

# Annual Report 2020/21

50

*Year Anniversary*

**tearfund**

Australia



**Cover image:** When Olga\* (pictured, holding notebook) arrived in Pemba in Cabo Delgado, northern Mozambique, she hoped to build a better life for herself and her two daughters. But she discovered a place hit hard by COVID-19 lockdown, with conflict to the north creating instability and driving hundreds of thousands of people away from their homes in search of safety in places like Pemba. The conflict in this part of Mozambique has been going on since 2017. An estimated 3000 people have been killed, and more than 800,000 displaced.

After overcoming a few obstacles, she found work with Tearfund UK as an interpreter, assisting in work to understand the needs of the displaced population in Pemba and determine the best strategy for providing immediate life-saving interventions. What started as a part-time job ended up being a transformative experience for Olga.

“I have always wondered what humanitarians do and the days I have spent with Tearfund have transformed my thinking and how it means to live for others,” Olga said.

Tearfund Australia has collaborated with Tearfund UK and Integral Alliance member Food for the Hungry to provide food and hygiene support for about 600 internally displaced families, and in the year ahead will continue to support people affected by this conflict.

Photo: Stewart Muchapera, Tearfund UK

\* Name changed

## 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

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# Chief Executive Officer & Chair of the Board's Report



Over the past 50 years, Tearfund's work has touched tens of millions of lives – working to bring about a more just and compassionate world in which all people have the opportunity to achieve their God-given potential. As we mark this Jubilee milestone year in 2021, we have been able to pause and celebrate the many stories from people impacted by Tearfund's work. Stories of deep and lasting transformation, which reflect the words of scripture from Luke 4: stories of good news for the poor, freedom for prisoners, healing for the sick, and the oppressed set free.

While the word Jubilee has for many come to simply mean a 50th celebration, Tearfund recognises the deeper theological basis which points to the biblical themes of rest, resetting, and restoration. Over the past year, the Tearfund Board, staff and partners have been reflecting about what those themes mean to us today in the midst of the challenges we face.

This year has had many challenges for Tearfund's project partners, in Australia and around the world. One of our strategic priorities (Tearfund's strategic priorities are outlined on the opposite page) is a commitment to working in places facing the most significant challenges of poverty and injustice. At times we refer to this as a commitment to "Hard Places" – and between COVID-19, food insecurity, civil unrest, conflict and floods (to name a few), this year has seen more than its share of "Hard Places" and complexity.

COVID-19 has also been a game-changing challenge for our operations in Australia as Tearfund has been required to rethink everything. Supporter and church engagement, fundraising, events, advocacy... everything has required new ways of working. This year has also been a big reminder of the amazing team we have at Tearfund – staff and volunteers – who in the midst of their own COVID challenges have helped us innovate, adjust and adapt. The results of this are seen in the following pages of this report.





You will also note in this report our strong financial position, and we are very thankful for faithful supporters who continued to show incredible generosity in the midst of economic uncertainty. This generosity meant that every quarter our Board was able to allocate even more funding to our partners than originally budgeted for the financial year. We also continue to be thankful for the support from the Australian government, which included much-appreciated added flexibility in funding for Tearfund partners over the past year.

Our Board and its strong commitment to good governance translated this year into a continued evolving approach to their work to ensure Tearfund is best supported through this time. This has meant new ways of meeting (digitally), new and more agile budget and planning practices, approving an updated strategic plan, and a continued strong commitment to appropriate accountability and compliance frameworks that support Tearfund to fulfil its mission. Future work is under way by the Board to look at ways to increase diversity within Tearfund's governance structures and to understand what it may mean to decolonise our theology and approach to governance.

As we look forward to the next 50 years, we recognise that the job is far from done and there remains much more to do. The world continues to face many unresolved issues which relate to Tearfund's work – climate justice, poverty in Africa, growing inequality, indigenous rights, vaccine justice, treaty... these are among several challenges that are front of mind as we look ahead.

Thus, we close our report with an invitation for you to be part of the next 50 years of Tearfund's work, that there may truly be fullness of life and good news for all.

**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.



### Movements of change

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.



### Tearfund family partnership

Building on our partnership with other Tearfund agencies globally to ensure we continue to grow our collective impact and become more effective in our mission.

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

# Tearfund Australia at a Glance

## Internationally...



1,180,607  
people  
directly\*  
participate in



124  
projects



through  
57  
Christian  
partners



in  
19  
countries across  
Africa, Asia and  
the Pacific



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

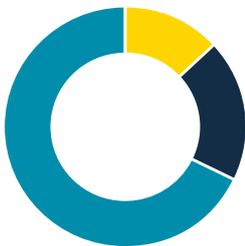
\* For every person directly involved, we expect a further 4-5 people in their household to be indirectly reached.



Total International Program

\$10,642,977

### Total Program Analysis



- Partner Development Grants: \$7,218,086
- Humanitarian Emergency Grants: \$2,041,932
- Program Support Costs: \$1,382,959

### International Program Funding According to Sectors



- Livelihoods & Food Security: 26%
- Basic Health: 16%
- Strengthening Civil Society: 14%
- Basic Education: 10%
- Water & Sanitation: 7%
- Disaster Relief & Recovery: 21%
- Other: 3%
- Partner Organisational Development: 2%
- Environmental Sustainability: 1%



### Total direct project participants 2020-21

Men	320,897
Women	453,493
Boys	197,295
Girls	208,922

**Total** 1,180,607

(This figure includes 13,339 people with disabilities and 225,833 people reached through COVID-19 response activities)

Indirect at 1:4 4,722,428

# In Australia...



**8**  
projects



through  
**6**  
Christian  
partners



**274+**  
churches:  
faithfully  
financially  
supporting



**1100**  
people:  
attended  
Tearfund  
events



**51**  
staff



Tearfund helped train **499** Christians  
to engage others with the message of justice

## Africa

Country	Partners	Projects	Development & Humanitarian Assistance
Ethiopia	7	14	\$1,438,100
Mozambique	4	8	\$559,294
Somalia	1	1	\$330,961
South Sudan	2	2	\$308,942
Sudan	1	2	\$189,462
Zambia	2	4	\$156,905
Zimbabwe	2	3	\$244,713
<b>TOTAL</b>			<b>\$3,228,377</b>

## South Asia

Country	Partners	Projects	Development & Humanitarian Assistance
Afghanistan	5	15	\$1,808,273
Bangladesh	3	6	\$427,245
India	7	29	\$1,431,423
Nepal	8	13	\$936,928
Pakistan	1	4	\$200,064
<b>TOTAL</b>			<b>\$4,803,933</b>

## Other

Global Program Support	Provided to existing partners	2	\$60,140
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## South East Asia and Pacific

Country	Partners	Projects	Development & Humanitarian Assistance
Cambodia	4	8	\$308,804
Fiji	1	1	\$27,923
Indonesia	2	3	\$161,866
Laos	2	3	\$274,808
Myanmar	2	3	\$231,096
Philippines	1	1	\$10,099
Solomon Islands	2	2	\$152,972
<b>TOTAL</b>			<b>\$1,167,568</b>

## Emergency Humanitarian Grants

Afghanistan	\$151,077	Mozambique	\$290,377
Bangladesh	\$19,077	Nepal	\$160,877
Myanmar	\$20,983	Pakistan	\$54,441
Cambodia	\$48,110	Philippines	\$10,099
Ethiopia	\$725,899	Sudan	\$51,410
Fiji	\$27,923	Zambia	\$39,144
India	\$357,563	Solomon Islands	\$48,767
Indonesia	\$21,873	Zimbabwe	\$14,312
<b>TOTAL</b>		<b>TOTAL</b>	<b>\$2,041,932</b>

# COVID-19



The COVID-19 pandemic has exacerbated inequalities, disproportionately impacting the world's most vulnerable people and communities. For the first time in over 20 years, global poverty is rising.

This past year has seen Tearfund's partners continuing to work among some of the poorest and most marginalised communities in the world, many of which are not only dealing with the pandemic's effects but are also being impacted by ongoing or worsening conflict, and climate disasters. Partners share stories of increasing poverty and exploitation, as well as pain, loss, and grief, both in their communities and personally. Some partners have been directly affected by the pandemic, with staff and their family members ill and, in some cases, dying from COVID-19. Yet, by God's grace, partners also tell stories of hope, life, and new opportunities.

Many projects have been disrupted both by the pandemic itself and by government responses in the form of lockdowns and travel restrictions. Overall, Tearfund's partners have adapted to these challenges, with many initiating COVID-19 awareness and prevention activities in their communities. Longer-term development work has been adapted with COVID-safe practices or including an element of COVID response within their activities. In countries such as India, Nepal and Somalia, partners have been invited to participate in governments' COVID-19 responses, reflecting the important role of civil society in addressing the pandemic and other disasters.

During the past year Tearfund has supported the work of its partners to assist 225,833 people through specific COVID response projects.

## Adapting to COVID: Tearfund staff

"You're on mute." "You're still on mute."

These words exemplify a year in which lockdown fatigue and frustration sought to sap the energy of our staff and supporters alike. Staff continued in fully flexible work mode as we juggled work and schooling from home like so many others, and did an amazing job of re-imagining the way we work to find new ways of connecting and supporting each other and our partners.

International program staff conducted partner visits via video and phone apps and community and staff gatherings went online. Our digital competence has grown as we utilise online platforms to meet, collaborate and pray together. Maintaining our resilience, mental health and well-being has been a key focus, with pulse surveys, team connection times, resilience days and resources being used to support staff as they continue to provide the service and support that Tearfund is known and loved for.



Ms Or Sovandea, who lives in a village in Cambodia, has learned new skills and been empowered through her involvement in the Village Development Association established by Tearfund's partner PNKS.



## Partner support

### Evaluations and learning

Evaluations are a critical part of the cycle of analysis, design, implementation and reflection of development and humanitarian projects. While partners carry out regular monitoring of their work that leads to modification and adjustments to best suit the context, evaluations are an opportunity for an external perspective to be brought to assess the extent of change that has occurred, what has worked well and can be built upon, and what lessons can be learned for the project or for future work. Evaluations are a collaborative effort between the partner, the evaluator and Tearfund.

In 2020-21 there were 19 evaluations of projects run by 15 partners.

Most of the evaluations involved an external evaluator working alongside partner staff and engaging with communities. Due to COVID restrictions some evaluations were carried out in ways that could ensure a COVID-safe environment.

Evaluations helped inform future cycles of project work, or provided input and learning into new projects. One evaluation, of the work of PNKS, took a longer-term view to identify impact arising from eight years of work in 58 villages across three provinces.

### Capacity strengthening

Tearfund commits to investing in the capacity strengthening of its local partners and works with them to identify how best that support can be provided. Requests are provided by partner organisations for a range of capacity strengthening initiatives which range in size and length of time depending on the context and needs. Some are provided as part of a partner's participation in the People & Partners Organisational Strengthening Initiative (PPOSI). Through specific capacity strengthening grants for discrete initiatives to develop aspects of organisational and staff capacity, Tearfund has provided \$170,517. As part of this total amount \$47,054 was provided for Tearfund's support of partners' social enterprise initiatives.



Tearfund's partners have provided cash support, food and other aid to people displaced as a result of the conflict in Tigray, Ethiopia.

### PPOSI

The way PPOSI has been facilitated over the past year has certainly been different! PPOSI has been working with eight partners this year and they have prioritised organisational development activities which help them in responding to their changing contexts with COVID-19 or other disruptions. Many have focused on staff care, leadership support, mental health and adaptive approaches to planning. One of the key areas of learning for Tearfund has been in being more of a facilitator of networks and a connector between partners. This has resulted in multiple peer-to-peer learning forums to enable partners to share their experience and listen and learn from one another.



2021 marks Tearfund Australia's 50th anniversary. As we mark this milestone throughout the year, including through special online events with partners and supporters, we are grateful for the countless people who have contributed to making Tearfund the organisation it is today. We've been inspired and uplifted by the messages we've received from the wider Tearfund community. Here is a selection of these messages.

**To order a copy of the special 50th anniversary edition of Tearfund Magazine, please contact the Tearfund office on 1800 244 986.**



Thirty years with Tearfund brings many memories, of a heart full of joy in making a contribution to someone, somewhere else in the world, that could change their life, and of a heart challenged and confronted to be more aware, prayerful, involved. Memories of making a difference. Marching with thousands of others in the Jubilee 2000/Make Poverty History campaign. Our church together buying not one, but two, schools in Zambia from the Really Useful Gift Shop. On pilgrimage, walking from Porto, Portugal to Santiago de Compostela, being sponsored to raise money for a Tearfund farming project in Zimbabwe.

*Jane Irwin is a long-term Tearfund supporter and a participant in the For All Creation Leadership Cohort.*

We have experienced God's perfect love working with the Tearfund Australia team. Tearfund not only provides generous support but prayer, and provides opportunities and builds capacity at the personal and organisational level. We have other partners, but partnerships like Tearfund Australia will be remembered always throughout the lives of the staff and beneficiaries.

*Sahara Community Health Association, Pakistan.*

Despite the significant challenges that we as global citizens face now, the world remains a hopeful place for me because of the insistent, life-giving expressions of our good God among Tearfund partners. Happy Anniversary Tearfund! May you continue to thrive and bless others.

*Barbara Deutschmann worked for many years with Tearfund in international development and the First Peoples program, and was a member of the Tearfund board.*

I thank you God for the partners [like Tearfund] that have come alongside and sown into Strong Women Talking. I pray for the donors and the people that have contributed to support the practical work that we need to do in my community to bring about change and to bring about a restored community.

*Sono Leone is founder and CEO of Strong Women Talking, a grassroots movement of First Nations women who are passionate about breaking the cycle of violence caused by domestic and family violence and sexual abuse.*

**Read more messages at [tear.link/50yrs](https://tearfund.org.au/50yrs)**

# Hard places



In recent years, Tearfund has highlighted a longstanding approach to our work with partners around the globe. We have called this our Hard Places strategic driver. While this approach has been embedded into Tearfund's work for many years, it is also the type of work we long to continue to support into the future. It is an intentional strategy to ensure a proportion of the funds entrusted to Tearfund go to support the work of local and national partners who are seeking to build hope and positive change in some of the most difficult and often dangerous environments. Partners who are seeking to bring hope, compassion and opportunity to those who are displaced, living with extreme poverty, dealing with injustice, or in the middle of conflict and violence. Partners who are shining the light of Christ. In the 2020/21 financial year, 66 per cent of overall Tearfund funding went to "hard places".

This past year has been very challenging for many of our partners working in these hard places. We are very grateful to our supporters who have continued to enable life-giving work to be undertaken in places such as Afghanistan, Mozambique and Ethiopia. At Tearfund, we also want to remind ourselves and our supporters that these "hard places" are home to some wonderful and resilient people, and communities that live and have their social connections there. We invite you to continue to journey with Tearfund as we stand with our partners in these difficult locations. We may not always be able to share success stories, but your support and prayer will bring hope and life to these communities.

## Our African partners

2020/21 was a very difficult year for our African partners as they battled the health and economic consequences of the COVID-19 pandemic, and watched lives and livelihoods devastated by forces beyond their control.

Many of our partners were able to use their strong community connections and history of health promotion to raise awareness about coronavirus and to help communities take steps to prevent the spread of the disease. Most partners redirected existing project resources to support this work, while Tearfund funded six additional COVID-19 response projects.

Serious conflict and natural disasters affected millions of people in Ethiopia and Mozambique, adding a layer of complexity and challenge for our partners in these places. A stronger than expected financial position enabled us to help several partners provide food and shelter to thousands of people experiencing upheaval and displacement.

Through all of this our partners have shown incredible resilience, commitment and adaptability, and their long term work of strengthening and empowering communities has never seemed more vital.

## Partners in South Asia

This year we stood alongside our partners as they faced the many challenges brought about by COVID-19. Our partners already work with high levels of challenge and uncertainty due to political and economic instability, representing a minority faith, and serving vulnerable people groups such as those with disabilities, widows, children, and people of low ethnic castes.

Standing alongside our partners often means listening to the challenges or threats faced by partner staff and their families, as well as the challenges unfolding for the people and communities they serve. At times, knowing there is little we can do practically to alleviate the anxiety or legitimate concerns of people we know can be frustrating and sad.

But it is also inspiring. We stand in awe of our partner staff. They continue to serve the people they are committed to, often while enduring the same stresses and at great physical or security risk to themselves and their families. They demonstrate in a very real way the call to radiate light in the darkness.

**Above:** Joachim arrived in Metuge camp in March 2020, just as Mozambique was going into COVID-19 lockdown. A self-taught tailor, he soon found himself busy making washable masks for other internally displaced people. He counts himself lucky that on busy days he has something to keep him from thinking about the home he left behind.

Photo: Stewart Muchapera, Tearfund UK

# Movements of change



## First Peoples

**Artwork on page 11:** *My Aboriginal Land – The Healing Journey*, by Akahlia

Brisbane-based Strong Women Talking is a grassroots movement of First Nations women who are passionate about breaking the cycle of violence caused by domestic and family violence and sexual abuse. With support from Tearfund, Strong Women Talking were able to meet the needs of vulnerable women and children in their communities during COVID-19 lockdowns. Akahlia, a proud Butchulla, Woppaburra and Bunjalung woman with strong connections to her South Sea Islander heritage, has participated in Strong Women Talking workshops. She says the women sitting in a circle in her painting “represent the strength, hope and togetherness of women who have been through similar journeys. We can sit together and talk on our healing journey and build strength off one another”. She says the workshops have helped her to talk more openly about things that are on her mind.

In 2020-21 Tearfund partnered with six Christian organisations which have delivered projects focused on improving social outcomes for First Nations communities. All these organisations are either led by Christian First Nations people or have significant involvement of Christian First Nations people at a governance and management level. Tearfund’s total expenditure in 2020-21 on project work through these six partners was \$196,860.

Whilst some of these organisations are well-established, the majority are new and are taking their first steps as community development organisations. Consequently, a particular focus of our First Peoples partnerships has been exploring options for Tearfund to support our partners to strengthen their organisational capacity.

Tearfund’s work with First Nations Peoples has also had a strong focus on providing a platform for Aboriginal and Torres Strait Islander Christian leaders to share their stories and perspectives with the wider Tearfund network. In 2020-21 we have included content featuring the experiences and insights of First Nations Christians in all editions of Tearfund Magazine and through 10 other digital communication initiatives.

As part of our ongoing commitment to reconciliation, Tearfund is pleased to have had a Reconciliation Action Plan (RAP) in place for 12 years, and to be now in the process of revising a Stretch RAP.

## Journeying together



Pastor Ray Minniecon is journeying with Tearfund throughout this year to help us unpack the theology of Jubilee and its implications for Tearfund as an organisation, and in relation to the First Peoples of this nation. He is also working with Tearfund’s First Peoples program staff on leadership development with our First Peoples partners. Pastor Ray is a descendant of the Kabi Kabi nation and the Gurang Gurang nation of south-east Queensland. He is also a descendant of the South Sea Islander people, with deep and abiding connections to the people of Ambrym Island. He leads Scarred Tree, an Aboriginal, Torres Strait and Australian South Sea Islander ministry based in St John’s Glebe, Sydney.



## Working together for change

Tearfund's partnerships are at the core of who we are. We work alongside local, national and global organisations and coalitions to truly address the systemic issues that entrench extreme poverty, inequality and injustice.

### Micah Australia

Tearfund continues to play a leading role in Micah Australia, which has had a particularly strong year of advocacy. Micah (with support from the Australian Council for International Development) spearheaded the End COVID for All campaign, which brings together more than 200 organisations, including churches, businesses, NGOs and health groups, calling on Australia to stand in solidarity with our global neighbours who are less equipped to deal with the COVID-19 pandemic. The campaign has had a powerful impact. In December 2020, the federal government announced \$1.3 billion in new aid commitments to help Australia's neighbours recover from the pandemic.

Tearfund has also played a leading role in the Micah Women Leaders Network. The network connects and equips Christian women leaders for advocacy with their Federal MPs in Canberra, in their own electorates and through the churches, networks and organisations they lead.

Visit [micahaustralia.org](http://micahaustralia.org)

## Renew Our World

Tearfund Australia leads Renew Our World in Australia and this is reflected in our Climate Justice strategic driver. Tearfund Australia is active in leadership in the Renew Our World global movement, which now extends across 20 countries and includes a growing number of Tearfund family members, as well as our partner EFICOR in India.

Renew Our World has a vision for a fair and sustainable world in which love for neighbour and care of Creation go hand in hand.

The global campaign has focused this year on the intersection between COVID-19 and climate change. In Australia, this has been expressed in Tearfund's For All Creation campaign, including Christians Together for Climate lobbying and advocacy on rebuilding aid, holding to Australia's Paris Agreement promises and the End COVID For All campaign. 2021 saw a wonderful global collaboration between Renew Our World and The Justice Conference to bring together teaching and resources around these two themes that are so pressing in our world today.

Visit [tearfund.org.au/forallcreation](http://tearfund.org.au/forallcreation)



# Broadening engagement



Carrie Philpott from Tearfund's Church & Community Engagement Team addressed a forum on climate change at St Margaret's Anglican Church, Eltham in May 2021.

## Impact investing: driving positive change

Five years ago, Tearfund was challenged to think more broadly about how poverty, injustice and a changing climate could be addressed. We began a journey to learn how we might be able to support commercially viable enterprises intentionally established to drive positive social and environmental change. We began to explore how we could support the use of capital to create opportunities for people who face exploitation and injustice.

Our journey has led us to work with a number of our existing partners as they also expressed a desire to broaden their own approaches to reducing poverty, especially through the creation of economic opportunities and services for women. A few of our partners in South Asia are now carefully developing social enterprises that create employment and improve livelihoods, especially for those on the margins of society.

At the same time, we have joined in partnership with more established social enterprises such as Regenesys, a digital media editing business in the Philippines and their new initiative in Nepal. Regenesys delivers reliable and innovative services to clients while employing people from vulnerable populations such as those who have been exposed to exploitation, abuse, and trafficking. In May 2021, together with three other parties, we made our first impact investment into Regenesys.

Tearfund's engagement with enterprises tackling social and environmental challenges feels like it has only just begun. We have made mistakes and still have a lot to learn. However, in 20/21 we took a significant step forward with our first impact investment. Into the future, we will continue our exploration, joining with others across the globe using innovative approaches to addressing poverty and injustice.



Regenesys founder and CEO Sam Dharmapala (right) with Tearfund CEO Matthew Maury.



Lorna Henry, convener of Stonnington Community Uniting Church's Useful Gifts Shop.

## Useful Gifts: a practical way to make a difference

Individuals and small groups of people around Australia have been running Useful Gifts shops in churches, schools, Bible study groups and other places for more than 25 years. Useful Gifts shop operators continued to fundraise for Tearfund's international partners over the past year.

"We have been running the Useful Gifts shop at this church for 18 years now," says Lorna Henry, convener of Stonnington Community Uniting Church's Useful Gifts Shop. "The Christmas tree in the church in the Sundays leading up to Christmas gradually acquires more and more little multi-coloured paper 'tears', as more and more gifts are bought and donations are made. On Christmas Day it is full of 'tears' and sparkles with little lights. I want to thank everyone at Tearfund for making the Useful Gifts shop system such a pleasure to run. We are delighted to be able to help with your wonderful work."

**To find out how you can get involved, please contact the Tearfund office or visit [usefulgifts.org](https://usefulgifts.org)**

## Partnering with churches

COVID-19 has significantly impacted our work, with some challenges and some unexpected benefits. Online meetings, leadership coaching and events (such as our climate change webinar in June) are now standard practice and are convenient and accessible. They are also recordable, which means they can be accessed more readily.

Some local Action Groups haven't been able to meet in person but many have found creative ways to engage in letter-writing and MP visits, joining and sharing Tearfund's For All Creation campaign, organising prayer vigils and facilitating Seasons of Creation church services across Australia, highlighting the impact of climate change on the world's poor. For example, the Blue Mountains Christians Together for Climate group had planned a local face-to-face event with climate justice advocate Byron Smith in July. However, an enforced lockdown meant the group nimbly shifted their event from an in-person meeting to an online forum. The subsequent Zoom gathering drew more than 150-people from the local community and across Australia. In states where lockdowns have been limited, groups have cherished the opportunity to meet, act and engage. Queensland Tearfund supporters continue to meet, with three new pilot groups formed in the greater Brisbane area.

Tearfund's For All Creation Leadership Cohort has seen 18 grassroots leaders in six states, plus a friend of Tearfund in Uganda, receive monthly online training and coaching sessions around community organising, to establish new Action Groups (or input into existing justice groups) within their faith communities.

We have spoken at various churches about the work of Tearfund this year, an example being a keynote speaker engagement at St Margaret's Anglican Church in Eltham, Victoria, at a community climate justice forum.

**Visit [tearfund.org.au/together-for-climate](https://tearfund.org.au/together-for-climate)**



## Reset faith resources

As part of Tearfund's Reset campaign, we created Reset Faith: Perspectives + Practice. In the Perspectives e-book, leading Christian voices share their perspectives on these unprecedented times and how we might reset for a better normal. The Practice cards (pictured above) were designed to be used as part of a seven-week series of prayer, art and spiritual practices to help supporters reset for a better normal during the season of Lent.



# Climate justice and its impact on poverty

Mangilal and Sewa Bai and their four children live in a part of northern India where the impacts of climate change are being felt. Tearfund's partner EFICOR is training local people in ways of farming that better suit the conditions there. Photo: Lambard Regulus, EFICOR

## For All Creation – part of Tearfund's Jubilee campaign

For All Creation, Tearfund's latest campaign, seeks to respond to two of the crises of our day – COVID-19 and climate change. Supporters are invited to sign the Call For All Creation petition to urge Australia's leaders to stand with our most vulnerable neighbours to end and recover from the pandemic; reset the path to end poverty; and build a sustainable future for all creation. The campaign toolkit contains resources to help supporters to learn more and engage others in prayer and action For All Creation. The campaign has also mobilised Christians to take action by providing resources and webinars on how to have helpful conversations about climate change, and the launch of the For All Creation Leadership Cohort, a year-long learning and action community to empower grassroots leaders with the skills they need to lead climate justice action within their faith community. **Visit [tearfund.org.au/forallcreation](https://tearfund.org.au/forallcreation)**



Townsville Tearfund Group visiting MP Philip Thompson in July 2021.

## Christians Together for Climate – Tearfund-led lobbying

Christians Together for Climate is a national advocacy campaign led by Tearfund Australia in partnership with Common Grace. Launched in May 2020, it aims to build a movement of everyday Australian Christians who will advocate for Australia to play a bigger role in the global effort to combat climate change. Supporters can join, or lead, a group of Christians in their local electorate or state Senate seat to engage their local federal parliamentarian on issues of climate justice and call for urgent action. There are currently 29 leaders building groups in 26 strategic, priority electorates across Australia.

# Tearfund family partnership



## We are Tearfund

In October 2020, we changed our name from TEAR Australia back to Tearfund. The name change (back to our original name) is a reflection of our continued close collaboration with the wider Tearfund family in the UK, US, Canada, Netherlands, Belgium, Germany, France, New Zealand and Ireland. As a family of evangelical relief and development organisations who share a history, ethos and ways of working, changing our name is an outward expression of being part of this family.

In April, the Tearfund Family approved a set of Global Standards to help drive best practice across the work of all Tearfund agencies and to help make compliance requirements more streamlined with the hope to reduce cost and complexity for Tearfund local partners.

We are excited by the opportunity to work more closely as the body of Christ to increase our impact on global justice issues, reduce compliance loads for our partners in the field and reduce costs, enabling more of every dollar donated to reach the people our projects serve. COVID-19 has been yet another reminder that global challenges require global solutions as followers of Jesus who are committed to building a more just and compassionate world.

This October, Tearfund staff will gather as a global Tearfund family for worship and prayer. This is one of a few global initiatives that continue to help us connect as a family of agencies, including the monthly Tearfund family prayer diary which is distributed to all staff.

## The Justice Conference (TJC)

This truly global gathering in May harnessed technology to bring together speakers and participants from dozens of countries over a 24-hour period to worship, pray, learn and listen to one another. In the COVID era, digital communication ended up being an opportunity for members of the global Tearfund family to collaborate with each other and with other TJC partners.

The numbers help to tell the story of this dynamic conference:

- Six main sessions hosted from Hong Kong, London and Australia, as well as 28 breakout sessions hosted by the 10 TJC hosting countries
- 112 contributors from 23 countries, with an equal split of female and male speakers
- 2266 participants from across the world, with 34 countries represented
- Simultaneous translation of presentations from English to Cantonese, and some sessions presented in Cantonese, Bahasa Indonesia, Spanish, Portuguese, Quichua, Maori with English subtitles
- Equal numbers of majority and minority world countries represented

One participant said: "I loved hearing from people from such a diversity of backgrounds. I especially enjoyed the panels where people from all over the world were able to share experiences and insight about pursuing justice."

Tearfund's involvement in The Justice Conference (TJC) is an important expression of our discipleship mandate.



Minella van Bergeijk, CEO of Tearfund Netherlands, Brooke Prentis, CEO of Common Grace and Grace Ji-Sun Kim, Professor of Theology at Earlham School of Religion present a breakout session on the Gender Equality Gap at TJC. The conference had contributors from 23 countries, and an equal split of female and male speakers.

# Staff Leadership Team & Board Members

## Staff Leadership Team

**Matthew Maury**, Chief Executive Officer  
**Kate Edmeades**, Digital Services Director  
**Paul Flavel**, Australian Program Director  
**Stephen Gunaratnam**, Financial Operations & Supporter Services 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: Governance/Membership Committee management liaison

Number of meetings attended: 5/5

*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 a Vice-Chair of the ACFID Board, Chair of the Emergency Action Alliance and a Board member of the Integral Alliance.*



**Joanna Watts**  
BA (Hons), PG Cert (Higher Education Administration)

Appointed: November 2015

Responsibilities: Deputy Chair; Governance & Membership Committee Chair

Number of meetings attended: 5/5

*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; Assurance Committee member

Number of meetings attended: 5/5

*Peter is a Chemical Engineer with governance, management and project expertise in technology development, additive manufacturing, 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: Program Committee member

Number of meetings attended: 5/5

*Steve is the Director of Master of Transformational Development at Eastern College in Victoria. Prior to this he served as minister of the John Flynn Memorial Uniting Church and as the chair of Indigenous Theological Education in Central Australia (ITECA). He is founding Director of the Alice Springs Meeting Place Foundation Ltd. A former Tearfund Australia staff member, Steve's experience and research interests include Aboriginal Christianity and desert spirituality.*



### Hannah Kallady

BA, M Jnl

Appointed: November 2018

Responsibilities: Governance & Membership Committee member

Number of meetings attended: 5/5

*Hannah is a Senior Strategy Advisor 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.*



### Graham Hall

B. Bus, CPA, GAICD

Appointed: May 2017

Responsibilities: Assurance Committee Chair; Impact Investment Member

Number of meetings attended: 3/3

*Graham was the Corporate Services General Manager at a "for purpose" aged care organisation for many years. 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.*



### Peter Lochore

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

Appointed: November 2018

Responsibilities: Governance & Membership Committee member

Number of meetings attended: 5/5

*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.*



### Joanna Lee

BSc (Hons I), BA (Geography and Economics), MSocSc(IntlDev)

Appointed: November 2017

Responsibilities: Program Committee Chair

Number of meetings attended: 5/5

*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.*



### Doug Crocket

B E (Electrical)

Appointed: November 2019

Responsibilities: Impact Investment Chair; Assurance 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.*



### Sarah Mateljan

Bachelor of Laws (Merit Honours)/  
Bachelor of Psychology

Appointed: November 2020

Responsibilities: Program Committee member

Number of meetings attended: 3/3

*Sarah is the co-founder and CEO of two tech start-ups. She has been involved with Tearfund since 2009 having been a fieldworker with one of Tearfund's partners in Afghanistan and has also served on the Tearfund WA Committee. Sarah was admitted to practice law in 2009 and still holds a practicing certificate for the purposes of providing pro bono legal advice.*

## Associate Board Members



### Joshua Glover

BA, Dip. Theol

Appointed: August 2020

Responsibilities: Assurance Committee

Number of meetings attended: 5/5

*Josh is a facilitator at The Man Cave, a preventative mental health and emotional intelligence building organisation for men. He is also a resident and worker at the Indigenous Hospitality House in Victoria. Josh has an academic background in community development, public policy and theology, and has experience working and volunteering in these areas in Australia, Nepal and East Timor.*



### Lauren Espedido

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

Appointed: May 2019

Responsibilities: Governance/Membership Committee

Number of meetings attended: 4/4

*Lauren is completing a Ministry Traineeship with part-time theological study. Prior to this, she worked in Corporate Audit at a Big4 accounting firm before working as a consultant in the not-for-profit sector in areas of community governance and financial management.*

## Outgoing Board Member

Dr Barbara Deutschmann

# Audit Declaration



Tearfund Australia & Controlled Entity  
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 2021, 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 Tearfund Australia & Controlled Entity for the year ended 30 June 2021.

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 30 September 2021.

##### 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



Jeffrey Tulk  
Partner

Blackburn  
Dated: 30 September 2021

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



The Board of Tearfund Australia & Controlled Entity declare 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 2021 financial report.

In respect to the 30 June 2021 financial report of Tearfund Australia & Controlled Entity, the Board declares that:

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

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

The financial report statements give a true and fair view of the financial position as at 30 June 2021 and performance of the Company for the year then ended; and in the Board's opinion, there are reasonable grounds to believe that Tearfund Australia & Controlled Entity is 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 15 September 2021.



Peter Snowsill  
Chair



Joanna Watts  
Deputy Chair

# Finance Report



Planning Tearfund's operations during FY 2021 had its complexities amidst the uncertainty caused by COVID-19. Our budgeting became more agile than ever to respond to the constantly changing environment. We are truly thankful for the faithful and generous provision of our supporters which allowed us to increase international and domestic projects during this critical time. Our EOFY Appeal was much better than expected resulting in a \$0.76 million surplus which has been committed to development projects in the coming year.

## Income:

Despite the strong end to the year, total donations were down 11 per cent, mainly due to large one-off donations that were received in the previous year. However there were positive signs to note within some of the donation streams. The Gift Catalogue contributed slightly more than the previous year which reversed a historical trend of a decline in that channel of giving. Regular giving was up by 4 per cent which is a great result given the uncertainties supporters faced last year. As mentioned, our EOFY Appeal was much better than expected, falling just short of the 2020 year and well above 2019.

Other income was boosted in the current year by a JobKeeper grant which allowed for confidence to sustain operations through a very uncertain economic climate. This offset most of the reduction seen in total donations as mentioned above.

Bequests and Legacies income by its nature fluctuates year on year and was down 58 per cent on the previous year. However the \$0.32 million we did receive provided a well needed boost for our operations.

Our grant from the Department of Foreign Affairs and Trade (DFAT) reduced by 3 per cent to \$4.04 million. Tearfund expected this reduction reflecting a reduced share of the DFAT grant income pool, driven by the size and number of participating agencies.

Investment income amounted to \$0.73 million which was well up on last year, reflecting a bounce back of equity markets after the downturn last year when COVID arrived. Tearfund's ethical investment portfolio has proven to provide sustainable long term positive results. It is worth noting that Tearfund placed its first direct impact investment into a social enterprise in the Philippines this year. We expect this to bring a steady financial return along with social outcomes aligned with our mission and values.

## Expenses:

Our agile budgeting approach set by the Tearfund Board allowed for the release of any additional funding each quarter to meet Tearfund's objectives.

This resulted in an increase to international and domestic program expenditure of 6 per cent (over \$0.5 million) when compared to the previous year, or an increase of \$1.8 million compared to the original FY 2021 budget. This further enabled partners to respond to the growing challenges faced in their communities.

Total internal domestic costs (program support costs, community education, fundraising, accountability and administration) fell by 3 per cent mainly due to COVID-19's impact on travel and events. This also reflected Tearfund's commitment to maintaining low overhead costs where possible.

All of this wraps up a year where it can safely be said that expectations were exceeded!

We are very grateful for the resources we have been entrusted with to continue Tearfund's mission.

A handwritten signature in black ink, appearing to read 'S.A. Gunaratnam'. The signature is fluid and cursive, with a long horizontal stroke at the end.

**Stephen Gunaratnam**

*Financial Operations and Supporter Services Director*

# Tearfund summary financial statements

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.

## 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.

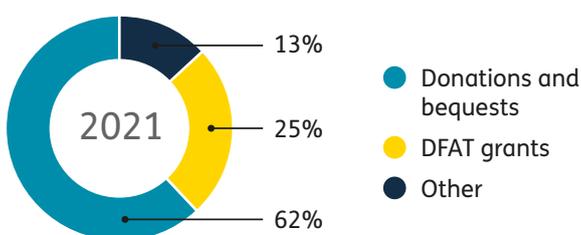
## Fundraising Costs

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

## Accountability and Administration

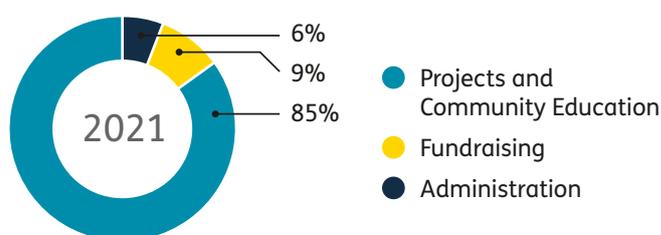
Expenses supporting the board, executive, finance, administration, people and culture, ITC, and customer service functions.

## Source of Income



Percentages of total income for the financial year.

## Disbursements



Percentages of total expenditure for the financial year.

The percentage for Projects and Community Education under Disbursements includes the Funds to International Programs (61%), Program Support Costs (9%), Domestic Program Expenditure (2%) and Community Education (13%).

# Statement of Financial Position

As at 30 June 2021

	2021	2020
<b>ASSETS</b>	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	2,930,202	2,525,541
Trade and other receivables	101,945	262,965
Other assets	34,959	33,900
<b>TOTAL CURRENT ASSETS</b>	<b>3,067,106</b>	<b>2,822,406</b>
<b>Non-Current Assets</b>		
Financial assets	6,880,354	6,535,286
Property, plant and equipment	4,806,472	4,839,303
Intangible assets	219,602	248,770
<b>TOTAL NON-CURRENT ASSETS</b>	<b>11,906,428</b>	<b>11,623,359</b>
<b>TOTAL ASSETS</b>	<b>14,973,534</b>	<b>14,445,765</b>
<b>LIABILITIES</b>	<b>\$</b>	<b>\$</b>
<b>Current Liabilities</b>		
Trade and other payables	198,141	151,002
Provisions	811,871	743,594
Other current liabilities	559,333	519,530
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,569,345</b>	<b>1,414,126</b>
<b>Non-Current Liabilities</b>		
Provisions	42,712	76,030
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>42,712</b>	<b>76,030</b>
<b>TOTAL LIABILITIES</b>	<b>1,612,057</b>	<b>1,490,156</b>
<b>NET ASSETS</b>	<b>13,361,477</b>	<b>12,955,609</b>
<b>EQUITY</b>	<b>\$</b>	<b>\$</b>
Property revaluation reserve	2,750,599	2,750,599
Fixed assets and intangibles reserve	2,275,476	2,337,474
Foreign currency reserve	(423,170)	(71,575)
Designated funds reserve	50,076	205,301
Gifts in Wills reserve	174,637	261,956
Risk Mitigation reserve	2,700,000	2,700,000
Committed funds reserve	5,833,859	4,771,854
Retained surplus	-	-
<b>TOTAL EQUITY</b>	<b>13,361,477</b>	<b>12,955,609</b>

See the summary on page 20 for an explanation of the account categories.

# Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 30 June 2021

	2021	2020
<b>REVENUE</b>	<b>\$</b>	<b>\$</b>
Donations and gifts		
Monetary	9,443,394	10,563,196
Non-monetary	131,190	115,048
Bequests and legacies	323,158	761,956
Grants		
Department of Foreign Affairs & Trade	4,042,038	4,160,756
Other overseas	90,000	30,000
Investment income	732,083	38,393
Other income	1,258,463	507,017
<b>TOTAL REVENUE</b>	<b>16,020,326</b>	<b>16,176,366</b>
<b>EXPENDITURE</b>	<b>\$</b>	<b>\$</b>
<b>International Aid and Development Program Expenditure</b>		
Funds to international programs	9,260,018	8,856,493
Program support costs	1,382,959	1,425,958
Domestic program expenditure	302,045	192,962
Community education	1,892,109	2,009,916
<b>Total Aid and Development Program Expenditure</b>	<b>12,837,131</b>	<b>12,485,329</b>
Fundraising costs		
Public	1,355,081	1,356,909
Government, multilateral and private	18,363	18,525
Accountability and administration	921,098	950,288
Non-monetary expenditure	131,190	115,048
<b>TOTAL EXPENDITURE</b>	<b>15,262,863</b>	<b>14,926,099</b>
<b>EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	<b>757,463</b>	<b>1,250,267</b>
<b>Other Comprehensive Income</b>	<b>(351,595)</b>	<b>1,413,939</b>
<b>Total Comprehensive Income for the Year</b>	<b>405,868</b>	<b>2,664,206</b>

No individual project received greater than 10% of the international aid and development revenue earned during the financial year. See the summary on page 20 for an explanation of the account categories.

# Statement of Changes in Equity

For the year ended 30 June 2021

	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 \$
<b>Balance at 30 June 2020</b>	-	2,750,599	2,337,474	(71,575)	205,301	4,771,854	261,956	2,700,000	12,955,609
<b>Comprehensive Income:</b>									
Surplus (deficit)	757,463	-		-	-	-	-	-	757,463
<b>Other Comprehensive Income for the Year:</b>									
Net unrealised gains/ (losses) on foreign exchange contracts	-	-		(351,595)	-	-	-	-	(351,595)
<b>Total Comprehensive Income for the Year</b>	<b>757,463</b>	<b>2,750,599</b>	<b>2,337,474</b>	<b>(423,170)</b>	<b>205,301</b>	<b>4,771,854</b>	<b>261,956</b>	<b>2,700,000</b>	<b>13,361,477</b>
Transfers to and from reserves	(757,463)	-	(61,998)	-	(155,225)	1,062,005	(87,319)	-	-
<b>BALANCE AT 30 JUNE 2021</b>	<b>-</b>	<b>2,750,599</b>	<b>2,275,476</b>	<b>(423,170)</b>	<b>50,076</b>	<b>5,833,859</b>	<b>174,637</b>	<b>2,700,000</b>	<b>13,361,477</b>

# Memberships, Accountability & Accreditations



Tearfund Australia is accredited by the Australian Department of Foreign Affairs and Trade (DFAT), responsible for managing Australia's development program. To maintain accreditation, Tearfund Australia's systems, policies and processes are rigorously reviewed by the Australian Government. Tearfund receives support through the Australian NGO Cooperation Program (ANCP). We thank DFAT for its continued support of Tearfund's work. See: [dfat.gov.au](http://dfat.gov.au)

## Integral:

Tearfund is a member of the Integral Alliance, which is made up of 21 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 85 countries, both implementing directly and working through over 580 local partners. Since 2012, there have been 39 joint responses addressing mass displacement and conflict, typhoons, flooding, earthquakes, food securities and health emergencies. See: [integralalliance.org](http://integralalliance.org)



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](mailto:code@acfid.asn.au). For further details, see: [acfid.asn.au/content/complaints](http://acfid.asn.au/content/complaints)



Tearfund is a signatory to the Charter4Change and has committed to maximise humanitarian funding directed to local or national NGOs. Of the total \$2,041,932 sent to partners for humanitarian and COVID related responses, \$1,206,783 or 59% was sent directly to local partner organisations.



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](http://cmasc.net.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](mailto:feedback@tearfund.org.au) or phone (03) 9264 7000 or via [tearfund.org.au/feedback](http://tearfund.org.au/feedback)



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. In 2021 Tearfund was awarded verification against the Core Humanitarian Standard through a formal self-assessment process. See: [chsalliance.org](http://chsalliance.org)

### 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 take 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](http://australianaid.org)



Tearfund is proud to be part of the Emergency Action Alliance, a coalition of Australia-based charities able to rapidly assist when disaster strikes overseas. Launched in 2021, the alliance brings together 16 Australian charities who will unite in their campaign and fundraising efforts to improve how Australians can support and donate when large scale overseas humanitarian disasters take place. See: [emergencyaction.org.au](http://emergencyaction.org.au)



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](http://micahaustralia.org)



Tearfund Australia is a founding member of Micah Global, a community of over 850 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](http://micahglobal.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. See: [renewourworld.org.au](http://renewourworld.org.au)



Tearfund is a member of the EA (originally Evangelical Alliance) Foundation, which is affiliated with the World Evangelical Alliance, an international body representing more than 600 million Christians in 143 countries. Other members of the family are Ethos - EA Centre for Christianity & Society, EA Insurance, Missions Interlink, Christian Ministry Advancement Ltd and Stewards Insurance Services. See: [ea.org.au](http://ea.org.au)



Tearfund is an organisational member of the Fundraising Institute Australia (FIA). FIA provides sector standards and guidance including professional development to achieve ethical best-practice fundraising. Through this membership, Tearfund can access the latest information on regulatory issues, and has the opportunity to influence and work with the peak fundraising body on issues that impact our sector. Tearfund complies with the FIA Code, a set of ethical best practice guidelines to ensure transparency and accountability for professional fundraising. See: [fia.org.au](http://fia.org.au)

#### 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.

#### Publication details:

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#### National Office:

TEAR Australia trading as Tearfund Australia  
ABN 85 085 413 832  
PO Box 164  
Blackburn Victoria 3130  
1/4 Solwood Lane  
Blackburn Victoria 3130  
Toll Free: 1800 244 986  
T: (03) 9264 7000  
E: [info@tearfund.org.au](mailto:info@tearfund.org.au)  
W: [tearfund.org.au](http://tearfund.org.au)

#### State Offices:

**NSW and ACT**  
Level 9  
46-56 Kippax St  
Surry Hills 2010  
T: (03) 9264 7000  
E: [nsw@tearfund.org.au](mailto:nsw@tearfund.org.au)

**QLD**  
Hope Central, Level 2  
126 Barry Parade  
Fortitude Valley 4006  
T: (03) 9264 7000  
E: [qld@tearfund.org.au](mailto:qld@tearfund.org.au)

**WA**  
315 Bagot Rd  
Subiaco 6008  
T: (08) 6262 2823  
E: [wa@tearfund.org.au](mailto:wa@tearfund.org.au)

**SA**  
111 Franklin St  
Adelaide 5000  
T: (08) 7078 2104  
E: [sa@tearfund.org.au](mailto:sa@tearfund.org.au)

**VIC**  
1/4 Solwood Lane  
Blackburn 3130  
T: (03) 9264 7000  
E: [vic@tearfund.org.au](mailto:vic@tearfund.org.au)

**NT**  
E: [nt@tearfund.org.au](mailto:nt@tearfund.org.au)

**TAS**  
E: [tas@tearfund.org.au](mailto:tas@tearfund.org.au)



## The sound of Jubilee

By Joel Mckerrow

1971 and it all began with \$10, thrown silent onto a table, a challenge, a commitment, put your money where your mouth is, and this small group of Christians decided to do just that.

Silence turns to an Amen, let it be so... and so... it all began.

From little things the big things would grow, as we learnt how to listen...

What does Jubilee sound like?

The muttered prayer of a people gathering and holding up the nations before the God of Justice. Can't you see, God on high, take off the blindfold, we may have lost our sight, but our prayer is that you would see, lean in and listen and give us the courage to do the same. Listen to this lament. Listen to this Lament.

What does Jubilee sound like?

Well, the church comes together, it's just another Sunday night and I'm eighteen years of age and Jesus is my best friend and the one that I say that I follow, but this night, I am shook to the core. I cannot even remember the name of the man standing on the stage, I don't think he would care that I can't, he was just another Tearfund person calling us to open our eyes. Just another like all the thousands of others that have stood up for fifty years before Sunday gatherings, holding up reality and telling us to look again. This prophetic declaration that broke me open and made me question and made me... listen...

What does Jubilee sound like?

When creation is groaning. It's been breaking apart. The structures of a society bent on progress more than flourishing. A climate that we can't turn back. But we can and must make a track forward, a path not just for the west, but FOR ALL CREATION. For him who has ears to hear... listen to her groan... listen...

What does Jubilee sound like?

When Tearfund Australia shakes hands with EFICOR, 50 years ago, they are both starting out and they agree to work side by side, supporting each other, listening to each other. And it's fifty years of literacy and community and youth programs and training and gardening and conservation farming and clean drinking and toilets made for those who once had to go outside. And it's Australian after Australian being welcomed in, an immersion into life in India. We truly learn from each other. There is no white person saviour having it all together who tells them how to do things. We sit and we listen...

What does Jubilee sound like?

It's a bore hole with a solar powered pump. Crops growing in the wet and dry season. Small loans that turn into business. It's an income made when there has not been enough even for bread and butter. It's women feeling safe. It's a sturdy bucket with a lid to keep water clean. It's Cambodian communities no longer resorting to violence. It's mentoring and coaching. Students in school who want to become teachers themselves. Healthy nutrition in Arnhem Land. Resilience in Mozambique. Flourishing families in Papua. It's rejoicing...can't you hear it? I'm rejoicing in Bangladesh. In Nepal and India, in Zimbabwe and Afghanistan, Cambodia and Sudan, Rejoice to the sound of Jubilee. Fifty years to realise it's us who need to be set free. Fifty years to learn how to listen... listen...

What does Jubilee sound like? Just... listen.

*Joel Mckerrow is Tearfund's Artistic Ambassador.*

## Thank you

to all our supporters. Together, we work towards a more just and compassionate world, in which all people are able to achieve their God-given potential.

[tearfund.org.au](http://tearfund.org.au)  
[usefulgifts.org](http://usefulgifts.org)



**tearfund**

Working in partnership to end poverty



# **Tearfund Australia & Controlled Entity**

ABN 85 085 413 832

## **Financial Statements**

For the Financial Year Ended 30 June 2021

# Tearfund Australia & Controlled Entity

For the Financial Year Ended 30 June 2021

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# Tearfund Australia & Controlled Entity

## Directors' Report

For the Financial Year Ended 30 June 2021

The Directors submit the financial report of Tearfund Australia & Controlled Entity (the Group) for the financial year ended 30 June 2021.

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

Barbara Deutschmann

Term finished Nov 2020

Graham Hall

Hannah Kallady

Joanna Lee

Peter Lochore

Sarah Mateljan

Commenced Nov 2020

Matthew Maury (CEO)

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 Group during the financial year were responding to poverty and injustice around the world.

### Short-term and Long-term objectives

The Group'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 Group'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 Group 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 Group 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 Tearfund Australia's work;
- Number of Tearfund Groups active across Australia.

# Tearfund Australia & Controlled Entity

## Information on Directors

Stephen Bevis	Qualifications	BA, PhD
	Experience	Board Member since November 2018. Director of Master of Transformational Development at Eastern College in Victoria. Previously, Minister of John Flynn Memorial Uniting Church in Alice Springs.
	Special Responsibilities	Program Committee member
Douglas Crocket	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	Impact Investment Committee Chair, Assurance Committee member
Barbara Deutschmann	<i>(term concluded Nov 2020)</i>	
	Qualifications	BA, DipEd, PhD
	Experience	Board Member since November 2016. Holds a PhD in Theology with a special interest in gender and Hebrew Bible. Formerly worked with Tearfund Australia in its International and First Peoples programs.
	Special Responsibilities	Program Committee Chair
Graham Hall	Qualifications	B. Bus, CPA, GAICD
	Experience	Board Member since May 2017. Non-Executive Director of aged care organisation. Previously General Manager, Corporate Strategy for an aged care organisation and Chief Financial Officer of an aged care organisation and a listed financial services organisation
	Special Responsibilities	Assurance Committee Chair, Impact Investment Committee Member
Hannah Kallady	Qualifications	BA, M Jnl
	Experience	Board Member since November 2018. Senior Strategist at ntegrity, a leading digital strategy agency. Previous roles included Coordinating Editor for an online magazine.
	Special Responsibilities	Governance Committee member, Membership 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 Tearfund Associate Fieldworker.
	Special Responsibilities	Program Committee Chair
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	Governance Committee member, Membership Committee member
Sarah Mateljan	<i>(term commenced Nov 2020)</i>	
	Qualifications	Bachelor of Laws (Merit Honours), Bachelor of Psychology
	Experience	Board Member since November 2020. Co-founder and CEO of two tech start-ups and previous Tearfund Fieldworker in Afghanistan.
	Special Responsibilities	Program Committee Member
Matthew Maury	Qualifications	BA (Hons), MBA (Dev Studies), GAICD
	Experience	Board Member since 2009. Tearfund 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 and Membership Committees

## Tearfund Australia & Controlled Entity

### 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, Assurance 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, Membership Committee Chair

### Meetings of Directors

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

Name	Number attended	Number eligible to attended
Stephen Bevis	5	5
Douglas Crocket	5	5
Barbara Deutschmann	2	2
Graham Hall	3	3
Hannah Kallady	5	5
Joanna Lee	5	5
Peter Lochore	5	5
Sarah Mateljan	3	3
Matthew Maury	5	5
Peter Snowsill (Chair)	5	5
Joanna Watts (Deputy Chair)	5	5

### 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 2021 the total amount that members of the Company are liable to contribute if the company is wound up is \$126 (2020:\$126).

### Auditors Independence Declaration

The auditors independence declaration for the year ended 30 June 2021 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:

DocuSigned by:

*Peter Snowsill*

Board member: 46A2F337D70F484.....

Peter Snowsill (Chair)

DocuSigned by:

*Joanna Watts*

Board member: FB9FEB29DABE469.....

Joanna Watts (Deputy Chair)

Dated: 9/30/2021

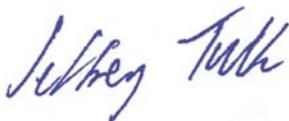
## Tearfund Australia & Controlled Entity

### Auditor's Independence Declaration under Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Tearfund Australia & Controlled Entity

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2021, 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: 30 September 2021

Blackburn, VIC

# Tearfund Australia & Controlled Entity

## Statement of Income and Expenditure and Other Comprehensive Income

For the Financial Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>REVENUE</b>		
<b>Operating Activities</b>		
Donations and Gifts		
Monetary	9,443,394	10,563,196
Non monetary	16 131,190	115,048
Bequests and legacies	323,158	761,956
Other overseas grants	90,000	30,000
DFAT Grants	4,042,038	4,160,756
Other income	4 1,258,463	507,017
<b>Non-operating Activities</b>		
Investment income	732,083	38,393
<b>Total Revenue</b>	<b>16,020,326</b>	<b>16,176,366</b>
<b>EXPENSES</b>		
Funds to international programs	(9,260,018)	(8,856,493)
Domestic programs expenditure	(302,045)	(192,962)
Program support costs	(1,382,959)	(1,425,958)
Community education	(1,892,109)	(2,009,916)
Fundraising costs		
Public	(1,355,081)	(1,356,909)
Government	(18,363)	(18,525)
Accountability and administration	(921,098)	(950,288)
Non-monetary expenditure	16 (131,190)	(115,048)
<b>Total expenses</b>	<b>(15,262,863)</b>	<b>(14,926,099)</b>
<b>Surplus/(deficit) for the year</b>	<b>757,463</b>	<b>1,250,267</b>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
- Net Gains/(losses) on Revaluation of Property, Plant and Equipment	-	1,906,276
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b>		
- Net Movements in Unrealised Gain/(Loss) on Foreign Exchange Contracts	(351,595)	(492,337)
<b>Other comprehensive income</b>	<b>(351,595)</b>	<b>1,413,939</b>
<b>Total comprehensive income for the year</b>	<b>405,868</b>	<b>2,664,206</b>

The accompanying notes form part of these financial statements.

# Tearfund Australia & Controlled Entity

## Statement of Financial Position

For the Financial Year Ended 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,930,202	2,525,541
Trade and other receivables	6	101,945	262,965
Other assets	10	34,959	33,900
<b>Total current assets</b>		<b>3,067,106</b>	<b>2,822,406</b>
<b>Non-current assets</b>			
Financial assets	7	6,880,354	6,535,286
Property, plant and equipment	8	4,806,472	4,839,303
Intangible assets	9	219,602	248,770
<b>Total non-current assets</b>		<b>11,906,428</b>	<b>11,623,359</b>
<b>TOTAL ASSETS</b>		<b>14,973,534</b>	<b>14,445,765</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	198,141	151,002
Short-term provisions	13	811,871	743,594
Other current liabilities	14	559,333	519,530
<b>Total current liabilities</b>		<b>1,569,345</b>	<b>1,414,126</b>
<b>Non-current liabilities</b>			
Other long-term provisions	13	42,712	76,030
<b>Total non-current liabilities</b>		<b>42,712</b>	<b>76,030</b>
<b>TOTAL LIABILITIES</b>		<b>1,612,057</b>	<b>1,490,156</b>
<b>NET ASSETS</b>		<b>13,361,477</b>	<b>12,955,609</b>

The accompanying notes form part of these financial statements.

# Tearfund Australia & Controlled Entity

## Statement of Financial Position

For the Financial Year Ended 30 June 2021

	Note	2021 \$	2020 \$
<b>EQUITY</b>			
Property revaluation reserve	15	2,750,599	2,750,599
Fixed Assets and Intangibles Reserve	15	2,275,476	2,337,474
Foreign currency reserve	15	(423,170)	(71,575)
Designated funds reserve	15	50,076	205,301
Gifts in Wills Reserve	15	174,637	261,956
Risk Mitigation Reserve	15	2,700,000	2,700,000
Committed funds reserve	15	5,833,859	4,771,854
Retained surpluses		-	-
<b>TOTAL EQUITY</b>		<b>13,361,477</b>	<b>12,955,609</b>

The accompanying notes form part of these financial statements.

# Tearfund Australia & Controlled Entity

## Statement of Changes in Equity

For the Financial Year Ended 30 June 2021

2021

	Property Revaluation Reserve \$	Fixed Assets and Intangible Reserve \$	Foreign Currency Reserve \$	Designated Funds Reserve \$	Gifts in Wills \$	Risk Mitigation Reserve \$	Committed Funds Reserve \$	Retained Surpluses \$	Total
Balance at 1 July 2020	2,750,599	2,337,474	(71,575)	205,301	261,956	2,700,000	4,771,854	-	12,955,609
<b>Comprehensive income</b>									
Surplus for the year	-	-	-	-	-	-	-	757,463	757,463
<b>Other comprehensive income for the year</b>									
Net unrealised gains on Foreign Exchange Contracts	-	-	(351,595)	-	-	-	-	-	(351,595)
<b>Total Comprehensive income for the year</b>	<b>2,750,599</b>	<b>2,337,474</b>	<b>(423,170)</b>	<b>205,301</b>	<b>261,956</b>	<b>2,700,000</b>	<b>4,771,854</b>	<b>757,463</b>	<b>13,361,477</b>
Transfers to and from reserves	-	(61,998)	-	(155,225)	(87,319)	-	1,062,005	(757,463)	-
<b>Balance at 30 June 2021</b>	<b>2,750,599</b>	<b>2,275,476</b>	<b>(423,170)</b>	<b>50,076</b>	<b>174,637</b>	<b>2,700,000</b>	<b>5,833,859</b>	<b>-</b>	<b>13,361,477</b>

The accompanying notes form part of these financial statements.

# Tearfund Australia & Controlled Entity

## Statement of Changes in Equity

For the Financial Year Ended 30 June 2021

2020

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

The accompanying notes form part of these financial statements.

# Tearfund Australia & Controlled Entity

## Statement of Cash Flows

For the Year Financial Ended 30 June 2021

	2021	2020
Note	\$	\$
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Donations received	9,443,394	10,563,196
Bequests and legacies received	323,158	761,956
Operating grants received	4,545,242	4,609,832
Other income received	1,422,380	485,071
Payments to suppliers and employees	(6,182,683)	(5,758,278)
Distribution to overseas and domestic project partners	(9,456,878)	(8,944,044)
Interest and dividends received	201,751	146,873
<b>Net cash provided by (used by) operating activities</b>	<b>296,364</b>	<b>1,864,606</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
(Payment)/proceeds for investments	176,402	(1,476,435)
Purchase of property, plant, equipment and intangibles	(68,105)	(122,043)
<b>Net cash provided by (used by) investing activities</b>	<b>108,297</b>	<b>(1,598,478)</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>	<b>404,661</b>	<b>266,128</b>
Cash and cash equivalents at beginning of year	2,525,541	2,259,413
<b>Cash and cash equivalents at end of financial year</b>	<b>2,930,202</b>	<b>2,525,541</b>
5		

The accompanying notes form part of these financial statements.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 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 Group 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 Group's functional currency.

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

#### (b) Basis for Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Controlled entities are all entities over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities from the entity.

Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriated adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

#### (c) Australian Council for International Development

The group 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](http://www.acfid.asn.au).

#### (d) Income Tax

No current or deferred income tax assets or liabilities have been raised by the Group as it is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. The Group is a registered charity under the Australian Charities and Not-for-profits Commission Act 2012.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (e) 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.

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.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (e) Property, Plant and Equipment

##### 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.

#### (f) Leases

At inception of a contract, the Group 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 Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;
- The Group 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 Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group 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 Group'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 Group'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 Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (g) 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 Group 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.

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 Group 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.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (g) Financial instruments

##### *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.

#### (h) 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%.

#### (i) Employee Benefits

##### **Short-term employee benefits**

Provision is made for the Group'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 Group 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 Group'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 Group's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Group 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.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (i) Employee Benefits

##### Defined contribution superannuation benefits

All employees of the Group receive defined contribution superannuation entitlements, for which the Group 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 Group'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 Group's Statement of Financial Position.

#### (j) 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.

#### (k) 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.

#### (l) Revenue and Other Income

When the Group 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 Group :

- 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 Group:

- 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.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (l) Revenue and Other Income

Revenue from Government grants is recognised on the basis that the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Each agreement is analysed to determine the revenue recognition in accordance with the five step model. Where revenue is recognised over time, recognition is based on directly related expenditure or hours incurred. Where performance obligations have not been met, remaining amounts will be recognised as unearned income.

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).

#### (m) Trade payables

Trade and other payables represent the liabilities for goods and services received by the Group 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.

#### (n) Foreign exchange gains/losses

The Group incurred gains and losses on foreign exchange through both the revaluation of foreign currencies held as assets at 30 June 2021 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 Group uses forward purchasing contracts to assist with planning overseas commitment levels and to insulate against currency fluctuations.

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

#### (o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

##### Key estimates

Valuation of freehold land and buildings

The freehold land and buildings were last independently valued at 30 June 2020 by Tearfund Australia. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$1,906,276 being recognised for the year ended 30 June 2020.

At 30 June 2021, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers in 2020 and do not believe there has been a significant change in the assumptions at 30 June 2021. The directors therefore believe the carrying amount of the land correctly reflects the fair value less costs of disposal at 30 June 2021.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (o) Critical Accounting Estimates and Judgements

##### *Useful lives of property, plant and equipment*

As described in Note 1(e), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

##### **Key judgements**

##### *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

##### *Lease term and Option to Extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

##### *Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 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	Former Chief Financial Officer
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
Stephen Gunaratnam	Financial Operations & Supporter Services Director

The total remuneration paid to key management personnel of the Group is \$ 941,037 (2020: \$ 883,606).

### 3 Surplus/(Deficit) from Ordinary Activities

	2021	2020
	\$	\$
Employee benefits expense	4,196,838	4,060,405
Depreciation and amortisation	130,106	113,712

### 4 Other Income

- Justice Conference income	99,592	186,444
- Other Government subsidies	1,099,600	232,591
- Other income	59,271	87,982
	<b>1,258,463</b>	<b>507,017</b>

### 5 Cash and Cash Equivalents

Cash on hand	4,244	5,101
Cash at bank	1,900,218	1,929,595
Cash holdings in investment portfolio	1,025,740	590,845
Total cash and cash equivalents	<b>2,930,202</b>	<b>2,525,541</b>

The Westpac Bank holds a registered mortgage 4 Solwood Lane, Blackburn, VIC 3130. This is linked to the overdraft facility of \$300,000 of which nil has been drawn down during the year and the balance at the end of the year is nil (2020: nil).

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 6 Trade and other receivables

	2021	2020
	\$	\$
<b>CURRENT</b>		
Interest and dividends	78,813	30,861
Other receivables	1,275	220,656
GST receivable	21,857	11,448
Total receivables	<u>101,945</u>	<u>262,965</u>

#### Credit risk

The Group 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)	2,070,925	1,319,134
- Other Investments	(a)	4,715,993	5,216,152

##### Financial assets at amortised cost

- Loans (Impact Investments)		93,436	-
Total non-current assets		<u>6,880,354</u>	<u>6,535,286</u>

(a) These investments are managed by an external financial advisor. Cash holdings in the investment portfolio amounting to \$1,025,740 are disclosed under cash and cash equivalents.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 8 Property, Plant and Equipment

	2021	2020
	\$	\$
Freehold land & building		
At independent valuation	4,800,000	4,800,000
Accumulated depreciation	(23,223)	(5,806)
<b>Total land and buildings</b>	<b>4,776,777</b>	<b>4,794,194</b>
Office furniture and equipment		
At cost	162,072	162,072
Accumulated depreciation	(162,072)	(156,451)
<b>Total office equipment</b>	<b>-</b>	<b>5,621</b>
Computer Equipment		
At cost	253,288	234,131
Accumulated depreciation	(223,593)	(194,643)
<b>Total computer equipment</b>	<b>29,695</b>	<b>39,488</b>
<b>Total property, plant and equipment</b>	<b>4,806,472</b>	<b>4,839,303</b>

#### 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
	\$	\$	\$	\$
<b>Carrying amount as at 1 July 2020</b>	<b>4,794,194</b>	<b>5,621</b>	<b>39,488</b>	<b>4,839,303</b>
Additions	-	-	19,158	19,158
Depreciation expense	(17,417)	(5,621)	(28,951)	(51,989)
<b>Carrying amount as at 30 June 2021</b>	<b>4,776,777</b>	<b>-</b>	<b>29,695</b>	<b>4,806,472</b>

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 9 Intangible Assets

	2021	2020
	\$	\$
<b>Justice Conference Rights</b>		
At cost	39,258	29,730
Accumulated amortisation and impairment	(19,865)	(8,259)
Total Justice Conference rights	<u>19,393</u>	<u>21,471</u>
<b>Computer Software</b>		
At cost	554,453	515,031
Accumulated amortisation	(354,244)	(287,732)
Total computer software	<u>200,209</u>	<u>227,299</u>
Total intangible assets	<u><u>219,602</u></u>	<u><u>248,770</u></u>

### Movements in carrying amounts of intangible assets

	Justice Conference Rights	Computer Software	Total
	\$	\$	\$
<b>Carrying amount as at 1 July 2020</b>	21,472	227,298	248,770
Additions	9,527	39,423	48,950
Amortisation	(11,606)	(66,512)	(78,118)
<b>Carrying amount at 30 June 2021</b>	<u><u>19,393</u></u>	<u><u>200,209</u></u>	<u><u>219,602</u></u>

### 10 Other Assets

CURRENT		
Prepayments	<u>34,959</u>	<u>33,900</u>
	<u><u>34,959</u></u>	<u><u>33,900</u></u>

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 11 Leases

#### Amounts recognised in the statement of profit and loss and other comprehensive income

Expenses related to leases for 12 months or less is considered short term, and expenses which are less than \$10,000 is considered low value.

	2021
	\$
Expenses relating to short term leases	21,736
Expenses relating to low value leases	5,472

### 12 Trade and other payables

	2021	2020
	\$	\$
CURRENT		
Trade and other payables	157,322	104,901
PAYG Payable	40,819	46,101
	<u>198,141</u>	<u>151,002</u>

### 13 Provisions

CURRENT		
Employee benefits	811,871	743,594
	<u>811,871</u>	<u>743,594</u>
NON-CURRENT		
Employee benefits	42,712	76,030
	<u>42,712</u>	<u>76,030</u>

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 14 Other Liabilities

	2021	2020
	\$	\$
CURRENT		
Unearned grant income	136,163	208,531
Unrealised foreign currency losses	423,170	71,575
Unearned government grant income	-	232,500
Other unearned income	-	6,924
	<u>559,333</u>	<u>519,530</u>

#### Unrealised foreign currency gains/losses

The Group forward purchases US dollars and at balance date has open contracts requiring revaluation at year end. In the 2021 financial year the Australian dollar strengthened which has led to unrealised losses on foreign currency contracts which have been recognised as a liability.

### 15 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.

#### Fixed Assets and Intangibles Reserve

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

#### Foreign Currency Reserve

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

#### Designated Funds Reserve

The Designated Funds Reserve includes donations received for specific projects that have not been expended as at 30 June 2021 amounting to \$50,076 (2020: \$205,301). These funds will be disbursed according to project budget timelines.

#### 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.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 15 Reserves

#### 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.

#### Committed Funds Reserve

Tearfund 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 \$5,833,859. Tearfund Australia also includes in this reserve planned and existing impact investments, therefore Tearfund Australia continues to rely on future donations from supporters to meet these commitments.

#### Retained Surpluses

For improved disclosure, Retained Surpluses are segregated into separate reserves. The balance of any retained equity is allocated to the Committed Funds Reserve and therefore the balance of Retained Surplus is nil.

### 16 Donated volunteer services

The Group 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 Group has appropriate systems to reliably measure donated services. During the year, the total volunteer services received were valued at \$131,190. Of this amount \$110,654 is classified as community education expenditure and \$20,536 as program support costs.

### 17 Financial Risk Management

The Group'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:

		2021	2020
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	5	2,930,202	2,525,540
Trade and other receivables (excluding GST receivable)	6	80,088	251,517
Financial assets at fair value through profit or loss	7	6,880,354	6,535,286
<b>Total financial assets</b>		<b>9,890,644</b>	<b>9,312,343</b>
<b>Financial Liabilities</b>			
Trade and other payables (excluding conference funds received in advance and unrealised foreign currency losses)	12, 14	334,304	383,503
<b>Total financial liabilities</b>		<b>334,304</b>	<b>383,503</b>

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 18 Fair Value Measurement

The Group 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 Group 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

	2021	2020
	\$	\$
<b>Financial Assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
- Australian and international equities	2,070,925	1,319,134
- Other investments	4,715,993	5,216,152
<b>Financial assets at amortised cost</b>		
- Loans (Impact Investments)	93,436	-
<b>Property Plant and Equipment</b>		
- Freehold Land and Building	4,776,777	4,794,194

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.

### 19 Interests in Subsidiaries

#### (a) Composition of the Group

	Percentage Owned (%)*	Percentage Owned (%)*
	2021	2020
<b>Subsidiaries:</b>		
ForTomorrow Pty Ltd	100	100

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 20 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 2021, however this outbreak has impacted the extent and nature of the activities undertaken by Tearfund Australia's partner organisations and may have an impact to the Group's future financial performance and position. The financial assets reported are based on the market value as at 30 June 2021. 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 Group to continue as a going concern.

### 21 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 Tearfund Australia was established.

### 22 Contingent Liabilities

In the opinion of the Directors, the Group had \$nil contingent liabilities at 30 June 2021 (30 June 2020: \$nil).

### 23 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 2021 the amount that members of the company are liable to contribute if the company is wound up is \$126 (2020: \$126).

# Tearfund Australia & Controlled Entity

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

### 24 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.

	2021	2020
	\$	\$
Gross revenue from public activities	9,766,552	11,325,152
Non monetary donations and gifts	131,190	115,048
Less: public fundraising costs	<u>(1,382,959)</u>	<u>(1,356,909)</u>
<b>Net Public Funds</b>	<b>8,514,783</b>	<b>10,083,291</b>
Government grants	4,132,038	4,160,756
Less government fundraising costs	<u>(18,363)</u>	<u>(18,525)</u>
Net government grants	4,113,675	4,142,231
Other revenue	<u>1,990,546</u>	<u>575,410</u>
<b>Net funds raised</b>	<b>14,619,004</b>	<b>14,800,932</b>
Overseas project disbursements	9,260,018	8,856,493
Domestic project disbursements	302,045	192,962
Program support costs	1,355,081	1,425,958
Community Education costs	1,892,109	2,009,916
Non monetary expenditure	<u>131,190</u>	<u>115,048</u>
<b>Total funds distributed towards the objectives of the Group</b>	<b>12,940,443</b>	<b>12,600,377</b>
<b>Subtotal</b>	<b>1,678,561</b>	<b>2,200,555</b>
Accountability and administration expenses	<u>921,098</u>	<u>950,288</u>
<b>Surplus / (deficit) for the year</b>	<b>757,463</b>	<b>1,250,267</b>

#### Percentages

	%	%
Total cost of public fundraising/gross public fundraising income	14	12
Surplus from public fundraising/gross public fundraising income	86	88
Funds disbursed towards objectives/total expenditure	85	85
Funds disbursed towards objectives/total revenue received	81	79

## Tearfund Australia & Controlled Entity

### Directors' Declaration

The Directors of the Group declare that:

1. The financial report as set out on pages 6-28, 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 Tearfund Australia & Controlled Entity as at 30 June 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Tearfund Australia & Controlled Entity 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 Group with respect to fundraising appeals for the financial year ended 30 June 2021, and
  - (b) The Statement of Financial Position gives a true and fair view of the state of affairs of the Group with respect to fundraising appeals as at 30 June 2021, 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 2021, and
  - (d) The internal controls exercised by the Group are appropriate and effective in accounting for all income received and applied by the Group 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:

DocuSigned by:  
*Peter Snowsill*  
Chair .. 16A2F337D70F181.....

DocuSigned by:  
*Joanna Watts*  
Deputy Chair .. FB9FEB29DABE169.....

Dated 9/30/2021

## Tearfund Australia & Controlled Entity

### Independent Audit Report to the members of Tearfund Australia & Controlled Entity

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the accompanying financial report of Tearfund Australia & Controlled Entity (the Group), being a General Purpose - Reduced Disclosure Requirements financial report, which comprises the statement of financial position as at 30 June 2021, 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 Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 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 Group 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 Group 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 Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

## **Tearfund Australia & Controlled Entity**

### **Independent Audit Report to the members of Tearfund Australia & Controlled Entity**

#### **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 Group'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 Group'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 Group 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.

## Tearfund Australia & Controlled Entity

### Independent Audit Report to the members of Tearfund Australia & Controlled Entity

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 group 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: 30 September 2021