia's organisational strategy is a renewed and sharpened focus for our work to be prioritised in “the hard places” where the impacts of poverty and injustice are at their most acute. As a result, Tearfund will continue to shift its focus, capabilities and resources to the most challenging places and contexts in seeking to end extreme poverty.

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. The MPI is one key tool in helping Tearfund understand where those living in extreme poverty are in our world today. As such, the MPI, together with the voices of our local Christian partners, informs our decisions on how and where to prioritise our work.

Throughout Scripture, we see that God leads his people into “hard places” so the Kingdom of God can be revealed. As people who follow Jesus, “the light of the world”, we should be people who radiate that light into darkness. The most powerful darkness cannot overcome even the smallest light. This is a powerful metaphor for the impact of our partners who are working in “hard places”.

Definition of “hard places”:

Communities and areas within countries that experience multi-dimensional poverty* that is among the worst in the world or are “fragile” states or those facing long-term crises and instability, or humanitarian crises.

“Hard places” also include projects working with:

- Internally displaced people and refugees
- People who have experienced trafficking, slavery or domestic violence and sexual exploitation
- Ethnic, tribal and Indigenous minorities
- People living with disability, mental illness and other particularly marginalised peoples

* MPI >0.3 see <https://ophi.org.uk/multidimensional-poverty-index/>



59%
of overall
Tearfund funding
is to “hard places”.



We have
47
“hard places”
projects, which had
876,109
participants last year.



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“Hard places” projects



20

projects in Africa (Uganda, Zambia, Zimbabwe, Mozambique, Ethiopia, Sudan, South Sudan, Somalia).

9

projects in South East Asia and Pacific (Burma [Myanmar], Indonesia [Papua], Lao People’s Democratic Republic).

17

projects in South Asia (Afghanistan, Bangladesh, India, Nepal, Pakistan).

1

project in Australia.



Project story: Seeds of hope

For over 30 years, Tearfund has partnered with ACROSS, an interdenominational Christian organisation based in South Sudan. Over these years – from times of war, to peace agreements, independence and civil conflict – ACROSS has provided hope, help and healing to vulnerable and wearied communities, often when everyone else had left. Now, as the nation finds itself in a delicate time of post-conflict recovery, ACROSS has been able to start new work in health, education, sanitation and peacebuilding. The echoes of instability still linger, but hope for a brighter future is dawning.

Peacemaking

From primary school students to Parent-Teacher Associations and Peace Ambassador groups, ACROSS is helping people at every level of the community to be peacemakers. Inter-communal conflict is reducing as Peace Ambassador Groups, trained in mediation and conflict resolution, have engaged community leaders to promote dialogue over violence, settle disputes and encourage people not to take the law into their own hands. Peace Planting clubs meet weekly in 10 primary schools across the region, giving students the opportunity to talk about current issues (local clan tensions often trickle into the school environment) and encourage each other to be peacemakers. ACROSS hopes that the new generation will be able to find alternative paths to the cycle of conflict and revenge they have seen around them.

This project receives support from the Australian Government’s Department of Foreign Affairs and Trade (DFAT).





Community-led sanitation

Until recently, Kana Agok had never used a pit latrine. When ACROSS health promoters came to Kana’s village, they found that only 14% of households had a latrine. Without adequate information and access to skills and resources needed to build and use latrines, open defecation is widely accepted as the norm. ACROSS has recently developed Community-Led Total Sanitation (CLTS) initiatives, which encourage the construction of pit latrines. Health promoters have shared the health and social benefits – like reduced infection and illness, improved security and safety, and even reduced risk of snakebite – and shown how a latrine can be built using locally available materials and skills. ACROSS is well on the way to their goal of seeing two-thirds of families – including Kana’s – having their own pit latrines, which will lead to healthier communities.



Empowering and standing with the local church

For nearly 50 years, Tearfund has been committed to encouraging and empowering Christians in Australia to speak up in their community, challenging issues of global justice and inequality. This year, Tearfund gathered over 1400 people, helped train over 500 Christians and empowered supporters to take over 600 grassroots actions.

COVID-19 restrictions meant much of the engagement and connection within the Tearfund grassroots community occurred online. Tearfund Action Groups gathered online to learn together, to pray and to take action. Useful Gift shop operators continued to fundraise for Tearfund’s international partners and Ambassadors continued to champion the message of justice within their church.



This year Tearfund gathered over

1400

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500

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600

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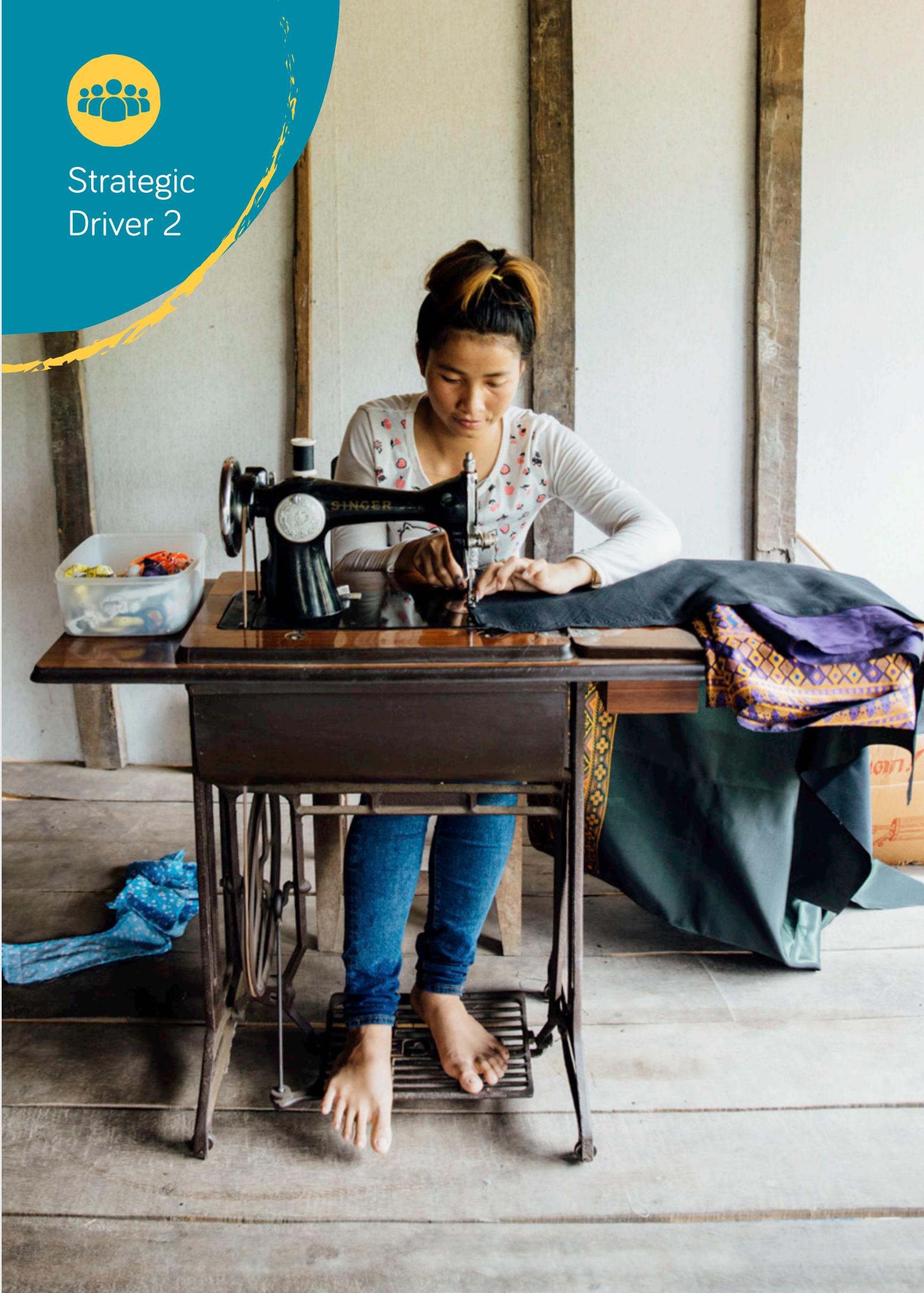




Strategic Driver 2



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Strategic Driver 2

Strengthening Civil Society – Building Community

Broken relationships are the root cause of poverty. Tearfund, together with our international partners, seeks to restore relationships in working to end poverty and challenge injustice. Today, much of our international development work is focused on empowering individuals and communities facing poverty to unlock their God-given potential. In Australia, our work alongside the Christian community is dedicated to mobilising and strengthening individuals and groups to actively and faithfully respond to the challenges of poverty and injustice. As we witness both these activities unfolding, we see God at work, transforming lives and restoring relationships so that all creation can flourish.

To truly address the systemic issues that entrench extreme poverty Tearfund continues to leverage and accelerate our work of partnering with local, national and global organisations and coalitions that strengthen civil society, building capability so they can scale and sustain community transformation with communities experiencing extreme poverty. In particular we aim:

- To partner with emerging organisations that are focused on building community and restoring relationships.
- Connect our international partners together for shared learning opportunities.
- Build up organisational strength and health through regular and dedicated learning and evaluating mechanisms.
- Magnify our partners' voices through our role in global memberships and local communication channels.

“The Spirit of the Lord is on me, because he has anointed me to proclaim good news to the poor. He has sent me to proclaim freedom for the prisoners and recovery of sight for the blind, to set the oppressed free, to proclaim the year of the Lord’s favour.” Luke 4:18-19



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Evaluations and learning

The impact of Tearfund's partners isn't explained by the number of participants alone, but by also understanding the difference made in people's lives. We need to understand the experience and work of our partners, and together, build on and strengthen this work. Evaluations are a critical way in which this learning and reflection process occurs.

In 2019-2020 there were 17 evaluations of projects run by 14 partners.

With COVID-19 restrictions prohibiting in-country engagement, three evaluations were forced to explore novel and creative approaches. These included virtual visits, community engagement with in-country teams who reported back to a lead evaluator, phone interviews and focus groups.



In 2019-2020 there were

17

evaluations of projects run by

14

partners.

Oasis Mozambique

Oasis Mozambique works to promote and bring change in health, livelihoods, human rights, adult literacy and lifeskills for young people. The evaluation of Oasis Mozambique was completed remotely, due to COVID-19 restrictions, using a combination of locally-implemented interviews, group discussions and surveys, with secondary data review.

The evaluation showed their Community Health and Empowerment project had been very responsive to the community's needs and that health behaviours related to hygiene, sanitation and nutrition have all improved. Treatment of the sick, cleanliness of public spaces and safe help-seeking behaviours in times of illness have also seen progress. The savings groups and small income generating activities have resulted in significant economic and non-economic impacts for the members. Literacy has also improved, seeing mothers now able to sign their name and plan to attend prenatal classes. The youth are more socially active, seeing a reduction in drug taking and an increase in self-discipline. After Cyclone Idai, the project's psychosocial care activities were greatly appreciated within the communities as a way of encouraging community recovery.

This project receives support from the Australian Government's Department of Foreign Affairs and Trade (DFAT).

Yasera – Papua

The Families Strengthening project, implemented by Yasera, operates in the Papuan highlands which is a highly complex development context. Cultures, community structures, relationships, and deep poverty create a set of systems and factors that makes development extremely challenging.

The project seeks to develop the capacity of local churches to participate in the transforming work of God in their communities, particularly through improving family relationships, health and nutrition status, and agriculture livelihoods.





The evaluation, run remotely but with in-country involvement of community members, found that the agriculture and nutrition component of the project has been highly successful. All those who participated in the evaluation identified significant positive changes in nutrition, as well as increased income. Credit for these changes was given to the training provided by Yasera. The project improved and strengthened family relationships, and women participants in particular spoke of reduced tension and violence in households.

Developing ways of encouraging men to be more active within the project would broaden the impact.

Learning Forums

Another way that our partners have adapted methods of learning has been through cross partner learning opportunities, called 'Partner Learning Forums'. Tearfund has facilitated several partner learning forums on different topics, such as remote monitoring and evaluation and mental health. They have been well attended and it has been a privilege to see partners from different regions learning from each other. These learning forums will continue into the new year as a way of providing timely and relevant learning for our partner organisations during this time.

Building community

UMN – Nepal

As a child, an accident resulted in Tika's leg needing to be amputated. All her family could afford was crutches, making daily life a huge challenge. In middle school, Tika began to feel increasingly isolated and uncomfortable about her disability.

Tearfund's partner, United Mission to Nepal (UMN), recognised the complex mix of inter-related causes, limiting Tika from thriving as God intended. With UMN's support, Tika accessed necessary treatment and was finally fitted with a prosthetic leg. UMN also provided Tika's family with some goats to raise, which helped them generate steady income.

Not only is Tika now thriving in her schooling, she's become a leading advocate for marginalised people. Within and beyond her community, Tika speaks passionately about disability rights, and helps those facing barriers to access support and resources. "People are disabled only by the barriers," she says. "I have a spirit to feel this issue because I am part of it." Her passion has also led her to become chairperson of the local disability network – a significant achievement for a teenage girl in rural Nepal.

This project receives support from the Australian Government's Department of Foreign Affairs and Trade (DFAT).





Growth in Tearfund's First Peoples Program



6

partners.

8

projects.

First Peoples Program Expenditure:

\$192,962

In 2019-2020 Tearfund commenced four new First Peoples partnerships. These include both discrete short-term activities, such as COVID-19 relief projects, and longer-term community work.

For two of our new partners – *Moorditj Keila* and *Strong Women Talking* – Tearfund has been their first major supporting partner, providing these young organisations with a significant opportunity to grow both the scale and the quality of their programs.

These new partnerships have also helped Tearfund grow. They have created opportunities for the stories of key people from *Moorditj Keila* and *Strong Women Talking* to be heard by our network. This has raised awareness and engagement amongst the broader Tearfund community around issues faced by First Peoples communities.

Moorditj Keila – Australia

Moorditj Keila is an Aboriginal Christian Community Organisation based south of Perth. Tearfund is partnering with them to help young people gain their driver's licence, with the help of volunteer driving supervisors. For young people, a driver's licence is empowering, helping them understand more about their identity, boosting self-esteem, opening up employment opportunities and increasing their access to community services and social opportunities.

Strong Women Talking – Australia

By the grace of God, Sono was able to break the cycle of domestic violence in her own life, and her children's lives. Today, she is the founder and Director of Strong Women Talking – Marigurim Mubi Yangu, a ministry that God has placed on her heart, that delivers culturally sensitive domestic violence prevention workshops to First Nations women. Strong Women Talking has a vision to break the cycle of violence caused by domestic and family violence and sexual abuse, once and for all.





Capacity strengthening

Tearfund commits to invest in the capacity strengthening of its local partners. Much of this occurs through ongoing relationships with partner organisations. In addition, Tearfund has provided \$43,077 through specific capacity strengthening grants to develop aspects of organisational and staff capacity.



\$43,077

through grants to develop aspects of organisational and staff capacity.

Ola Foa – Solomon Islands

Ola Fou Solomon Islands is a small Christian organisation seeking to radically change the way young people are perceived, and to create opportunities for them to make a positive contribution in their society.

A recent partnership visit created the space to creatively plan for the years ahead and strengthen the organisational systems. A new step taken this year has been the formation of the Ola Fou Crossroads Project. It focuses on building skills and equipping learners to research vulnerable and challenging areas in their local communities, and to then engage with local young people to develop small-scale practical responses.

The future is bright for many young people in the Solomon Islands thanks to the work of Ola Fou.





The Justice Conference

Tearfund Australia leads The Justice Conference (TJC) to help embed a heart for justice within the Church, fulfilling our discipleship mandate. In Australia, TJC began in 2015. It is now also held in 10 other locations around the world.

Over the past 5 years, TJC has seen a total of 4,500 attendees. In both 2018 and 2019, 75% of attendees were first-time participants.

In 2019, TJC took a deep dive into the book of Amos, based on deep theological work done by South Africa's TJC team. We continued to expand our reach into our target demographic (18-35y/o), with 59% of 2019 attendees under the age of 45. We were pleased to see more diversity across our volunteer team. The Justice Conference Podcast (launched April 2019) has proven incredibly valuable in the COVID-19 context, with 4600 downloads by June 30.

“Loved hearing stories of how people are being just in their everyday life, whether that’s overseas or in their wedding! Loved it when people came from a heart of God first, rather than just doing justice separated from God.” – 2019 Participant

Renew Our World – the global church working together

The predominant economic development model contains a paradox: the more we succeed in economic development, the more we fail on environmental sustainability. Unless we change course, we will undo all the development gains that people living in poverty across the world have worked so hard to achieve. (Evans & Gower (2014) *The Restorative Economy Report*, Tearfund).

Our response through the Renew Our World campaign is a part of a movement of the global church, with expressions of this campaign in 16 countries.

The Renew our World vision is a fair and sustainable world, where the church understands that loving our neighbours and caring for Creation go hand-in-hand, and knows how to live that out in our lifestyles, make it central in our prayer and worship, and speak up to governments and companies in ways that change things, restoring broken relationships.

“In a year where Australia was ablaze with devastating bushfires, I received messages from Renew Our World campaigners around the world. They are baffled by how Australia is experiencing climate impacts, but remains in a political stalemate.

We are seeking to shift the foundations of our conversation on climate justice, so that it’s not one of left/right politics, but a vital expression of care for the poor and an honouring of the gift of creation God has given us. As followers of Jesus, we love what God loves, and are compelled by that love to speak up for people in poverty, seek justice and care for all creation. It has been exciting to see that for an increasingly significant proportion of the church, especially in the millennial demographic, the



There are expressions of the Renew Our World campaign in

16 countries.





issue of how we respond to the climate crisis and care for creation is foundational to faith.” – Tearfund’s Advocacy Director, Jo Knight.

A highlight from the ROW movement has been the globally coordinated Rubbish Campaign.



Let’s Talk Rubbish – Tearfund’s Rubbish Campaign

Our world has a rubbish problem – and it’s hitting people living in poverty the hardest.

In September 2019, Tearfund Australia launched the Rubbish Campaign. The Rubbish Campaign focused on the huge recent increase in the distribution of single-use plastics across the globe to countries lacking the capacity to collect and manage waste.

Plastic pollution scars landscapes, fills our oceans and harms the health of the world’s poorest people. Nevertheless, global plastic production is still increasing, and is set to double over the next ten to 15 years. The steps being taken by companies and governments are a far cry from the action necessary to tackle a crisis of this magnitude.

This past year, more and more people came to understand the link between the health of our environment and our efforts to tackle poverty. Over 3,500 Australians took action in Tearfund’s Rubbish Campaign – joining tens of thousands of others globally – calling on the multinational companies who drive the production of single use plastics in the world’s poorest places to take responsibility and play their part in the solution.

Key Resources

Available at: <https://www.tear.org.au/rubbish/deepen-your-faith>



Our action together in the Rubbish Campaign created a wave of sound more than

60,000

voices strong – petitions, emails, messages and prayers.





Strategic Driver 3



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Strategic Driver 3

Climate Justice and its Impact on Poverty

It is one of the greatest injustices of our time: the people least responsible for climate change are often the most vulnerable to its impacts. Climate damage threatens to undo the last 50 years of progress in development, global health and poverty reduction, and could push over 120 million more people into poverty by 2030.* For the first time in a decade, global hunger is on the rise, with climate change a leading cause.

For Tearfund, this isn't a new conversation, as we have been speaking up on Climate Justice issues since 1984 and this will continue to be part of our Strategic Direction. We will continue to be motivated by God's call to care for creation, while consistently amplifying the voices of the most vulnerable in our world.

"Climate change for most of us is just an inconvenience, if I have the resources, then I can overcome it with my money... but for many poor communities, climate injustice is a death sentence."
– Kuki Rokhum, EFICOR, India.

"Climate change is at the heart of Tearfund's work, not because it is the 'in vogue' issue of the day, but rather, it is central to our work because it is fundamentally an issue of the gospel. The 'fullness of life' which Jesus proclaimed is a holistic understanding that the reconciliation work of the cross is good news for all creation" – Matthew Maury, Tearfund, Australia.

*Climate Change and Poverty: Report of the Special Rapporteur on extreme poverty and human rights. Human Rights Council, July 2019. <https://news.un.org/en/story/2019/06/1041261>



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Food insecurity – Cambodia

For small scale rice farmers such as those living in Sre-Pring, hot, dry weather can mean low rice yields and farm animals dying.



Tearfund’s partner PNKS (Ponleu Ney Kdey Sangkum) is working alongside the villagers as they learn ways to cope with this environmental change, as well as the opposite extreme, flooding. PNKS helped the villagers to create a “Hazard Map”, which identified rice fields that were subject to flooding and those that were most vulnerable in dry seasons. The villagers then generated solutions to these hazards, and worked together to create a flood barrier which protects the fields at risk of flood damage and also stores water for use on fields and home gardens during extended dry spells.

Along with other activities, such as creating savings groups and undertaking training on alternative livelihoods, this initiative is helping Sre-Pring village cope with the effects of climate change.

This project receives support from the Australian Government’s Department of Foreign Affairs and Trade (DFAT).

Environmental degradation – India

Ranchi lives in the Bundelkhand, a hilly region of north-central India that over the last decade has seen more frequent droughts, leading to migration of its people. The region has lost much of its historic forest cover, contributing to soil erosion and the loss of nutrients, as well as adversely affecting the water table and bodies of water the community depends on.



Village Watershed Committees (VWC) have been formed, with the support of Tearfund’s partner EFICOR (Evangelical Fellowship of India Commission on Relief). These committees have been equipped to improve water retention through levelling land, constructing small bunds (barriers to water run-off) and ponds, and using conservation agriculture.

Inspired by these discussions around environmental degradation, Ranchi determined to plant trees on her small plot of land. After initial personal proposal rejections, she then mobilised the community to submit an application on the letterhead of the VWC. To her surprise, the application was sanctioned, and Ranchi and eight other VWC members received twenty plants each.

Through gaining knowledge and encouragement through EFICOR’s project, people like Ranchi are acting to reverse the harm caused through decades of environmental neglect, increasing their community’s resilience to further changes in the climate.

This project receives support from the Australian Government’s Department of Foreign Affairs and Trade (DFAT).





Christians Together For Climate – Australia

Christians Together for Climate (CTFC) is a national campaign led by Tearfund Australia in partnership with Common Grace. Launched in May 2020, the campaign has two key goals. The main policy is Federal political support in establishing an Australian ‘bold and credible national climate plan’ to make the transformational shifts required to reach our Paris Agreement commitments. This goal goes hand-in-hand with the movement goal to demonstrate, ahead of the next Federal Election, that ordinary, everyday Australian Christians care about tackling the climate crisis.

There are currently 27 leaders building groups in 25 strategic, priority electorates across Australia, with the hope to include a further 11 electorates in the campaign. Over the next 18 months these groups will work to engage other Christians in their electorate on climate justice, and call on their local Federal Member of Parliament or Senator to take urgent action on climate change.

As messengers of hope and restoration, Christians have potential for enormous impact, in Australia and globally. Christians are valuable to both sides of politics, and have the capacity, if mobilised, to demonstrate a changing ‘middle Australia’ constituency seeking action on climate. Christians Together for Climate seeks to raise a united Christian voice to our political leaders and advocate on behalf of those most significantly impacted by climate injustice. Never has it been so important for the church to work together.

Rita’s story

“Everything on earth is God’s creation and we see so much exploitation and destruction of that creation – both of humans and the environment – to our detriment. We are already seeing the devastating effects of climate change on some of the poorest people in the world. God has called us to always help the needy and the poor – so how can I sit back and do nothing? My faith is the core of what motivates me to act on climate change. We are fortunate here in Australia to have a political system which allows us to have a voice and be heard. I can use my voice and mobilise others who are passionate about this issue; to influence change and create a better world and future for everyone.”
– Rita, Christians Together for Climate leader



27

leaders building
groups in

14

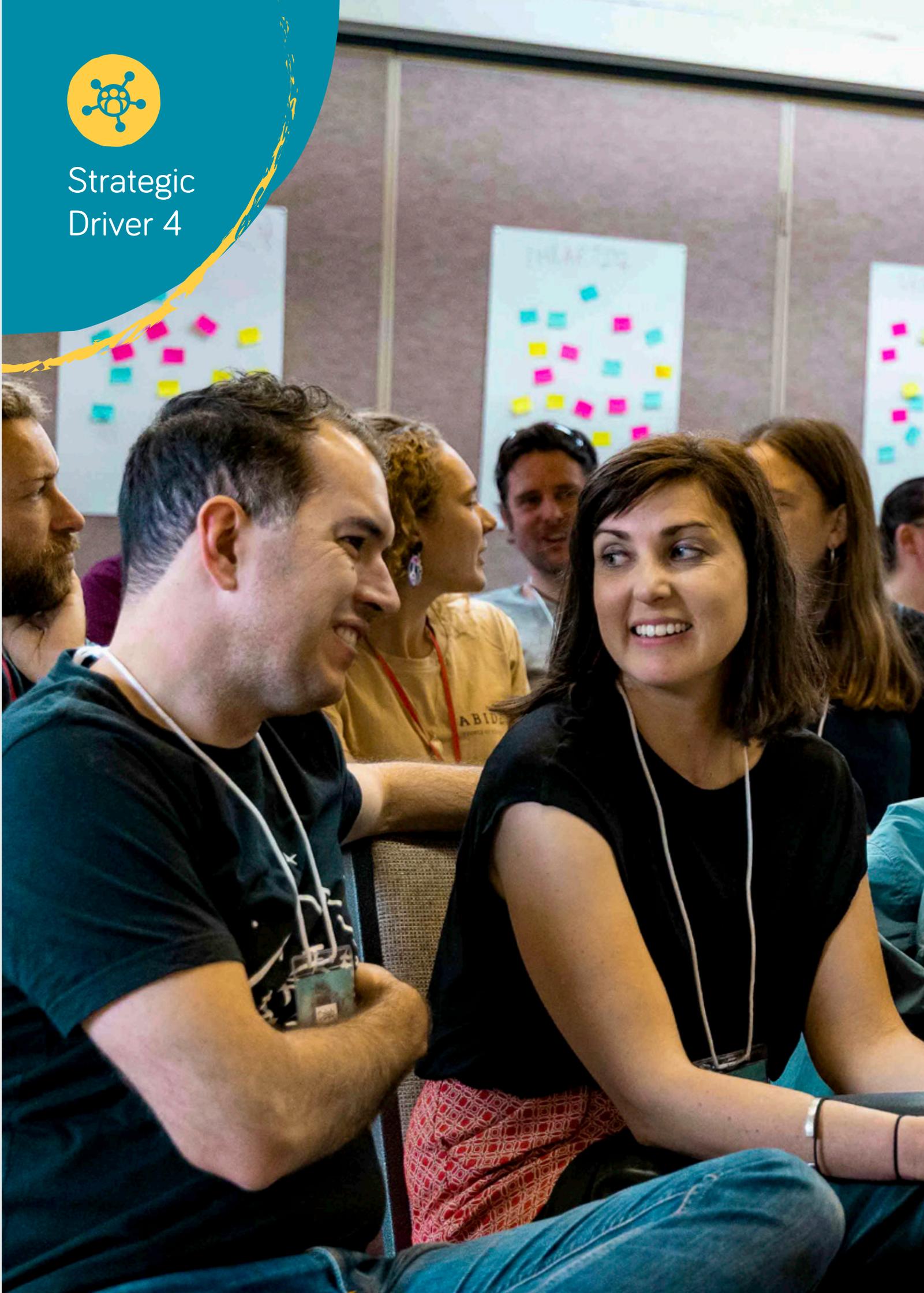
strategic, priority
electorates across
Australia.



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Strategic Driver 4



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Strategic Driver 4

Broadening Engagement

Our strategic plan and motivation sees the need for Tearfund to grow and expand our work to meet the global challenges of our time; COVID-19, poverty, climate and fullness of life for all. Growing and deepening our engagement with the Christian community and churches, here and around the world, is central to our mission and to true transformation. We work alongside the local church and with new and emerging areas of development for a more just and compassionate world.

- We want to grow the number of supporters and our income.
- We want to see growth in our influence and impact on policy change through broadening our engagement to new parts of the church that we haven't traditionally engaged with.
- We want to grow through linking supporters and partners together in new ways.

Our church partnerships – Australia

It has been amazing to see Christians continue to make biblically-shaped responses to poverty and injustice throughout this pandemic season. This year has also seen Tearfund launch its new partnership streams which seek to invite Churches to define a thematic focus of Climate Justice, Hard Places or First Peoples Program. Churches are encouraged to participate in a holistic response of prayer, lifestyle, learning and action and financial giving. Tearfund is faithfully supported by over 280 Churches each year and has over 50 long term church partners.



3901

donors gave to Tearfund for the first time.



5741

supporters participated in a Tearfund non financial action.



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Create and build – investing in social enterprise



Create + Build

With current Christian partners as they:

- Build capacity
- Create pilot models
- Attract investments



India

Two new social enterprises with a focus on training and dignified employment for women

Nepal

Three upcoming social enterprises



Grow + Scale

Partnering with social enterprises who:

- Are faith and mission-aligned
- Have a proven approach
- Are ready to scale

Philippines

One social enterprise supporting women who are survivors of trafficking and abuse

Nepal

Expand and launch a local model of the above enterprise

Impact investing involves making investments in organisations, projects or funds with the intention of generating measurable social and environmental outcomes, alongside a financial return. When successfully executed, Tearfund will be able to recycle the initial capital plus financial return into another investment. Currently Tearfund is working with partners in India, Nepal and the Philippines, helping them to be investment ready.

“We believe that, along with community-led development initiatives, entrepreneurship and employment can be powerful tools that unlock new opportunities for people facing poverty and help them achieve more of their God-given potential.” – Ivan Chew, Tearfund’s Head of Impact Investing.

Over the past 12 months, Tearfund has continued to support two partners in India in their social enterprise pilots, while also expanding our “Create and Build” work to Nepal. With the impact on COVID-19, this work, like so much else, has had to be placed on hold.

COVID-19 also impacted our maiden impact investment into a social enterprise that intentionally supports close to 200 women who are





survivors of trafficking or are in vulnerable circumstances. The investment, which will enable them to expand their work to Nepal was meant to be completed by March 2020 but has now been delayed to the next financial year.

Conditions permitting, we also hope to be able to launch a range of new initiatives with members of the Tearfund family. These opportunities include a social enterprise working with smallholder farmers in Ethiopia supported by our development grants, a social enterprise delivering affordable renewable energy to remote villages in Africa and a social enterprise manufacturing eco-friendly and cost-effective building materials in Sri Lanka. Although our impact investing program is still nascent, we are encouraged as we are seeing early signs of how this work can complement our grant-based development work and amplify social impact in communities.

Regenesys, Philippines

Regenesys is not your typical Business Process Outsourcing (BPO) business. From its base in the Philippines, Regenesys not only provides high-quality services to corporations around the globe – it also employs people as they recover from traumatic experiences of sexual slavery and abuse. Alongside the employment, financial literacy programs, health education, workplace counsellors and a willpower program also promote restoration. “In Luke, Jesus talks about the captive being set free – that’s the kind of workplace we’ve created. It’s the story of our employees. It’s a testimony to God’s love and how God redeems us when everything looks hopeless.” Says Sam, managing director.

Regenesys is exactly the kind of business that Tearfund believes has the potential to dramatically impact the lives of people living in poverty. That’s why we’re working with entrepreneurs like Sam and with our partners to help create innovative new ways to overcome poverty.

“In Luke, Jesus talks about the captive being set free – that’s the kind of workplace we’ve created. It’s the story of our employees. It’s a testimony to God’s love and how God redeems us when everything looks hopeless.”
Says Sam, managing director.

GladRose, India

Tearfund’s Impact Investing initiative has helped our Indian partner Saahasee to launch GladRose, a nursing care services social enterprise that trains and employs women from slum communities. GladRose provides a three-month intensive training course in conjunction with a renowned hospital, to equip individuals to provide professional supportive care in homes of middle to upper income class families or in hospitals.

Saahasee’s vision is for GladRose to grow and impact many more women in the slum communities, while giving Christian quality care service to families and hospitals. Families have remarked on GladRose’s endeavours to provide a professional service in what is typically an informal sector.

“Despite challenges, the enthusiasm of these women in their newfound self-worth, as well as positive feedback from clients, has given us the encouragement to keep going. We are witnessing GladRose’s vision of empowering these women and our approach to quality care service is starting to gain increasing acceptance and support.” Eddie Mall, Saahasee’s director.



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Staff Leadership Team + Board Members

Staff Leadership Team

Matthew Maury Chief Executive Officer

James Burnet Chief Financial Officer

Paul Flavel Australian Program Director

Ashley Humphreys Finance Director

Jo Knight Advocacy Director

Karen Naylor People and Culture Director

Kelly Rae South Asia Regional Team Leader

Phil Wilkerson International Program Director

Board Members



Matthew Maury (CEO)
BA (Hons), MBA (Dev Studies), GAICD
Appointed: 2009

Responsibilities: Assurance Committee Member; Governance Committee Member; Membership Committee Member, Impact Investment Committee Member

Number of meetings attended: 6/7

Matthew is Tearfund Australia's CEO. For more than 30 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 Board member 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: 5/7

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. She has been involved with Tearfund since 2005, when she joined the Diamond Valley Tearfund group.



Peter Snowsill
BE (Hons), MAICD
Appointed: November 2015

Responsibilities: Board Chair; Program Committee Member

Number of meetings attended: 7/7

Peter is a Chemical Engineer with governance, management and project expertise in technology development, water treatment, renewable energy and international aid. He is the CEO 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: 7/7

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 Tearfund 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: 6/7

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.



Graham Hall

B. Bus, CPA, GAICD

Appointed: May 2017

Responsibilities: Assurance Committee Chair; Impact Investment Committee Chair

Number of meetings attended: 7/7

Graham is the Corporate Services General Manager at a "for purpose" aged care 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.



Hannah Kallady

BA, M Jnl

Appointed: November 2018

Responsibilities: Governance Committee Member

Number of meetings attended: 6/7

Hannah is a Senior Strategist at ntegrity, where she's worked with some of Australia's leading brands across the not-for-profit, government and commercial sectors. Prior to her work in digital marketing and strategy, Hannah was Coordinating Editor and Editor at Large of an online lifestyle magazine.



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: 7/7

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 Tearfund Australia partner in Zimbabwe.



Peter Lochore

BA, LLB (1st Hons), Grad Dip Bus Law, LLM

Appointed: November 2018

Responsibilities: Assurance Committee Member

Number of meetings attended: 6/7

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.



Doug Crocket

B E (Electrical)

Appointed: November 2019

Responsibilities: Assurance Committee Member; Impact Investment Committee Member

Number of meetings attended: 5/5

Doug is an Electrical Engineer with extensive operational and strategic leadership background in the retail, energy, technology and Not For Profit sectors. Doug has now retired from paid employment and spent the last 7 years of his employment as the Administrator for the St Hilary's Network Anglican Church.

Associate Board Members



Lauren Espedido

Bachelor of Commerce – Professional Accounting (BCom-ProfAccg), CA

Appointed: May 2019

Responsibilities: Program Committee

Number of meetings attended: 7/7

Lauren is a consultant in the not-for-profit sector in areas of community governance and financial management. Previously she worked in Corporate Audit at a Big4 accounting firm. Lauren is a government advocate for a health organisation. Her special interests are in areas of education, health care and aid.



Taminka Hanscamp

LLB(Hons)/BGLST, Cert III Christian Ministry & Theology

Appointed: August 2018

Responsibilities: Assurance Committee

Number of meetings attended: 7/7

Taminka works at the AFES, having previously worked in policy and compliance for the Victorian Public Service and volunteered with various agencies. She studied law and global studies and, as a person with a disability, she is interested in the impact of disability on development and church engagement. She also serves on her church board.

Outgoing Board Member:
Barry Morris

Incoming Associate Board Member:
Joshua Glover



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Audit Declaration



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 2020, 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 2020.

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 22 September 2020.

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*.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn
Dated – 24 September 2020

20 Albert St, PO Box 256, Blackburn VIC 3130
T +61 3 9894 2500 F +61 3 9894 1622
contact@sawarddawson.com.au
sawarddawson.com.au



Liability limited by a scheme approved under Professional Standards Legislation.

The Board of Tearfund 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 2020 financial report. In respect to the 30 June 2020 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 2020 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 September 2020.

Peter Snowsill
Chair

Joanna Watts
Deputy Chair



Last financial year (2020) was an amazing story of generous support from Tearfund's donors, particularly over the last quarter in the midst of the economic uncertainty caused by COVID-19. Due to the strength in giving, Tearfund increased its total income by 8% from 2018/19 and achieved an unexpected surplus of \$1.25 million.

As mentioned, donation income was the primary driver of income growth over 2020. Despite continued weakness in the Gift Catalogue channel and little change in regular giving, Tearfund achieved solid gains in general giving, and then received the strongest End of Financial Year income in at least ten years, up 59% on our 2019 result. Total monetary income from Donations and Gifts was therefore up almost 12% at \$10.56 million.

After a quiet year for bequests in 2019, Tearfund received multiple gifts in wills totalling \$761,956, a number more in line with longer term averages. Following a change in internal policy treatment of gifts in wills, Tearfund have established a new Gifts-in-Wills balance sheet reserve, to hold above-budget bequest income, for distribution over the following three years.

Federal Government grant income from the Department of Foreign Affairs and Trade (DFAT) reduced by 7% to \$4.16 million. Tearfund expected this reduction, reflecting a reduced share of the total DFAT grant income pool, following Tearfund's softer 2019 programs expenses and an increased number of participating agencies.

Tearfund's investment income fell sharply (89%) to \$38,393, on the back of steep falls in local and international equity markets in Q3 2020. Despite the reduced return, Tearfund is convinced that the right mix (70/30) of defensive/growth assets make up the ethical investment portfolio, to provide sustainable long-term positive returns.

The Tearfund Board has expressed a desire to prioritise funds to international programs, and were pleased, even without specific material emergency appeal expenditure, to have increased international program

investment to \$8.86 million (up 2%). Due to a windfall of some large donation income in the last few days of June, Tearfund now plan to spend much of the 2020 surplus over the 2021 and 2022 financial years.

Tearfund has protected the value of its international expenditure against falls in the Australian dollar by way of a comprehensive hedging program, now extending out three years, and covering 75% of budget year expenditure. The hedging program fixes the value of USD program expenditure using forward exchange contracts.

Domestic (First Peoples) program expenses unfortunately fell by 31% due to some program delivery issues with one major partner. However, Tearfund plan to restore this funding in 2021.

Internal expenses (program support costs, community education costs and administration costs) fell by almost 4% compared to 2019, reflecting the continued tight fiscal environment, particularly leading into the June quarter when Tearfund achieved savings due to the absence of travel, annual and long service leave reductions, and staff working from home. It is important to note the extensive preparation in 2019 by the IT department in moving to a full-cloud operating environment. This work ensured a seamless transition to working from home for staff in March 2020.

Total expenditure, with increasing fundraising and program expenses offset by other reductions, has therefore remained almost level with 2019 total expenditure.

The strong income and tight cost control resulted in a substantial surplus for the year. However, further to that, a revaluation of the Blackburn property also resulted in \$1.93 million of revaluation gains noted in Other Comprehensive Income.

James Burnet
Chief Financial Officer and Company Secretary

If you would like a further explanation of the accounts, please contact Tearfund. For a copy of the Full Financial Statement for the year to 30 June 2020, please contact the Tearfund Office on 1800 244 986 or go to www.tearfund.org.au



Tearfund Income Statement

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

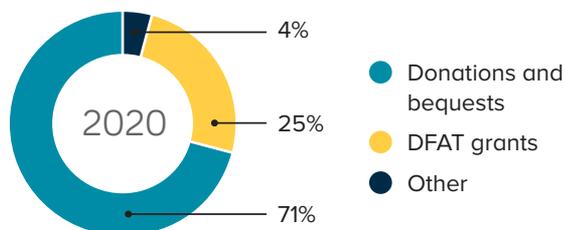
Funds to International Programs

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

Domestic Program Expenditure

Support and funding for Tearfund'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 that Tearfund effectively use funds provided 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 Tearfund's educational resources.

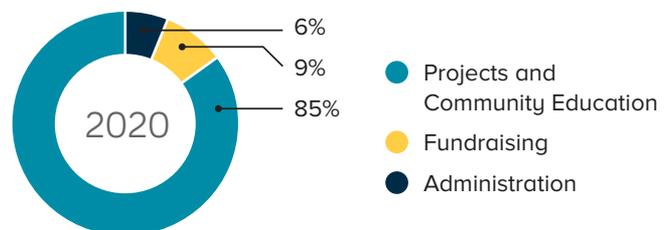
Fundraising Costs

Expenses relating to maintaining and growing Tearfund's financial support. The costs include production of the Gift Catalogue and processing of orders/donations.

Accountability and Administration

Expenses supporting the board, executive, finance, administration, people and culture, 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 (60%), Program Support Costs (10%), Domestic Program Expenditure (1%) and Community Education (14%).

Statement of Financial Position

As at 30 June 2020

	2020	2019
ASSETS	\$	\$
Current Assets		
Cash and cash equivalents	2,525,541	2,259,413
Trade and other receivables	262,965	196,979
Other assets	33,900	502,339
TOTAL CURRENT ASSETS	2,822,406	2,958,731
Non-Current Assets		
Financial assets	6,535,286	5,242,594
Property, plant and equipment	4,839,303	2,958,257
Intangible assets	248,770	215,210
TOTAL NON-CURRENT ASSETS	11,623,359	8,416,061
TOTAL ASSETS	14,445,765	11,374,792
LIABILITIES	\$	\$
Current Liabilities		
Trade and other payables	151,002	151,554
Provisions	743,594	724,573
Other current liabilities	519,530	147,365
TOTAL CURRENT LIABILITIES	1,414,126	1,023,492
Non-Current Liabilities		
Provisions	76,030	59,897
TOTAL NON-CURRENT LIABILITIES	76,030	59,897
TOTAL LIABILITIES	1,490,156	1,083,389
NET ASSETS	12,955,609	10,291,403
EQUITY	\$	\$
Property revaluation reserve	2,750,599	844,323
Fixed assets and intangibles reserve	2,337,474	-
Foreign currency reserve	(71,575)	420,762
Designated funds reserve	205,301	198,966
Gifts in Wills reserve	261,956	-
Risk Mitigation reserve	2,700,000	-
Committed funds reserve	4,771,854	8,827,352
Retained surplus	-	-
TOTAL EQUITY	12,955,609	10,291,403

See the summary on page 32 for an explanation of the account categories.



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Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 30 June 2020

	2020	2019
REVENUE	\$	\$
Donations and gifts		
Monetary	10,563,196	9,454,064
Non-monetary	115,048	185,786
Bequests and legacies	761,956	133,004
Grants		
Department of Foreign Affairs & Trade	4,160,756	4,462,301
Other overseas	30,000	-
Investment income	38,393	363,625
Other income	507,017	364,253
TOTAL REVENUE	16,176,366	14,963,033
EXPENDITURE	\$	\$
International Aid and Development Program Expenditure		
Funds to international programs	8,856,493	8,707,426
Program support costs	1,425,958	1,561,786
Domestic program expenditure	192,962	279,105
Community education	2,009,916	2,080,604
Total Aid and Development Program Expenditure	12,485,329	12,628,921
Fundraising costs		
Public	1,356,909	1,170,921
Government, multilateral and private	18,525	17,515
Accountability and administration	950,288	921,427
Non-monetary expenditure	115,048	185,786
TOTAL EXPENDITURE	14,926,099	14,924,570
EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE	1,250,267	38,463
Other Comprehensive Income	1,413,939	141,152
Total Comprehensive Income for the Year	2,664,206	179,615

No individual project received greater than 10% of the international aid and development revenue earned during the financial year. See the summary on page 32 for an explanation of the account categories.



Statement of Changes in Equity

For the year ended 30 June 2020

	Retained Surplus \$	Property Revaluation Reserve \$	Fixed Assets and Intangibles Reserve \$	Foreign Currency Reserve \$	Designated Funds Reserve \$	Committed Funds Reserve \$	Gifts in Wills Reserve \$	Risk Mitigation Reserve \$	Total \$
Balance at 30 June 2019	-	844,323		420,762	198,966	8,827,352	-	-	10,291,403
Comprehensive Income:									
Surplus (deficit)	1,250,267	-		-	-	-	-	-	1,250,267
Other Comprehensive Income for the Year:									
Net unrealised gains/ (losses) on foreign exchange contracts	-	-		(492,337)	-	-	-	-	(492,337)
Revaluation increment	-	1,906,276	-	-	-	-	-	-	1,906,276
Total Comprehensive Income for the Year	1,250,267	1,906,276		(492,337)	-	-			2,664,206
Transfers to and from reserves	1,250,267	-	2,337,464	-	6,335	(4,055,488)	261,956	2,700,000	-
BALANCE AT 30 JUNE 2020	-	2,750,599	2,337,464	(71,575)	205,301	4,771,864	261,956	2,700,000	12,955,609



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Memberships, Accountability + Accreditations



Tearfund Australia is a member of Australian Council for International Development (ACFID) and committed to full adherence to its Code of Conduct. Tearfund 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:

Tearfund 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 90 countries, both implementing directly and working through over 580 local partners. Since 2012, there have been 31 joint responses addressing mass displacement and conflict, typhoons, flooding, earthquakes, food securities and health emergencies. See: integralalliance.org



Tearfund Australia is accredited by the Australian Department of Foreign Affairs and Trade (DFAT), responsible for managing Australia's aid program. To maintain accreditation, Tearfund 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 Tearfund'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 Tearfund 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@tearfund.org.au or phone (03) 9264 7000 or via tearfund.org.au/feedback



Tearfund is a signatory to the Charter4Change and has committed to maximise humanitarian funding directed to local or national NGOs. Of the total \$541,457 sent to partners for both natural disasters and COVID-19 related responses, \$211,136 or 39% was sent directly to local partner organisations. See: charter4change.org



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



Tearfund 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 practising integral mission. See: micahglobal.org



Tearfund is a member of the CHS Alliance, a global alliance of humanitarian and development organisations committed to making aid work better for people, and strengthening accountability to the people we serve. Tearfund is working towards verification against the Core Humanitarian Standard. See: chsalliance.org



Tearfund 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. Tearfund leads Renew Our World in Australia. In 2019/20, Tearfund has joined with our ROW partners around the world in leading the 'Rubbish Campaign' to highlight the human impact of plastic waste on the world's most vulnerable. See: renewourworld.org.au

we're for *Australian Aid*

Tearfund 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, Tearfund stands together with other Christians in Australia raising a powerful voice for justice and for 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, engage in advocacy moments such as the End Covid for All campaign and participate in events (including Voices for Justice). See: micahaustralia.org



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Tearfund Australia

We're working in partnership with local Christian agencies to end poverty, challenge inequality and build sustainable communities. Following Jesus, we go where the need is greatest, acting with courage to tackle injustice so that all may experience fullness of life.

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At Tearfund we've always believed that even a small group of passionate Christians can make a difference in a broken and hurting world.

In fact, it's how we began one July night in 1971.

That small group of people could never have imagined what would happen after that.

Nearly 50 years on from that meeting, Tearfund has directly impacted the lives of millions of people and communities experiencing poverty and marginalisation in many of the world's hardest and most challenging places.

For decades, we have championed for more and better aid, calling on our government to act fairly toward our global neighbours. Together we've driven conversations about faith and consumerism, we've cried out for action on climate change.

Today, we inspire, connect and equip Australian Christians to give, learn, live, act and pray for a more just and compassionate world. Today we are a movement of more than 50,000 Christians and millions more worldwide.

Today we long to do justice together.

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.

tearfund.org.au
usefulgifts.org



tearfund

Working in partnership to end poverty

TEAR Australia

ABN 85 085 413 832

Financial Statements

For the Financial Year Ended 30 June 2020



TEAR Australia

For the Financial Year Ended 30 June 2020

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TEAR Australia

Directors' Report

For the Financial Year Ended 30 June 2020

The Directors submit the financial report of TEAR Australia (the Company) for the financial year ended 30 June 2020.

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

Stephen Bevis	
Douglas Crocket	Appointed Nov 2019
Barbara Deutschmann	
Graham Hall	
Hannah Kallady	
Joanna Lee	
Peter Lochore	
Matthew Maury (CEO)	
Barry Morris	Term finished Nov 2019
Peter Snowsill (Chair)	
Joanna Watts (Deputy Chair)	

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:

- Partner with local Christian partners to overcome poverty and injustice through the support of local community development projects;
- Inform, challenge and empower Australian Christians to respond in biblically shaped ways to poverty and injustice;
- Advocate to change systems which perpetuate poverty and injustice issues.

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;
- Working for climate justice through supporter engagement and advocacy (political and corporate);
- 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

Information on Directors

Stephen Bevis

Qualifications BA, PhD
Experience Board Member 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

Douglas Crocket (*term commenced Nov 2019*)

Qualifications BE (Electrical)
Experience Board member since November 2019. Extensive operational and strategic leadership in various sectors including NFP. Previous Administrator for the St Hilary's Network Anglican Church.
Special Responsibilities Assurance Committee member, Impact Investment Committee member

Barbara Deutschmann

Qualifications BA, DipEd, 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

Graham Hall

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

Hannah Kallady

Qualifications BA, M Jnl
Experience Board Member since November 2018. Senior Digital Strategist at integrity, 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 Solicitor's Office (WA).
Special Responsibilities Assurance Committee member

Matthew Maury

Qualifications BA (Hons), MBA (Dev Studies), GAICD
Experience Board Member since 2009. TEAR Australia's CEO. Over 20 years experience with Christian development agencies working across Africa, Asia-Pacific, Latin America and the Middle East.
Special Responsibilities Member of Assurance, Governance, Membership and Impact Investment Committees

Barry Morris (*term concluded Nov 2019*)

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

Information on Directors (continued)

Peter Snowsill

Qualifications	BE (Hons), MAICD
Experience	Board member since 2015. Chemical Engineer with governance, management and project expertise across various sectors. Currently CEO for an ASX-listed manufacturing technology company.
Special Responsibilities	Board Chair, 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, Governance Committee Chair

Meetings of Directors

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

Name	Number attended	Number eligible to attend
Stephen Bevis	7	7
Douglas Crocket	5	5
Barbara Deutschmann	6	7
Graham Hall	7	7
Hannah Kallady	6	7
Joanna Lee	7	7
Peter Lochore	6	7
Matthew Maury	6	7
Barry Morris	1	3
Peter Snowsill (Chair)	7	7
Joanna Watts (Deputy Chair)	5	7

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 2020 the total amount that members of the company are liable to contribute if the company is wound up is \$126 (2019:\$130).

Auditors Independence Declaration

The auditors independence declaration for the year ended 30 June 2020 has been received and can be found on page 4 of the financial report.

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



Board member:
Peter Snowsill (Chair)



Board member:
Joanna Watts (Deputy Chair)

Dated: 22 September 2020

TEAR Australia

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 financial year ended 30 June 2020, 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: 22 September 2020

Blackburn, VIC

TEAR Australia

Statement of Income and Expenditure and Other Comprehensive Income

For the Financial Year Ended 30 June 2020

	2020	2019
	\$	\$
REVENUE		
Operating Activities		
Donations and Gifts		
Monetary	10,563,196	9,454,064
Non monetary	15 115,048	185,786
Bequests and legacies	761,956	133,004
Other overseas grants	30,000	-
DFAT Grants	4,160,756	4,462,301
Other income	4 507,017	364,253
Non-operating Activities		
Investment income	38,393	363,625
Total Revenue	16,176,366	14,963,033
EXPENSES		
Funds to international programs	(8,856,493)	(8,707,426)
Domestic programs expenditure	(192,962)	(279,105)
Program support costs	(1,425,958)	(1,561,786)
Community education	(2,009,916)	(2,080,604)
Fundraising costs		
Public	(1,356,909)	(1,170,921)
Government	(18,525)	(17,515)
Accountability and administration	(950,288)	(921,427)
Non-monetary expenditure	15 (115,048)	(185,786)
Total expenses	(14,926,099)	(14,924,570)
Surplus/(deficit) for the year	1,250,267	38,463
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
- Net Gains/(losses) on Revaluation of Property, Plant and Equipment	1,906,276	-
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	(492,337)	141,152
Other comprehensive income	1,413,939	141,152
Total comprehensive income for the year	2,664,206	179,615

The accompanying notes form part of these financial statements.

TEAR Australia

Statement of Financial Position

For the Financial Year Ended 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,525,541	2,259,413
Trade and other receivables	6	262,965	196,979
Other assets	10	33,900	502,339
Total current assets		2,822,406	2,958,731
Non-current assets			
Financial assets	7	6,535,286	5,242,594
Property, plant and equipment	8	4,839,303	2,958,257
Intangible assets	9	248,770	215,210
Total non-current assets		11,623,359	8,416,061
TOTAL ASSETS		14,445,765	11,374,792
LIABILITIES			
Current liabilities			
Trade and other payables	11	151,002	151,554
Short-term provisions	12	743,594	724,573
Other current liabilities	13	519,530	147,365
Total current liabilities		1,414,126	1,023,492
Non-current liabilities			
Other long-term provisions	12	76,030	59,897
Total non-current liabilities		76,030	59,897
TOTAL LIABILITIES		1,490,156	1,083,389
NET ASSETS		12,955,609	10,291,403

The accompanying notes form part of these financial statements.

TEAR Australia

Statement of Financial Position

For the Financial Year Ended 30 June 2020

	Note	2020 \$	2019 \$
EQUITY			
Property revaluation reserve	14	2,750,599	844,323
Fixed Assets and Intangibles Reserve	14	2,337,474	-
Foreign currency reserve	14	(71,575)	420,762
Designated funds reserve	14	205,301	198,966
Gifts in Wills Reserve	14	261,956	-
Risk Mitigation Reserve	14	2,700,000	-
Committed funds reserve	14	4,771,854	8,827,352
Retained surpluses		-	-
TOTAL EQUITY		12,955,609	10,291,403

The accompanying notes form part of these financial statements.

TEAR Australia

Statement of Changes in Equity

For the Financial Year Ended 30 June 2020

2020

	Property Revaluation Reserve \$	Foreign Currency Reserve \$	Designated Funds Reserve \$	Committed Funds Reserve \$	Retained Surpluses \$	Gifts in Wills Reserve \$	Risk Mitigation Reserve \$	Fixed Assets and Intangible Reserve \$	Total
Balance at 1 July 2019	844,323	420,762	198,966	8,827,352	-	-	-	-	10,291,403
Comprehensive income									
Surplus for the year	-	-	-	-	1,250,267	-	-	-	1,250,267
Other comprehensive income for the year									
Net unrealised gains on Foreign Exchange Contracts	-	(492,337)	-	-	-	-	-	-	(492,337)
Revaluation increment/(decrement)	1,906,276	-	-	-	-	-	-	-	1,906,276
Total Comprehensive income for the year	2,750,599	(71,575)	198,966	8,827,352	1,250,267	-	-	-	12,955,609
Transfers to and from reserves									
- Committed Funds Reserve/ Designated Funds Reserve	-	-	6,335	(4,055,498)	(1,250,267)	261,956	2,700,000	2,337,474	-
Balance at 30 June 2020	2,750,599	(71,575)	205,301	4,771,854	-	261,956	2,700,000	2,337,474	12,955,609

The accompanying notes form part of these financial statements.

TEAR Australia

Statement of Changes in Equity

For the Financial Year Ended 30 June 2020

2019

	Property Revaluation Reserve \$	Foreign Currency Reserve \$	Designated Funds Reserve \$	Committed Funds Reserve \$	Retained Surpluses \$	Gifts in Wills Reserve \$	Risk Mitigation Reserve \$	Fixed Assets and Intangible Reserve \$	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

Statement of Cash Flows

For the Year Financial Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Donations received	10,563,196	9,454,063
Bequests and legacies received	761,956	133,004
Operating grants received	4,609,832	4,908,531
Other income received	485,071	369,754
Payments to suppliers and employees	(5,652,867)	(6,231,180)
Distribution to overseas and domestic project partners	(9,049,455)	(8,986,531)
Interest and dividends received	146,873	123,680
Net cash provided by (used in) operating activities	1,864,606	(228,679)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment/proceeds for investments	(1,476,435)	(3,772,903)
Redemption/ (placement) of amortised cost financial assets	-	2,070,491
Purchase of property, plant, equipment and intangibles	(122,043)	(172,437)
Proceeds from sale of property, plant and equipment	-	324
Net cash used by investing activities	(1,598,478)	(1,874,525)
Net increase (decrease) in cash and cash equivalents held	266,128	(2,103,204)
Cash and cash equivalents at beginning of year	2,259,413	4,362,617
Cash and cash equivalents at end of financial year	2,525,541	2,259,413
5		

The accompanying notes form part of these financial statements.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

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 income or expenditure.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

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 income and expenditure.

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	17%
Computer systems	34%

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.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(e) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in income and expenditure if the carrying amount of the right-of-use asset has been reduced to zero.

Leases with a term of 12 months or less or leases of low value underlying assets will be exempted from the accounting treatment above. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(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 (FVTPL)" 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.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(f) Financial instruments

Initial recognition and measurement

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 fair value through profit or loss. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which hedging accounting requirements apply.

(iii) 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.

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 income or expenditure.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(g) Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life. The amortisation rate for Justice Conference Rights is 33%.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. The amortisation rate for computer software is 17% - 25%.

(h) 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 income or expenditure 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 contributions (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 contributions at the end of the reporting period. All obligations for unpaid superannuation 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.

(i) 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.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(k) Revenue and Other Income

When the Company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset receivable in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer);
- recognises income immediately in income or expenditure as the difference between the initial carrying amount of the asset and the related amount; and
- identifies each performance obligation relating to the grant.

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).

(l) 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.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(m) Foreign exchange gains/losses

The Company incurred gains and losses on foreign exchange through both the revaluation of foreign currencies held as assets at 30 June 2020 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 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.

(n) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods.

Initial application of AASB 15: Revenue from Contracts with Customers

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The accounting policies were changed to comply with AASB 15 and AASB 1058. This replaces the policies that the company used to be reporting under, AASB 118 and AASB 1004 that relates to the recognition of revenue.

No retrospective restatements are required as the Company's revenue streams are in accordance with the new application of this standard.

Initial application of AASB 16: Leases

The Company has adopted AASB 16 *Leases Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The accounting policies were changed to comply with AASB 16.

No retrospective restatements are required as the Company does not have any leases and the building is fully owned.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

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 FTE)	Advocacy Director
Kelly Rae (0.6 FTE)	South Asia Regional Team Leader
Phil Wilkerson	International Program Director
Karen Naylor (0.6 FTE)	People and Culture Director

The total remuneration paid to key management personnel of the Company is \$ 883,606 (2019: \$ 864,299).

3 Surplus/(Deficit) from Ordinary Activities

	2020	2019
	\$	\$
Employee benefits expense	4,060,405	3,950,167
Depreciation and amortisation	113,712	82,221

4 Other Income

- Justice Conference income	186,444	271,741
- Other Government subsidies	232,591	-
- Other income	87,982	92,512
	507,017	364,253

5 Cash and Cash Equivalents

Cash on hand	5,101	4,980
Cash at bank	1,929,595	1,794,533
Cash holdings in JB Were	590,845	459,900
Total cash and cash equivalents	2,525,541	2,259,413

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

6 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Debtors	30,861	69,995
Other receivables	220,656	112,153
GST receivable	11,448	14,831
Total receivables	<u>262,965</u>	<u>196,979</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

NON-CURRENT

Financial assets at fair value through profit or loss

- Australian and international equities	(a) 1,319,134	1,422,551
- Other investments through JB Were	(a) 5,216,152	3,820,043
Total non-current assets	<u>6,535,286</u>	<u>5,242,594</u>

(a) These investments are managed by JB Were. Cash holdings in JB Were amounting to \$590,845 are disclosed under cash and cash equivalents.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

8 Property, Plant and Equipment

	2020	2019
	\$	\$
Freehold land & building		
At independent valuation	4,800,000	2,941,797
Accumulated depreciation	(5,806)	(44,313)
Total land and buildings	4,794,194	2,897,484
Office furniture and equipment		
At cost	162,072	162,072
Accumulated depreciation	(156,451)	(148,549)
Total office equipment	5,621	13,523
Computer Equipment		
At cost	234,131	216,324
Accumulated depreciation	(194,643)	(169,074)
Total computer equipment	39,488	47,250
Total property, plant and equipment	4,839,303	2,958,257

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 2019	2,897,484	13,523	47,250	2,958,257
Additions	8,678	-	17,807	26,485
Depreciation expense	(18,244)	(7,902)	(25,569)	(51,715)
Revaluation increase	1,906,276	-	-	1,906,276
Carrying amount as at 30 June 2020	4,794,194	5,621	39,488	4,839,303

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

9 Intangible Assets

	2020	2019
	\$	\$
Justice Conference Rights		
At cost	29,730	-
Accumulated amortisation and impairment	(8,259)	-
Total Justice Conference rights	<u>21,471</u>	<u>-</u>
Computer Software		
At cost	515,031	449,204
Accumulated amortisation	(287,732)	(233,994)
Total computer software	<u>227,299</u>	<u>215,210</u>
Total intangible assets	<u><u>248,770</u></u>	<u><u>215,210</u></u>

Movements in carrying amounts of intangible assets

	Justice Conference Rights	Computer Software	Total
	\$	\$	\$
Carrying amount as at 1 July 2019	-	215,210	215,210
Additions	29,730	65,828	95,558
Amortisation	(8,259)	(53,739)	(61,998)
Carrying amount at 30 June 2020	<u><u>21,471</u></u>	<u><u>227,299</u></u>	<u><u>248,770</u></u>

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

10 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	33,900	81,577
Unrealised foreign currency gains	(a) -	420,762
	<u>33,900</u>	<u>502,339</u>

(a) Unrealised foreign currency gains/losses

The Company forward purchases US dollars and at balance date has open contracts requiring revaluation at year end. In financial year 2020 with weaker exchange rates unrealised gains were recognised as a liability. See Note 13.

11 Trade and other payables

CURRENT		
Trade and other payables	104,901	106,195
PAYG Payable	46,101	45,359
	<u>151,002</u>	<u>151,554</u>

12 Provisions

CURRENT		
Employee benefits	743,594	724,573
NON-CURRENT		
Employee benefits	76,030	59,897

13 Other Liabilities

CURRENT		
Unearned grant income	208,531	-
Unrealised foreign currency losses	71,575	-
Unearned government grant income	232,500	-
Other unearned income	6,924	147,365
	<u>519,530</u>	<u>147,365</u>

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

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 \$4,771,854. TEAR also includes in this reserve planned and existing impact investments, therefore TEAR continues to rely on future donations from supporters to meet these commitments.

Risk Mitigation Reserve

The risk mitigation reserve has been established to set aside amounts to mitigate against the risk of a drop in income from modelled risk events, over a two year period.

Gifts in Wills Reserve

The Gifts in Wills reserve holds an amount set aside from Legacies and bequests received to be used in planned expenditure over a three year period.

Fixed Assets and Intangibles Reserve

The Fixed Asset and Intangibles Reserve represents the net book value of Tear Australia's intangible and tangible fixed assets, less the Property Revaluation Reserve, to indicate that these resources are not available for other purposes.

Designated Funds Reserve

The Designated Funds Reserve includes donations received for specific projects that have not been expended as at 30 June 2020 amounting to \$205,301 (2019: \$198,966). The only amount relating to the prior year reserve balance is for the Cyclone Idai response in Mozambique \$68,613 (2019: \$105,414). 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.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

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 \$115,048. Of this amount \$80,511 is classified as community education expenditure, \$19,289 is classified as Justice Conference expenditure and \$15,248 is classified as program support costs.

16 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	2,525,540	2,259,413
Trade and other receivables (excluding GST receivable)	6	251,517	182,148
Financial assets at fair value through profit or loss	7	6,535,286	5,242,594
Total financial assets		9,312,343	7,684,155

Financial Liabilities

Trade and other payables (excluding conference funds received in advance and unrealised foreign currency losses)	11	383,503	152,274
Total financial liabilities		383,503	152,274

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

17 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

	2020	2019
	\$	\$
Financial Assets		
Financial assets at fair value through profit or loss		
- Australian and international equities	1,319,134	1,422,551
- Other investments through JB Were	5,216,152	3,820,043
Property Plant and Equipment		
- Freehold Land and Building	4,794,194	2,897,484

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 2020.

18 Events After the Reporting Period

Subsequent to the balance date, there has been the continuing impact of the global outbreak of Coronavirus disease (COVID-19) that has caused a significant impact to the global economy. There are no adjusting events to the financial statements as at 30 June 2020, however this outbreak has impacted the extent and nature of the activities undertaken by TEAR Australia's partner organisations and may have an impact to the company's future financial performance and position. The financial assets reported are based on the market value as at 30 June 2020. Investment markets volatility has continued to occur as a result of the economic impacts of the pandemic. Directors do not believe that the impact of COVID-19 will impact the ability of the company to continue as a going concern.

19 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.

In March 2020, ForTomorrow Pty Ltd, an Australian Private Company that is wholly owned by TEAR Australia was established. During the financial year, there were no transactions made within the private company and no bank accounts have been created.

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

20 Contingent Liabilities

In the opinion of the Directors, the Company had \$nil contingent liabilities at 30 June 2020 (30 June 2019: \$nil).

21 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 2020 the amount that members of the company are liable to contribute if the company is wound up is \$126 (2019: \$130).

TEAR Australia

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

22 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.

	2020	2019
	\$	\$
Gross revenue from public activities	11,325,152	9,587,068
Non monetary donations and gifts	115,048	185,786
Less: public fundraising costs	<u>(1,356,909)</u>	<u>(1,170,921)</u>
Net Public Funds	10,083,291	8,601,933
Government grants	4,160,756	4,462,301
Less government fundraising costs	<u>(18,525)</u>	<u>(17,515)</u>
Net government grants	4,142,231	4,444,786
Other revenue	<u>575,410</u>	<u>727,878</u>
Net funds raised	14,800,932	13,774,597
Overseas project disbursements	8,856,493	8,707,426
Domestic project disbursements	192,962	279,105
Program support costs	1,425,958	1,561,786
Community Education costs	2,009,916	2,080,604
Non monetary expenditure	<u>115,048</u>	<u>185,786</u>
Total funds distributed towards the objectives of the Company	12,600,377	12,814,707
Subtotal	2,200,555	959,890
Accountability and administration expenses	<u>950,288</u>	<u>921,427</u>
Surplus / (deficit) for the year	1,250,267	38,463

Percentages

	%	%
Total cost of public fundraising/gross public fundraising income	12	12
Surplus from public fundraising/gross public fundraising income	88	88
Funds disbursed towards objectives/total expenditure	85	86
Funds disbursed towards objectives/total revenue received	78	86

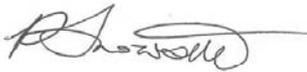
TEAR Australia

Directors' Declaration

The Directors of the Company declare that:

1. The financial report as set out on pages 6-27, 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 2020 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 2020, 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 2020, 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 2020, 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 22 September 2020

TEAR Australia

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 2020, 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 2020 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

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

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



Jeffrey Tulk
Partner

Blackburn, VIC
Dated: 22 September 2020