



TEARA AUSTRALIA

Transform. Empower. Advocate. Restore.

ANNUAL
REPORT
2016 / 2017



TEAR AUSTRALIA AT A GLANCE

INTERNATIONALLY

TEAR SUPPORTS

135

PROJECTS



THROUGH

74

CHRISTIAN PARTNERS



IN 21 COUNTRIES

ACROSS



AFRICA, ASIA AND THE PACIFIC

INCLUDING...

3

INDIGENOUS PARTNERS



IN AUSTRALIA

IN AUSTRALIA

WE HAVE



15,822

DONORS



965

REGISTERED VOLUNTEERS



49

PAID STAFF MEMBERS

FINANCIALLY

IN EVERY DONATED DOLLAR
89
CENTS

GOES TO PROJECTS AND COMMUNITY EDUCATION

Mission Statement

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

We will:

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

Values

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

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

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Cover image: Kami Singh Tamang is the maintenance guy for his village's new water system, responsible for making sure the vegetable gardens and houses get the steady flow of water they need. Just a few years ago, families could only grow a small amount of food, and many people got sick from the water. Now, thanks to a collaboration between TEAR's partner Share and Care, the Village Safe Drinking Water User's Committee, and talented locals like Kami, the gardens are lush with food and health has improved. Kami is paid a stipend for his work, raised through the Committee from local contributions, but he also benefits from the delicious tomatoes his daughter-in-law can now grow with the reliable supply of water to their house.

TEAR Australia's partnership with Share and Care is co-funded by the Australian Government's Department of Foreign Affairs and Trade (DFAT).



NATIONAL DIRECTOR'S AND CHAIR'S REPORT

Dear TEAR Supporters,

As another financial year comes to a close, we are pleased to celebrate the impact of our work reaching millions of people with the projects TEAR funded this past year. In communities in 21 countries across Asia, the Pacific and Australia, this work has been made possible by thousands of committed volunteers, supporters, and visionary project partners.

The author of Ecclesiastes poetically writes that there is a time and season for everything. For an organisation like TEAR, Scripture is a good reminder of the importance of being able to accurately discern our current season, as well as being a prompt to prepare for what is next.

For TEAR, and our sector-at-large, the changing seasons now come and go more and more rapidly. Change and volatility have become the new norm. Much like our approach to community development – which aims to identify and build on local strengths in order to respond to change – TEAR's Board and staff have been working to use our unique gifts to build resilience, effectiveness and impact across all of our work.

This year, we initiated two key strategic projects which will shape TEAR for new seasons. A review of TEAR's Aboriginal and Torres Strait Islander program has set out new directions which will take effect over the coming year (see page 13). The second is a pilot project to investigate how TEAR can support our partner's work with Social Enterprise and Impact Investing (see page 5). In a new season of work this demonstrates our desire for courage and foresight to try out new ideas and new ways of achieving our mission. These examples are just a few of the many ways we look to innovate our programming in

order to broaden the ways we work to tackle poverty and injustice, and the ways in which we can engage with our TEAR supporters.

The Board continues to be at the forefront of innovative thinking, focusing strategic discussions on issues such as TEAR's commitment to healthy growth, stewardship, pursuing new approaches to supporter engagement, defining risk, and discerning appropriate allocations of costs for administration, fundraising and programming.

Every five years, TEAR goes through a significant accreditation process with the Australian government relating to our partnership with the Department of Foreign Affairs and Trade. This is both a required compliance review, and a valuable learning exercise for TEAR, which helps assess the work we do in alignment with our values.

Thus, we found reason to celebrate when the external accreditors reported back to us three key findings from their review:

- 1) Authenticity – our efforts to live our values with integrity was clearly evident.
- 2) Partnership – our international partnerships with Christian groups are sector-leading
- 3) Faith – our ways of working (across our policies, practices, and day-to-day work) model our deep commitment and outworking of our Christian identity.

We are so pleased that faith, partnership and authenticity shine through TEAR's work and are recognised by others who independently assess our work.

Financially, we are very thankful to have revenue up by over \$1 million dollars from our previous financial year. This is in the midst of a challenging fundraising season. New supporter engagement remains a strategic focus and investment priority in the coming year.

In the year ahead, our support from DFAT will continue to decline as the government further reduces funding for overseas aid and development, placing a significant strain on our programs. The Board and management are actively looking at new ways to acquire new supporters and income sources in order to offset these reductions.

In closing, we extend our thanks to all of you who are part of this shared vision and mission of building a more just and compassionate world. We are excited for the new seasons ahead and look forward to your continued partnership!

Towards Shalom,

Matthew Maury
National Director

Joanna Betteridge
Chair of the Board



“The Chenchu people of India are a tribal community located in central India. Like many indigenous people around the world, they have a history of marginalisation, discrimination, exploitation and dispossession of land. Through TEAR's partnership with EFICOR we are able to support transformational development work with the Chenchu people. I was deeply moved during my visit to the project earlier this year – seeing first-hand the progress the past three years has brought – kids in school, health improvements, land rights, functional adult literacy. It is a privilege to work with Christian partners who are committed to reaching out into difficult places so that people facing the worst challenges of entrenched poverty and injustice can have the opportunity to experience fullness of life.” Matthew Maury

TEAR's partnership with EFICOR is co-funded by DFAT.

SIGNIFICANT EVENTS OF 2016 / 2017

MENTAL HEALTH RESEARCH

Finding better ways to include people with psychological disability in community projects

An initiative of TEAR's International Program, in collaboration with three of our partners working with people with mental illness and psychosocial disability, this research project was designed to find effective approaches from our partners' work. Key findings from the first stage of the project are:

- Stigma is a key barrier for people with mental illness, and their families, to participate in community.
- Inclusion of people with mental illness is compounded by inequality, poverty, gender and other social factors.
- Skill building, mental health promotion, youth resilience and community-based programs are effective in low-resource contexts.
- Strengthening the voices of people with mental illness is important and all programs should consider how to strengthen their participation.

These findings will enable us to support our partners to better identify barriers and find effective pathways to enable strengthened inclusion.

In the second stage of research, the project focused on learning from the lived experience of people with psychosocial disability. Using the innovative PhotoVoice method, people living with mental illness in Nepal and India were given a camera for 4 days and asked to take photos of 'things that make it easier for you to participate in the community' and 'things which make it harder for you to participate in the community'.

Participants and their families noted that taking the photos was a positive experience for them. They felt that they were able to share stories about their life and have good support to do this. They felt heard and appreciated. Many reported that it was an encouraging experience to be listened to.

One participant commented: *"Earlier there was stigma and people don't want to associate with us, as mental health is caused by a curse, but now people know it is a disease."*

This research project was conducted in partnership with The University of Melbourne (Nossal Institute for Global Health) and the Australian Government's Department of Foreign Affairs and Trade.



EAST AFRICA ↑ FAMINE

153,000 internally-displaced people (IDPs) in Somalia receive quality health services

Responding to what the UN has called 'the largest humanitarian crisis in history', TEAR supporters were swift and generous in their giving to this appeal, raising more than \$1 million for our partners in Somalia, South Sudan and Uganda.

In Somalia, our partner Medair was well placed to deliver emergency assistance, with staff and programs already established with vulnerable communities. As the food shortages worsened, support from TEAR's donors enabled Medair to scale up its program to improve the access to, and quality of, life-saving health, nutrition and Water and Sanitation Hygiene (WASH) services for both the IDP population and the communities who host them. This was delivered through maternal and child health facilities in six remote regions.

The program was broad, covering both extensive health education for households, and clinical services, utilising the skills of professionals and thousands of volunteer staff. In the clinics, there was a total of 109,574 health facility consultations including 60,896 to children under 5, and 4,489, women were supported by skilled birth attendants during deliveries – among many other clinical and educational outcomes.

Over the coming year, TEAR Australia is committed to the continuation of this project, as well as related food security projects in Uganda and South Sudan.

RENEW OUR WORLD LAUNCH

25,000 petition signatures for climate action

In March 2017, we were thrilled to launch the Renew Our World campaign, a global movement of Christians calling for a more just and sustainable planet for all. In collaboration with diverse Christian organisations across the globe, the campaign is an expression of how we love and honour God as we care for God's creation. We have a vision of a zero-carbon world, where rich and poor countries stand together to stop polluting, and renew our world out of love for our God and our neighbours.

Our first Australian advocacy action focused on letting our politicians know how passionate Christians are about government action on behalf of the poor. The Community Climate Petition called on the Australian Government to take much stronger action to reduce our emissions, transition away from fossil fuels and towards renewable energy, and support our poorest neighbours as they face the impacts of climate change. The Petition was driven by a group of faith-based organisations including TEAR, Caritas Australia, Micah Australia, Common Grace, the Australian Religious Response to Climate Change, Catholic Earthcare, Edmund Rice Centre, Pacific Calling Partnership, and the Uniting Church in Australia.

The response from TEAR supporters was immediately strong. In only a few months, the collaborative multi-electorate 'pen and paper' petition was raised simultaneously in almost 100 federal electorates, and signed by hand by 25,000 people.

For more on TEAR's advocacy achievements, see page 18.

JUSTICE ↑ CONFERENCE

737 attendees at the 'Live Justice Together' 2016 Conference

Now in its second year, the Justice Conference continues to grow. As the convening host, TEAR brought together more than 40 like-minded agencies to host the event in the Athenaeum Theatre on October 21-23 2016. The Conference attracted 737 attendees from across the country, and over 40 local and international speakers, to engage with what it means to live justice together in our contemporary context.

Emerging as a premier gathering for Christian leaders, practitioners, students and learners, The Justice Conference is also proving to be a fantastic opportunity to engage Australian Christians who are new on the journey of thinking about justice.

One participant commented: *"I absolutely loved the strong theology of justice that came through the entire conference. Loved that the focus was the gospel and not 'doing good'. Loved that all the speakers really showcased this, not just with their talks, but you could see they preached from experience – they are walking the walk."*

COMMERCIALY VIABLE SOCIAL ENTERPRISES

Creating economic opportunities through the social enterprises run by our International Partners.

Responding to an expressed need from a number of our partners, TEAR's International Program has been exploring how we can best support partners that want to commence commercially viable social enterprises.

An early initiative from one long-term Indian partner has exciting potential and focuses on providing dignified employment in the aged care sector for women from very poor backgrounds.

The work also involves discussing the new initiatives with Australian Christians who are particularly interested in supporting this new line of partner engagement.

While this initiative is still in its early stages, it's encouraging to see the drive of our partners as they create economic opportunities for very marginalised people, and the encouraging support from Australians keen to invest in social enterprise.





When Sitabi and her husband lost their rice crop to flooding, they were able to rebuild thanks to Partnership for New Life, one of TEAR's partners in Nepal. Through her PNL Self-Help Group, Sitabi accessed both the know-how and the credit to start a new crop – vegetables. Now their pumpkins are not only feeding their own family, but there's enough to sell at the local market. What they earn is being invested in the next generation – paying their grandchildren's school fees.

INTERNATIONAL PROGRAM REPORT

Supporting community-based Christian groups, churches and mission organisations around the world as they work holistically with poor communities in development, relief and advocacy.



Development is a complex process, and for TEAR one of the most important aspects of that process is in our relationship with our international partners. They are the ones who are in communities, building relationships, linking people with resources, and holding technical expertise and understanding. Our partners are also the people who risk their health and sometimes their lives for the work that they do. They share our Christian faith, embody the values that TEAR holds, and they take with them the message of hope of a better tomorrow.

In 2016-2017 TEAR expended \$12,789,807 in supporting the work of 71 partner organisations across 132 projects. This includes funds provided for humanitarian emergency response, and TEAR is thankful for the generosity of supporters who provided more than \$1 million to support the life-saving work of partners in South Sudan, Uganda and Somalia.

Part of TEAR's long-term support to partners has been in sending Fieldworkers to contribute technical and management skills in response to partner requests. This past year saw Julian Vander Noord supporting partners in Afghanistan and then Nepal, where he will be until he completes his posting. The reduction in Fieldworker placements in 2017 has given TEAR the opportunity to review the program with a view to relaunching it next year.

Every two years, TEAR conducts a Partner Survey to get honest feedback about our relationship, and inform how we can improve our processes, systems and practices to support our partners more effectively. Key findings from the 2016 survey suggest that:

- Overall, partners are very positive about the quality of our partnership and the support that TEAR provides, and that TEAR's values are demonstrated with integrity.
- The need for ongoing funding, funding stability, and the ability to raise funds beyond TEAR's own support, is a significant area of concern for partners.
- Partners generally see that compliance requirements, while sometimes a distraction from core work, have helped them improve the quality of their systems and practices.
- Partners are pleased with TEAR's funding processes, and for this we thank the 43 volunteers who made up the International Program Allocations Committee in 2017.

The survey helps TEAR improve as well, and as we look to the future we need to consider how to do this in a changing context. Projections over the next 15 years show that trends in global conflict, poverty and climate change will require organisations like TEAR to

work differently, be faster at adapting to needs and contexts, and enable an increasingly important role for local organisations. In some of these areas TEAR is well-placed. In others, we are pursuing opportunities for adaptation, for example through developing social enterprises.

Ultimately, TEAR's purpose is fulfilled by working with partners who share a Christian identity, and a common vision to enable people living in poverty to bring about positive changes in their lives and circumstances, in order to reflect the hope that we have in God's better tomorrow. It is a privilege to work alongside our partners, to learn from them, and be shaped by them in this endeavour.

Phil Lindsay
International Program Coordinator

DISTRIBUTION OF INTERNATIONAL PROGRAM FUNDS 2016/17



AFRICA

Country	Partners	Projects	Development & Humanitarian Assistance
Ethiopia	4	6	\$517,608
Mozambique	2	2	\$231,489
Somalia	1	3	\$693,572
South Sudan	2	3	\$408,717
Sudan	1	1	\$128,652
Uganda	12	6	\$236,953
Zambia	2	3	\$242,935
Zimbabwe	3	4	\$411,618
TOTAL			\$2,871,544

SOUTH ASIA

Country	Partners	Projects	Development & Humanitarian Assistance
Afghanistan	4	10	\$1,315,627
Bangladesh	4	9	\$728,388
India	9	36	\$1,971,573
Nepal	9	21	\$1,681,707
Pakistan	3	5	\$343,488
Sri Lanka	1	2	\$37,620
TOTAL			\$6,078,403

SOUTH EAST ASIA & PACIFIC

Country	Partners	Projects	Development & Humanitarian Assistance
Cambodia	5	7	\$700,872
Indonesia	2	2	\$120,560
Laos	3	5	\$724,119
Myanmar	2	4	\$538,604
Solomon Islands	1	2	\$173,252
Vanuatu	1	1	\$47,628
TOTAL			\$2,305,035

OTHER

\$24,004

EMERGENCY HUMANITARIAN GRANTS

Somalia	\$446,941	Vanuatu	\$47,628
Nepal	\$256,784	Solomon Islands	\$81,852
Uganda	\$163,553	India	\$20,664
South Sudan	\$149,847	TOTAL	\$1,167,270

PARTNERS

TOTAL

71

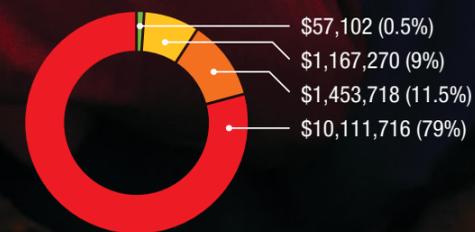


PROJECTS

TOTAL

132

TOTAL PROGRAM ANALYSIS



- Development Program
- International Project Support
- Humanitarian
- Emergency Grants
- International Fieldworkers

TOTAL INTERNATIONAL PROGRAM

\$12,789,806

INTERNATIONAL PROGRAM FUNDING ACCORDING TO SECTORS



- Livelihoods & Food Security
- Strengthening Civil Society
- Basic Health
- Basic Education
- Water & Sanitation
- Disaster Relief & Recovery
- Outside any of the above
- Partner Organisational Development
- Environmental Sustainability
- Fieldworkers



← GARDENING FOR HEALTH

It takes a lot of vegetables to feed a family with eleven children. Fortunately for Ah Chi Hea (pictured top left), the garden around his home yields abundant produce, and his family is well nourished. The garden is fruitful thanks to the organic techniques, training and seeds of the World Concern Myanmar agriculture program. Beans, ginger, potatoes, onion, mustard leaves, cassava, banana, pomelo, and arrowroot are all set out in neat rows, thriving in the good soil. At the end of a pathway sits the new toilet, with handwashing facilities, built by Ah Chi with support from WCM.

The family have also improved their health by boiling their drinking water to prevent diarrhoea and diseases, and they've put up treated mosquito nets over their beds to prevent malaria. Beyond the household, WCM have supported a Village Development Committee, which is focused on coordinating these household responses, and improving civic infrastructure like the road and the bridge leading to the village, so the whole village can experience improved wellbeing.

This project is co-funded by DFAT.



“Anything good that is coming from this garden is first because we are together and are working in unity.”

FROM GROUP MEMBER TO MEMBER OF LOCAL COUNCIL

In the remote mountain villages of Nepal, self-management is a necessary skill. Government services are generally distant and often not available and political representation has been stalled due to civil disruption. TEAR's partner Shanti Nepal has been enabling local people to build on their group management skills through the formation of groups for women, mothers, farmers and village development. Members learn the functions of the chair, treasurer and secretary, as well as core skills such as advocacy, marketing, democratic decision-making and the functions of the local government.

The skills increase the capacity of people from marginalised groups, such as women, people with disabilities, and low-caste community members, to improve local health, income and education opportunities.

In the past year, there has been another, unexpected outcome. Local government elections were called in Nepal after a twenty-year suspension. More than 10% of Shanti group members stood for election – many of them women. In one region, of those who were elected, 17% were Shanti group members, reflecting the good reputation they've gained in the community and their strong management and advocacy skills.

We celebrate the willingness of those members to take their training and experience beyond the benefits to their own families, and apply them to their neighbourhood through local government.

EDUCATION FOR THE NEXT GENERATION

Quality teachers can be hard to attract to the remote schools of Rumbek East, in South Sudan. So TEAR's partner Across is training local volunteers and professional teachers to improve their skills and deliver exciting educational outcomes for children.

Peter (pictured bottom left) is one of the volunteers, now trained in lesson planning, classroom management skills, assessment and evaluation, and how to effectively use teaching methods and resources. He's supported by the Parent-Teacher Association, facilitated by Across, which contributes to the teacher salaries, sometimes in kind rather than money.

As well as teacher training, to encourage girls' education, Across places a 'School Mother' in every school. These women are respected community members and are strong advocates for the education of girls, playing a valuable role in the absence of female teachers.

Since the program began, student retention rates and girls' enrolment has increased in Across-supported schools.



WATER'S ↑ FLOW-ON EFFECTS

A new borehole is always cause for celebration. And especially so when you're used to carting water up to five kilometres, either in wheelbarrows or plastic buckets, just to water your vegies. Two years ago, these women (pictured above) started a group garden in their village on an abandoned plot of land. Supported by TEAR's partner HEFO in Zimbabwe, they persisted despite the lack of water, and turned the land into a viable cash crop business.

HEFO helped with agricultural training, as well as fencing and the plastic buckets. Now, the HEFO-supported bore well is finished, and the work is much easier. It's not only the vegies that are flourishing, the health of their families has significantly improved also.

For these women, it's significant that the work is collective. A group leader explained: “Anything good that is coming from this garden is first because we are together and are working in unity.”

EVALUATIONS AND EFFECTIVENESS

Formal project evaluations are one of the primary methods TEAR Australia uses to assess the impact of the work of our partners.

Scheduled into the cycle of all projects, evaluations are an opportunity for our partners to take time to reflect on the work that they have done, to feed that learning into future planning, and to celebrate what has been achieved. Learning is also a core TEAR value, and we are committed to incorporating our learnings from evaluations into our practices.

These learning processes also uphold other TEAR Values: Participation, Excellence, Collaboration and Accountability. When we assess the project evaluations conducted over the past year, we find that the work of TEAR's partners does indeed bring about long-term positive changes in the communities with whom they work.

During 2016 / 17 TEAR and its partners carried out 29 project evaluations for 20 partners in 10 countries across Africa, South Asia and South East Asia and the Pacific.

Some particularly noteworthy learnings include:

Health education leads to reduced maternal and infant mortality rates.

An evaluation of the Prem Jyoti Community Health and Development Project in India was able to demonstrate that improved health seeking behaviour and practices within the communities resulted in a reduction in the numbers of women dying in childbirth and a reduction in the number of children and infants dying in the district.

This project is co-funded by DFAT.

Hearing-impaired adults make great trainers, advocates and role models.

The Nzeve (in Zimbabwe) 'Sign On' project evaluation showed that the involvement of people with a hearing impairment as trainers was so well received by participants that they've decided to employ more of them. Initially, only one trainer had a hearing impairment, but the project is committed to increasing that number. Project participants said that interaction with a hearing-impaired trainer may be the only opportunity a deaf child and their caregiver have to meet a deaf adult who is a 'role model' and provides 'hope for the future'.

Children's voices are vital in projects which benefit them.

An evaluation of the Ethiopian Kale Heywet Church Development's Child Literacy and numeracy program (pictured below) strongly upheld spaces for children's voices to shape the findings and identify impacts. One child commented: *"The Child Literacy Project taught us how to read and write in our local languages. It also taught us how to pronounce the vowels and consonants, the combination of it helped us to form meaningful words. We also learned life skills."*

This project is co-funded by DFAT.

Women's groups lead to increased access to literacy and business opportunities.

In Afghanistan, Operation Mercy's Self Help Groups have been shown to be effective in helping women save money on a weekly basis and have increased access to literacy and business skills trainings.

In Nepal, members of a Village Development Committee established and supported by Partnership for New Life, a TEAR partner, participate in an evaluation of the project's achievements. In this group, they've learned how to apply for grants from local government, which has enabled them to receive seeds and trees, and a grant to improve the road. Encouragement from PNL to improve sanitation has also taken them from a village with no toilets, to at least all the members having toilets and using them. They report a significant improvement in health as a result. Next on the agenda is a deep well, for which the VDC is currently raising money.

Operation Mercy is co-funded by DFAT.

ABORIGINAL AND TORRES STRAIT ISLANDER PROGRAM

Partnering with Australian Christian organisations working with Aboriginal and Torres Strait Islander people to build the capacity of individuals and strengthen communities.

TEAR's Aboriginal and Torres Strait Islander Program continues to be an important expression of our mission and values. Twelve years after the program was developed, in 2017 we invested in a review process to prayerfully discern its direction and focus.

The review involved the most extensive consultation TEAR has ever done with Christian Aboriginal and Torres Strait Islander people and Elders, as we wanted their voices to guide decision-making processes. Based on an appreciative inquiry approach (building on strengths), the review highlighted the significant positive impact of the program over the past 9 years. This included the participation of Aboriginal and Torres Strait Islander people in DEEP trips, TEARLink retreats (for Christians working in Aboriginal communities), education resources for TEAR supporters and advocacy campaigns.

As we move forward, we recognise the importance of listening to a wide range of Aboriginal and Torres Strait Islander voices. In 2017-2018 we intend to prioritise finding a new model for our Aboriginal and Torres Strait Islander reference panel to help us achieve

this goal. TEAR will also work to develop new initiatives and a more effective model for our program partnership work.

As we take this step, we wish to express our deep appreciation for the significant contribution made by the following people who have served on the Dhumba Committee over the past eight years. They are: Brooke Prentis, Chrissie Ellis, Denis Atkinson, Grant Paulson, Hank Wymarra, Helen Beazley, Howard Groome, Jeanie Bell, Marjorie Quinn, Maylene Slater-Burns, Neville Naden, Russell Hancock, Safina Stewart, Stu Downs, Victor Joseph, Will Pickett.

In 2016/17 TEAR's Aboriginal and Torres Strait Islander Program supported the following projects:

BIR'A WOMEN

Reaching out to women who have experienced abuse in their past or are still experiencing some form of abuse, Bir'a Women (Brisbane) engages women through a range of activities, including personal development, art therapy, group yarning circles, one-on-one yarns, and court support.

WHY WARRIORS ORGANISATION

Walking alongside Yolngu people in the Galiw'in'ku community (North East Arnhem Land), the project focuses on providing accessible pathways to good health for Yolngu people suffering from chronic disease. This involves intensive health retreats, education about good nutrition in Yolngu language, support through lifestyle change, cooking and exercise classes, and the integration of medical treatment and traditional medicines.

SCRIPTURE UNION QUEENSLAND – LIMITLESS PROGRAM

A group-based and adventure-based program working with young Aboriginal and Torres Strait Islander people at risk in Central Queensland to build resilience, confidence, respect of self and others, and positive relationships with peers, school teachers and elders.

ADVOCACY

In 2017, TEAR Australia joined the national Change the Record campaign. It seeks to reduce the rates of imprisonment and family violence experienced in the Aboriginal and Torres Strait Islander communities, with priority strategies for women and children.

Joining Change the Record is part of our commitment to inform, challenge and empower the Australian church to respond to the complex history it has with Aboriginal and Torres Strait Islander peoples.





AUSTRALIAN PROGRAM REPORT

To inform, challenge and empower Australian Christians to make biblically shaped responses to poverty and injustice.



Across Australia, as we engage with Christians who long to make a difference in a world of poverty and injustice, we so often find that our greatest resource is our story. In the face of sustained humanitarian crises, political upheaval and fear-driven violence, we can tell of the transformational work of our international Christians partners, and this maintains hopefulness amongst it all. As we equip people to live as disciples of Christ, these beautiful hope-filled stories remind us that God's Kingdom is breaking into this world and many faithful, courageous women and men are partnering in what is happening all around us.

This year, it has been the story of Preap Tee (pictured left) that has been our most prominent inspiration. A farmer in a Cambodian village, she shares with us her story of overcoming crop failure to establish a flourishing agriculture business. She recalls that when she was young it was never as dry as it is now. *"Today there is very little rain and it makes the seasons less predictable. It makes it harder to farm."* Once, the family depended on their rice field for food and income. Lack of rain forced her family to borrow money at high interest rates. They tried using genetically modified seeds and chemicals, but this food made the family sick.

The moment of change came when a program leader from TEAR's partner PNKS invited her

to join a Village Development Association (VDA). This new caring, supportive community enabled Preap Tee to dramatically improve the yield from her land without using chemicals, despite the lack of rain.

"We now have fishponds, chickens, pigs, a vegetable garden and can collect our own seeds for planting next season. We not only have enough food for ourselves, but I now sell my vegetables at the local market place. They are very popular because people are tired of buying vegetables that are filled with harmful chemicals."

Our team created the truly beautiful short film *As it is in Heaven*, to tell the story of Preap Tee and her community. It's been used by staff and volunteers to inspire Christians around the country; through her they see the glimpses of the Kingdom that plant hope in the face of anguish. Her story has inspired hope-filled prayers from Christians who needed to be reminded of what God is up to in this world. Prayers such as *"May the heartbeat of God for His children echo on until that day when all is put right and our hearts beat as one."*

Joel, a volunteer in Mornington, presented the film in his school. He reflects that: *"telling her story was a wonderful experience, particularly due to the way the film placed an emphasis on reminding us that those*

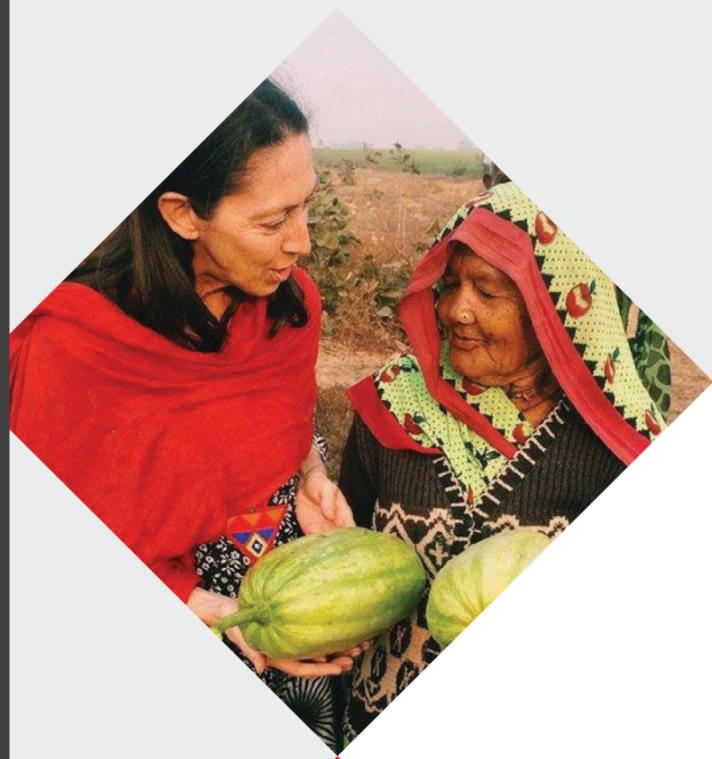
experiencing poverty are people with stories and names they are not just statistics or generalisations. The strength of Preap Tee's story was the way that it encouraged students to engage with the issues of poverty in a relational way."

Joel McKerrow, our Artist Ambassador, says: *"We tell stories. They stand up and scream that we have something to reveal beneath the wheels of injustice, we jam a spoke into those gears and turn the cogs that move the wheels of that machine that churns out a fake reality. Let gravity be flipped until the world is turned upside down by our stories."*

My prayer is that the world is turned upside down by the stories we tell – in print, on digital, and through gatherings. May they be told in politicians' offices, classrooms, lounge rooms, cafes, and churches. Wherever it is that you encounter the hope-filled story of the Kingdom of God, may it remind you that our story will one day end well.

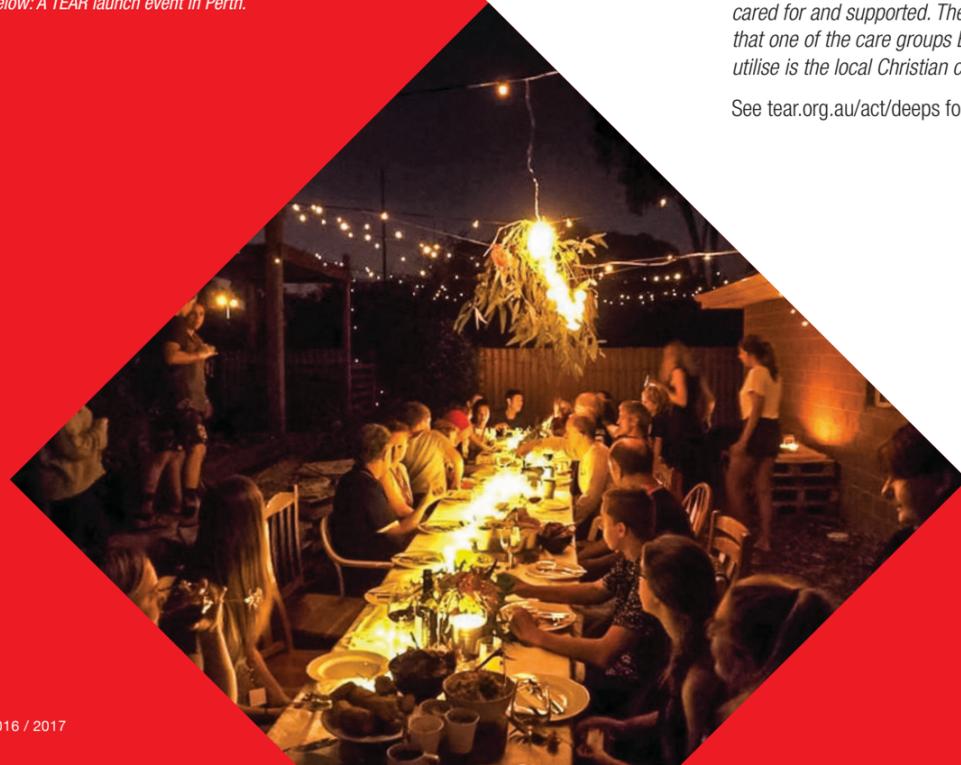
Paul Flavel
Australian Program Coordinator





Above: An InDEEP participant meets a local farmer in rural India.

Below: A TEAR launch event in Perth.



DEEP TRIPS

Enabling TEAR supporters to visit our international projects.

In early 2017, TEAR ran two Development Education Experience Programs (DEEPs), to India and Cambodia, providing life-changing, grassroots opportunities for our volunteer supporters to explore what it really means to bring “good news to the poor”. Participants visited communities, meeting people who are overcoming the challenge of poverty in the midst of their daily struggle for survival.

For the 24 Australians who journeyed together through the DEEP program this year, the experience was exciting, confronting and unforgettable. These trips are a rare opportunity to meet marginalised but resilient communities, learn from experienced Christian development practitioners, and allow God to speak about what responses to poverty and injustice look like in our own context.

Jess Cornish, who visited India, commented: *“We visited two EFICOR projects in Patna, Bihar: an HIV/AIDS project and one to support people living with a disability. While these projects target seemingly different people groups, both projects seek to link people to various organisations so that they can be holistically cared for and supported. The beautiful part is that one of the care groups EFICOR tries to utilise is the local Christian church”.*

See tear.org.au/act/deeps for more information.

DEVELOPMENT THAT WORKS

A guide for understanding good development practices.

What do ants, locusts, lizards and the hyrax (a small rat-like marsupial) have to do with building a world free from poverty? These animals, mentioned in the sayings of Agur in Proverbs 30, are a biblical metaphor for strength, power, unity and influence. In 2016, we launched the “Development That Works” guide, a resource for Christian Small Groups to engage with real-life experiences of poor and marginalised communities, biblically explore God’s desire for justice, and gain a deeper understanding of good development practices.

This resource equips Australian Christians to make informed decisions about how to support good development. Available at fortomorrow.org.au/development

GATHERINGS

Connecting Australian Christians passionate about justice.

Throughout the year, gatherings provide important opportunities for TEAR supporters to meet together to learn, pray, speak out and take action. Many of these gatherings are organised by volunteers, passionate about enabling Christians in Australia to engage on a deeper level with God’s work with the poor. Whether it’s a launch event for Renew Our World, the Surrender Conference, a fundraising cricket match, an Indigenous guided walk or a meeting with a polliie, the opportunity to do this together has always been at the heart of the TEAR Christian network in Australia.

Alongside the events, our TEAR Support Groups gather regularly as a forum for Christians to engage further in our work. Over the past year, 58 groups met regularly, providing encouraging prayer support for the work of our partners, as well as taking action to build a world free from poverty.

See tear.org.au/learn for more information.

SOCIAL MEDIA

Digital stories carry a hope for tomorrow.

Our digital and social media channels continue to grow. Our Facebook and Instagram portals enable us to bring supporters news about emergencies, advocacy initiatives and other news items in real time, enabling them to respond quickly when it is most needed. They also carry encouraging stories from other Australian Christians, ways to engage in lifestyle challenges, prayers and thought-provoking insights into how our faith intersects with our lives and the world around us. Increasingly, they enable us to bring our message of hope for tomorrow to a wider digital audience.

Follow our Facebook @tearaus, Instagram @tearaustralia and Twitter @tearaustralia to keep up to date with TEAR Australia.

LENT RESOURCES

Praying through the journey to the cross.

Acknowledging the season of Lent in 2017, we produced a set of beautiful prayer postcards, featuring original artworks and prayers, as a resource for our supporters during this season of contemplation.

Following the success of the previous years’ prayer resources, we produced another set this year. The beautiful cards, with original artworks and themed prayers, engaged our supporters with the journey to the cross through the season of Lent.

Thousands of people used the prayers in their homes, churches and small groups, embedding our hopes for tomorrow in the work we do today.

BUILD A VILLAGE

Colour-in models become a popular gift item.

Now in its 23rd year, TEAR’s Useful Gifts Catalogue continues to be a major source of income, and an important first-step for thousands of people to be introduced to our work each year. In 2016, we added two fun elements to our suite of resources – a cardboard model village for children to colour in, and 3D cardboard models for display in the Useful Gifts Shops.

UG Shops continue to grow in popularity, with 496 people running one over the course of the year. These shops, run entirely by volunteers, enable more people to support TEAR by enabling the cards to be purchased directly in churches, schools and events.

See usefulgifts.org for more information.

REGULAR GIVING PROGRAM

TEAR’s most significant source of income.

Monthly direct donations are one of our most reliable sources of income, making regular giving a key focus for our fundraising efforts. Through the long-term reliable donations of the regular giving program, we have been able to make the long-term commitments to communities, which create long-term sustainable change.

Regular givers and committed supporters also receive unique insights into our work through monthly emails and Target magazine twice a year. Full of stories of hope from our partners, ideas for Christian lifestyle and prayer, theological reflections from respected Christian thinkers, and updates on advocacy actions, these resources are ways for us to show our appreciation and engage donors further in the work of TEAR Australia.

To become a sustainable change-maker through regular giving, go to tear.org.au/give/regular



Voices for Justice (2016) participants with Julian Hill MP (centre).

ADVOCACY

TEAR is passionate about a world where all people – and the planet – can flourish.

By living life differently and speaking out for change, the church can lead the process by which everyone in the world can have enough.

The launch of the Renew Our World (ROW) campaign was a significant advocacy achievement for TEAR Australia, uniting Christians around the world in prayer and action with a faith-based voice for justice. The Community Climate Petition (see page 5) reflected the ROW focus on climate change and its impacts on the poorest people who are hit first and hardest by increasing floods, famines, fires, crop failure and climate disasters.

Our environmental voice also extended to the One Planet advocacy campaign run in late 2016. Groups of Australian Christians took photos of themselves calling on their MP to do more for climate justice. We even made the photos into mugs and sent them to the MPs' offices so they can remember our call over a cup of tea.

Another new partnership for TEAR Australia was formed with the Change the Record campaign (see page 13) reflecting our commitment to amplify the voices of Aboriginal and Torres Strait Islander peoples already campaigning for change.

TEAR's commitment to working in coalitions continued through Micah Australia, with a strong presence of TEAR advocates lobbying at Voices for Justice in Canberra, and active involvement in Campaign for Australian Aid. Through these campaigns we are able to show our strong support and appreciation for the positive impact that the Australian Government's aid program has around the world, and have our say on the investment Australian Aid is making in building a brighter future for us and our neighbours. Further to coalition work, TEAR Australia submitted recommendations to the Department of Foreign Affairs' white paper and the government's environmental policy.

PEOPLE AT TEAR

Supporting our staff and volunteers in their work so they can achieve their God-given potential through their vocation.



TEAR has an amazing group of dedicated and compassionate people. Our twice-yearly staff survey, conducted in 2017, showed that TEAR has a highly engaged workforce; people are proud to be here, feel connected to their work and would recommend TEAR to others. One staff member captured a recurring theme by saying: "Everyday you get to work alongside brilliant passionate people who believe, like you, that a better world is possible."

With staff based around the country, keeping people connected and informed can be a challenge. Over the past two years, we've worked hard at building inclusion and communication between offices and across departments to further develop a connected community. Our survey showed that connectedness had improved dramatically over this time.

Treating staff fairly is important to TEAR, and that extends to fair and reasonable pay. Every three years, we compare the remuneration of our staff to the aid and development sector in order to ensure that the work of our staff is appropriately valued. Our policy is to pay the National Director position at the lowest quartile and the rest of our staff at the median for their role. This provides competitive pay which is no better or worse than the sector and contributes to the quality of skills retained.

TEAR has an incredible network of volunteers around Australia, Christians who are striving, in creative and courageous ways, to shape a world which bursts with the joy, peace, harmony and freedom of Christ, to which we all are called. Over the past year, we had 965 registered volunteers, who we estimate contribute more than 9,000 hours of work. These people serve on the TEAR Board, the International Programs Allocation Committee, run Useful Gifts Shops, run events, provide office and IT administration, are Reps and Ambassadors in their community, and facilitate TEAR Groups.

John Powys (pictured right), a volunteer in our head office in Blackburn is one of our treasured volunteers. His contribution includes writing hundreds of personal letters to supporters, thanking them for their donations and prayers. John's contribution has enhanced our ability to communicate with supporters and encourage people as they engage with issues of poverty and justice. In 2017, he was awarded a recognition from the Deakin Community Awards for his community service. Congratulations John, and thanks for all your hard work!

Susan Vulling
People at TEAR Coordinator



ENVIRONMENTAL STEWARDSHIP

Minimising the environmental impact of our work while remaining committed to efficiency, effectiveness and excellence in our work.

TEAR undertook a number of initiatives to reduce our environmental impact this year. In the head office in Blackburn, ceiling insulation was installed to reduce the amount of energy consumed for heating and cooling – an investment for years to come.

To offset the calculated unavoidable carbon emissions from the previous year, TEAR funded a project in Vietnam through Nexus,

a certified not-for-profit carbon finance group. This certified offset scheme is a biogas program that displaces smoky cooking fires, improves sanitation and reduces deforestation.

While TEAR staff travel only when necessary to fulfil core aid and development goals, there was an 11% increase in CO2e emissions attributed to flights. This increase was due to a greater number of long-haul flights.

TEAR AUSTRALIA BOARD



Peter Noble
BA, LLB, M Intl & Community Development

Appointed: November 2014

Responsibilities: Board Deputy Chair, Membership Committee Chair, Assurance Committee Member

Number of meetings attended: 5/5

Peter is the Executive Director of Services and Innovation at Victoria Legal Aid (Bendigo), a government-funded agency providing free legal information for all Victorians. He is the founder of the Loddon Campaspe Community Legal Centre and has extensive experience designing affordable community legal systems.



Brett Gresham
B Eng (Civ), M Lit Dev Stud

Appointed: 2010

Responsibilities: Program Committee Chair

Number of meetings attended: 5/5

Brett currently manages The Australian Volunteers for International Development program (funded by DFAT) as well as being owner and director of a small business. A civil engineer, he has extensive experience working internationally in development and project management.



Barry Morris
Dip Tech (Comm), FCA

Appointed: April 2016

Responsibilities: Assurance Committee Chair

Number of meetings attended: 5/5

Barry is the Chief Financial Officer and Company Secretary of Bible Society Australia. He has experience as CFO of a publicly listed property company, the Director of Finance and Administration at The Institute of Chartered Accountants in Australia and State Manager of large legal firms.



Joanna Betteridge
BA, LLB, LLM, GAICD, PRIMed

Appointed: 2010 (Consultative Member in 2009)

Responsibilities: Board Chair, Governance Committee Member

Number of meetings attended: 4/5

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



Matthew Maury (National Director)
BA (Hons), MBA (Dev Studies), GAICD

Appointed: 2009

Responsibilities: Board Secretary; Governance Committee Member; Assurance Committee Member; Membership Committee Member

Number of meetings attended: 5/5

Matthew is TEAR Australia's National Director. His experience involves work with poor and marginalised communities in Africa, Asia, Latin America and the Middle East. Matthew is a member of the ACFID Board, the Campaign for Australian Aid Board, and is the Vice-Chair of the Micah Global Board.



Peter Snowsill
BE (Hons), MAICD

Appointed: November 2015

Responsibilities: Membership Committee Chair, Program Committee Member

Number of meetings attended: 5/5

Peter is a Chemical Engineer with governance, management and project expertise in industrial water treatment and international aid. He is a director and co-owner of a water treatment chemical manufacturing and distribution business, and is engaged in commercial and community renewable energy projects. He is a PhD candidate researching renewable energy in remote communities.



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

Appointed: November 2015

Responsibilities: Governance Committee Chair

Number of meetings attended: 4/5

Joanna is Director of Operations in the University of Melbourne Advancement Office. She has worked in higher education in the UK and Australia, including as the Deputy Director, Alumni and Advancement at LaTrobe University.



Barbara Deutschmann
BA, DipEd, MTh

Appointed: November 2016

Responsibilities: Governance Committee Member

Number of meetings attended: 2/2

Barbara is a PhD candidate researching gender relationships in the book of Genesis, and helped to found the Melbourne Chapter of Christians for Biblical Equality. She formerly worked with TEAR Australia, coordinating the Fieldworker Program and later the Indigenous Support Program.



Graham Hall
B Bus, CPA, GAICD

Appointed: May 2017

Responsibilities: Assurance Committee Member

Number of meetings attended: 1/1

Graham is the Corporate Services General Manager at a 'for purpose' aged care and community development organisation. He has experience as CFO of a 'for purpose' aged care organisation, a listed financial services organisation and as senior finance executive in international business.

ASSOCIATE (OBSERVING) BOARD MEMBERS



Lauren Bonnet
B Dev Studs

Appointed: November 2015

Responsibilities: Associate Board Member; Program Committee Member

Number of meetings attended: 5/5

Lauren is case worker for a suicide prevention program, and is completing a Masters in Social Work. She is the founder of the fashion social enterprise From Found, employing women from refugee backgrounds in Adelaide. She participated in Cambodia DEEP 2017.



Daniel Parris
Dip Ch Studs, BA (Hons)

Appointed: May 2017

Responsibilities: Associate Board Member; Governance Committee Member

Number of meetings attended: 1/1

Daniel has recently completed a Bachelor of Arts with Honours at Newcastle University, during which he was involved in student leadership focusing on fair trade and environmental issues.

OUTGOING BOARD MEMBERS



Jane Furniss
BA, LLB (Hons), M Int Devt

Appointed: 2013

Responsibilities: Program Committee Member

Number of meetings attended: 3/3

Jane is a lawyer focusing on international development projects, and in a family business focusing on education.



Brooke Prentis
BCom, BA, GradDipICAA, CA

Appointed: November 2012

Responsibilities: Assurance Committee Member

Number of meetings attended: 1/2

Brooke is an Aboriginal Christian leader and is a descendent of the Waka Waka nation of Queensland. She is a Chartered Accountant and senior finance professional.



Mikaela Belling
BIGS, MHRLP

Appointed: February 2015

Responsibilities: Associate Board Member; Program Committee Member; Governance Committee member

Number of meetings attended: 3/4

Mikaela is a Multicultural Policy Officer with the Illawarra Forum.



Greg Manning
BE (Hons 1), M Dev Studs

Appointed: 2012

Responsibilities: Membership Committee Chair, Program Committee Member

Number of meetings attended: 2/2

Greg has a background working in India with a number of TEAR's partners, and in Australia for the Micah Network's HIV Forum.

AUDIT DECLARATION

FINANCE AND ADMINISTRATION REPORT



SAWARD DAWSON
chartered accountants

TEAR AUSTRALIA
ABN 85 085 413 832

Report on 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 2017, the summary statement of income and expenditure and other comprehensive income, summary statement of changes in equity for the year then ended, related notes and board declaration, are derived from the audited financial report of TEAR Australia for the year ended 30 June 2017.

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 13 September 2017.

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

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

Saward Dawson
Saward Dawson

Jeffrey Tulk
Jeffrey Tulk
Partner

Blackburn
Dated 16 October 2017

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PRINCIPALS: Bruce Savard FCA Peter Shields FCA
Joshua Morse CA Jeff Tulk CA
Directors: Cathy Braun CA Jeff Davey FCA
Marie Ickerlingill SSA Matthew Stokes CA
Murray Nicholls CA Vicki Adams CA CPA CFP®

A member of Russell Bedford International
Liability limited by a scheme approved under Professional Standards Legislation

Board Declaration

The Board of TEAR Australia declares that the accompanying concise financial report is presented fairly in accordance with applicable Australian Accounting Standards and is consistent with the Company's 30 June 2017 financial report. In respect to the 30 June 2017 financial report of TEAR Australia, the Board declares that:

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

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

The financial statements and notes give a true and fair view of the financial position as at 30 June 2017 and performance of the Company for the year then ended; and in the Board's opinion, there are reasonable grounds to believe that TEAR Australia will be able to pay its debts as and when they become due and payable. This statement has been made in accordance with a resolution of the Board made on 16 September 2017.

Joanna Betteridge

Joanna Betteridge
Chair

Peter Noble

Peter Noble
Deputy-Chair

There were a couple of important stories to tell in TEAR's 2017 financial year. Firstly we can celebrate a 7% increase in total income. The additional income was in large part due to TEAR's East Africa appeal, which raised almost \$1 million between February and June, whereas 2016 was a quiet year for appeals.

We've also started recognising the value of volunteer time in our financial accounts, as both a source of non-monetary income and expense. In this initial year we've recognised \$276,489.

We are always grateful to receive bequests from loyal supporters, and in 2017 we received a number of large bequests, totalling \$843,819. The bequest figure was the largest in recent years, and almost five times the value of 2015/2016 bequests. The substantial bequest number and the increased emergency appeal income helped push our total income to \$16,713,142.

However, at the same time our general donation income (excluding emergency appeals) fell by almost 7%, reflecting an ongoing challenge for TEAR's fundraising efforts.

As anticipated, the Federal Government income from the Department of Foreign Affairs and Trade (DFAT) remained the same as in 2015 / 2016, however another cut of 10% will occur in 2018.

Investment and other income also fell 21%, due to continued low investment returns and the absence of any "one-off" other income events.

After a tight 2016 with only marginal cost increases, the Board did approve a number of additional positions in fundraising, administration, and international program support (focusing on international social enterprise investment). The Board continues to track our overheads closely so that we can continue to maximise efficient use of funds.

Our International Program expenditure benefited from a higher Australian dollar over most of the year, compared to the previous year. The stronger dollar resulted in us spending less (in Australian dollars) on international programs than we had previously.

The effect of some deferred international program expenditure, and the stronger Australian dollar, resulted in a 7% reduction in international program spend compared to 2015 / 16.

The strong total income result (driven by temporary factors including emergency appeal and bequest income), and the reduction in expenses, combined to return a planned deficit of only \$278,210, compared to a 2015 / 2016 deficit of \$1.61 million.

James Burnet
Chief Financial Officer

TEAR AUSTRALIA INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

If you would like a further explanation of the accounts, please contact TEAR. For a copy of the Full Financial Statement for the year to 30 June 2017, please contact the TEAR Office on 1800 244 986 or go to www.tear.org.au

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

Funds to International Programs

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

Domestic Program Expenditure

Support and funding for the 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 the funds entrusted to TEAR are used effectively, with the aim to maximise long-term benefits of community development and relief work.

Community Education

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

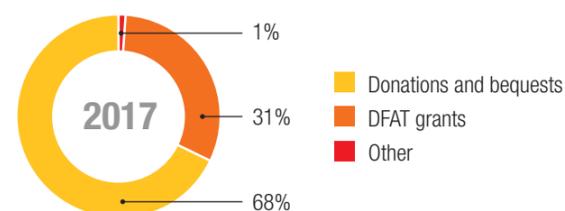
Fundraising Costs

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

Accountability and Administration

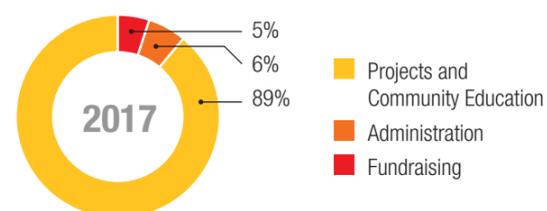
Expenses supporting the executive, finance, administration, HR, ITC and customer service functions.

SOURCE OF INCOME



Percentages of total income received for the financial year

DISBURSEMENTS



Percentages of total expenditure received for the financial year

The percentage for Projects under Disbursements includes the Funds to International Programs (67%), Program Support Costs (9%), Domestic Program Expenditure (1%) and Community Education (12%).

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	2017	2016
ASSETS	\$	\$
Current Assets		
Cash and cash equivalents	4,469,911	5,632,031
Trade and other receivables	61,068	27,478
Financial assets	2,512,223	1,528,180
Inventories	6,655	7,999
Other assets	62,190	85,141
TOTAL CURRENT ASSETS	7,112,047	7,280,829
Non-Current Assets		
Financial assets	1,266,787	1,192,820
Property, plant and equipment	3,005,890	2,559,465
TOTAL NON-CURRENT ASSETS	4,272,677	3,752,285
TOTAL ASSETS	11,384,724	11,033,114
LIABILITIES	\$	\$
Current Liabilities		
Trade and other payables	684,765	276,446
Provisions	562,014	558,972
TOTAL CURRENT LIABILITIES	1,246,779	835,418
Non-Current Liabilities		
Provisions	87,006	50,297
TOTAL NON-CURRENT LIABILITIES	87,006	50,297
TOTAL LIABILITIES	1,333,785	885,715
NET ASSETS	10,050,939	10,147,399
EQUITY	\$	\$
Financial assets revaluation reserve	146,864	87,047
Property revaluation reserve	844,323	400,000
Foreign currency reserve	(496,375)	(173,985)
General reserve	4,800,000	4,800,000
Committed funds reserve	4,756,127	5,034,337
Retained surplus	-	-
TOTAL EQUITY	10,050,939	10,147,399

INCOME STATEMENT

For the year ended 30 June 2017

	2017	2016
	\$	\$
REVENUE		
Donations and gifts		
Monetary	10,278,251	9,969,371
Non-monetary	276,489	-
Bequests and legacies	843,819	172,115
Grants		
Department of Foreign Affairs & Trade	5,104,700	5,104,700
Investment income	173,912	257,446
Other income	35,971	121,591
TOTAL REVENUE	16,713,142	15,625,223
EXPENDITURE		
Aid and Development Program Expenditure		
Funds to international programs	11,336,088	12,191,739
Program support costs	1,453,718	1,221,676
Domestic Programs Expenditure	243,475	279,441
Community education	1,839,289	1,495,974
Total Aid and Development Program Expenditure	14,872,570	15,188,830
Fundraising costs		
Public	858,597	736,354
Government, multilateral and private	39,096	55,323
Accountability and administration	944,600	1,255,439
Non-monetary expenditure	276,489	
TOTAL EXPENDITURE	16,991,352	17,235,946
EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE	(278,210)	(1,610,723)
Other comprehensive income	181,750	(300,575)
Total comprehensive income for the year	(96,460)	(1,911,298)

TEAR Australia had no transactions in the Political or Religious Adherence Promotion category. See the summary on page 24 for an explanation of the account categories.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Retained Surplus \$	Property Revaluation Reserve \$	Foreign Currency Reserve \$	General Reserve \$	Committed Funds Reserve \$	Financial Assets Revaluation Reserve \$	Total \$
Balance at 30 June 2015	-	400,000	134,220	4,900,000	6,545,060	79,417	12,058,697
Comprehensive income							
Surplus (deficit)	(1,610,723)	-	-	-	-	-	(1,610,723)
Other comprehensive income for the year							
Net fair value gains (losses) on available-for-sale financial assets	-	-	(308,205)	-	-	-	(308,205)
Net unrealised gains (losses) on foreign exchange contracts	-	-	-	-	-	7,630	7,630
Total comprehensive income for the year	(1,610,723)	-	(308,205)	-	-	7,630	(1,911,298)
Transfers to and from reserves	1,610,723	-	-	100,000	1,510,723	-	-
Balance at 30 June 2016	-	400,000	(173,985)	4,800,000	5,034,337	87,047	10,147,399
Comprehensive income							
Surplus (deficit)	(278,210)	-	-	-	-	-	(278,210)
Other comprehensive income for the year							
Net fair value gains (losses) on revaluation of Property, Plant and Equipment	-	444,323	-	-	-	-	444,323
Net unrealised gains (losses) on foreign exchange contracts	-	-	(322,390)	-	-	-	(322,390)
Net fair value gains (losses) on available-for-sale financial assets	-	-	-	-	-	59,817	59,817
Total comprehensive income for the year	(278,210)	444,323	(322,390)	-	-	59,817	(96,460)
Transfers to and from reserves	278,210	-	-	-	(278,210)	-	-
BALANCE AT 30 JUNE 2017	-	844,323	(496,375)	4,800,000	4,756,127	146,864	10,050,939

ACCOUNTABILITY AND ACCREDITATIONS

KEY PARTNERSHIPS



Department of Foreign Affairs and Trade (DFAT)

TEAR Australia acknowledges the support of the Australian Government's Department of Foreign Affairs and Trade (DFAT), with whom we are fully accredited. In 2016 / 17 TEAR received \$5,104,700 from DFAT for the work of 21 of our partner organisations. TEAR is one of ten Australian Non-Government Organisation Cooperation Program (ANCP) partner agencies that work to increase the impact and reach of the Australian aid program. We thank DFAT for their continued support of TEAR's work. See: dfat.gov.au

Integral:

Integral Alliance

TEAR is a member of the Integral Alliance, a global alliance of 23 Christian relief and development agencies working collaboratively to present a more effective response to disasters and humanitarian emergencies. Integral members work in 85 countries across 40 sectors and work through over 600 partners. See: integralalliance.org



Australian Council for International Development (ACFID)

TEAR is a member of the Australian Council for International Development and participates in a number of their Communities of Practice that provide a means for ACFID members to come together to share, learn, collaborate and advocate around a particular subject area. TEAR Australia is committed to full adherence to the ACFID Code of Conduct. See: acfid.asn.au/code-of-conduct.



Micah Global

TEAR is a founding member of Micah Global, a Christian community of organisations and individuals committed to integral mission. Established in late 1999 Micah Global now has over 690 members in 86 countries. See: micahnetwork.org

FEEDBACK

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

FREQUENTLY ASKED QUESTIONS

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

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

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

What does "TEAR" stand for?

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

Does TEAR fund proselytising?

No. TEAR's policy is to finance the relief, development and advocacy activities of organisations who are motivated by their faith in Christ, and by their desire to demonstrate the depth of God's commitment to justice, to mercy, and to the poor. We do not fund proselytising activities, but we rejoice and celebrate when we know of people whose

lives have been wonderfully and beautifully enriched by the embrace of God in Christ. But we will not support any attempt to misuse relief and development activities to manipulate people into the church. We believe such attempts lack integrity, result in poor development, and dishonour the One who is our motivation.

How much of my donation reaches the project?

Of TEAR Australia's overall expenditure, 6% covers administrative costs, 5% fundraising, 12% is spent on empowering people within Australia to respond to poverty and injustice and 77% goes to the international and domestic program.

How do I know the money gets there?

All projects are audited by accountants and reviewed by TEAR project workers. TEAR is also audited by registered company auditors and is fully accredited with the Department of Foreign Affairs and Trade (DFAT). TEAR is a signatory to the ACFID (Australian Council for International Development) Code of Conduct, representing our commitment to ethical standards in governance, financial management and public accountability.

How is a project designed?

TEAR Australia's partner organisations are responsible for the design of the program or project. Although it is not the task of TEAR staff to assume responsibility for the design process, they do negotiate adjustments and revisions to project design with partners, prior

to submitting funding applications. In this way, TEAR's International Program Team seeks to add value to the design process and provide assistance to our partners in thinking through the issues involved. In some cases, TEAR Fieldworkers will also be involved in working with partners during the design phase.

How is a project selected?

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

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

How are projects evaluated?

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

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Kelsey had the privilege of meeting Priyanka (pictured, left) and hearing her story when she participated in the InDEEP trip to India. Kelsey says: “Through the help of EFICOR who has been working in these severely flood affected areas, Priyanka’s now the captain of her village’s task force for disaster risk reduction and flood emergency response. She showed me around her village, the veggie gardens and her home. She showed me her henna, then asked to do mine, and we laughed at our terrible communication and the way we’d been looking around for our translator. It was a great morning!”

See page 16 for more about DEEP trips, enabling supporters to visit TEAR projects.

JOIN US

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





TEAR Australia
ABN: 85 085 413 832

Financial Statements
For the Year Ended
30 June 2017

TEAR Australia

ABN 85 085 413 832

For the Year Ended 30 June 2017

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TEAR Australia

ABN 85 085 413 832

Directors' Report

For the Year Ended 30 June 2017

The Directors submit the financial report of TEAR Australia (the Company) for the financial year ended For the Year Ended 30 June 2017

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

Joanna Betteridge (Chair)	
Peter Noble (Deputy Chair)	
Barbara Deutschmann	Elected November 2016
Brett Gresham	
Graham Hall	Appointed May 2017
Matthew Maury (also CEO)	
Barry Morris	
Peter Snowsill	
Joanna Watts	
Jane Furniss	Term ended (resigned) February 2017
Greg Manning	Term ended November 2016
Brooke Prentis	Term ended November 2016

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

Principal Activities

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

Short-term and Long-term objectives

The company's short-term objectives are to:

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

The company's long-term objectives are to:

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

Strategies

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

- Partnering with 64 agencies in 23 countries to implement development projects
- Working with advocacy coalitions focused on achieving policy change on poverty and justice issues
- Various supporter education and mobilisation strategies targeting Australian Christians
- Multiple fundraising campaigns and initiatives
- Church engagement work

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks.

These benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved

- Project by project outcomes and impact indicators - ranging from water, health, income, education, food security
- Donations and Income raised to support poverty alleviation projects
- Number of supporters involved with advocacy campaigns
- Number of churches engaged with TEAR's work
- Number of TEAR Groups active across Australia

TEAR Australia

ABN 85 085 413 832

Information on Directors

Joanna Betteridge (Board Chair)	Qualifications	BA, LLB, LLM, GAICD, PRIMed
	Experience	Board Member since 2010. Principal of employment and safety law firm Betteridge Legal Consulting. Senior Fellow and Lecturer at Monash University.
	Special Responsibilities	Board Chair, Governance Committee member
Peter Noble	Qualifications	BA LLB (UQ), MIntl & Community Dev (DU)
	Experience	Board Member since 2014. Executive Director, Services and Innovation, at Victoria Legal Aid (Bendigo).
	Special Responsibilities	Board Deputy Chair, Membership Committee Chair, Assurance Committee member
Barbara Deutschmann	Qualifications	BA, DipEd, MTh
	Experience	Board Member since November 2016. Barbara is currently completing a PhD in Theology. Former coordinator of TEAR's Fieldworker and Indigenous support programs.
	Special Responsibilities	Governance Committee member
Jane Furniss	<i>(Resigned February 2017)</i>	
	Qualifications	BA, LLB (Hons), M. Int Devt
	Experience	Board Member 2013 to 2017. Experience in International law, development and governance. Board & senior management experience in development, advocacy & education sectors.
	Special Responsibilities	Program Committee member
Brett Gresham	Qualifications	B.Eng (Civ), M.Lit. Dev Stud.
	Experience	Board Member since 2010. Background in international development and project management. Former TEAR fieldworker in Afghanistan.
	Special Responsibilities	Program Committee Chair
Graham Hall	Qualifications	B. Bus, CPA, GAICD
	Experience	Board Member since May 2017. General Manager, Corporate Services, at BaptistCare. Previously worked as Chief Financial Officer in a listed financial services organisation.
	Special Responsibilities	Assurance Committee member
Gregory Manning	<i>(Term ended November 2016)</i>	
	Qualifications	BE (Hons 1), MDevStuds
	Experience	Board Member 2012 to 2016. Worked with Micah Network Australia in HIV prevention and education. Former TEAR fieldworker in India.
	Special Responsibilities	Membership Committee (Chair); Program Committee member
Matthew Maury	Qualifications	BA (Hons), MBA (Dev Studies), GAICD
	Experience	Board Member since 2009. TEAR Australia's National Director. 20 years experience with Christian development agencies.
	Special Responsibilities	Assurance Committee member, Governance Committee member, Membership Committee member
Barry Morris	Qualifications	Dip Tech (Comm); FCA
	Experience	Board member since 2016. Chief Financial Officer at Bible Society Australia. Previous Director of Finance & Administration, and now Fellow, at The Institute of Chartered Accountants in Australia.
	Special Responsibilities	Assurance Committee Chair

TEAR Australia

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Information on Directors (continued)

Brooke Prentis	<i>(Term ended November 2016)</i>	
	Qualifications	BCom, BA, Grad.Dip ICAA, CA
	Experience	Board Member 2012 to 2016. Chartered Accountant and Senior finance professional with experience in the corporate and not-for-profit sector including Aboriginal and Torres Strait Islander Assurance Committee member
	Special Responsibilities	
Peter Snowsill		
	Qualifications	BE (Hons), MAICD
	Experience	Board member since 2015. Chemical Engineer with governance, management and project expertise in industrial water treatment and international aid.
	Special Responsibilities	Membership Committee member, Program Committee member
Joanna Watts		
	Qualifications	BA (Hons), PG Cert (Higher Education Administration)
	Experience	Director of Operations in the University of Melbourne Advancement Office. Former Associate Director of Services and Support in the Alumni and Advancement Office at La Trobe University.
	Special Responsibilities	Governance Committee Chair

Meetings of Directors

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

Name	Number eligible to attend	Number attended
Joanna Betteridge (Chair)	5	4
Peter Noble (Deputy Chair)	5	5
Barbara Deutschmann	2	2
Brett Gresham	5	5
Graham Hall	1	1
Matthew Maury	5	5
Barry Morris	5	5
Peter Snowsill	5	5
Joanna Watts	5	4
Jane Furniss	3	3
Greg Manning	2	2
Brooke Prentis	2	1

TEAR Australia

ABN 85 085 413 832

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 2017 the total amount that members of the company are liable to contribute if the company is wound up is \$122. (2016: \$121).

Auditors Independence Declaration

The auditors independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

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



Board member:

Joanna Betteridge (Chair)



Board member:

Peter Noble (Deputy Chair)

Dated: 13 September 2017

TEAR Australia

ABN 85 085 413 832

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, 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: 13 September 2017

Blackburn, VIC

TEAR Australia

ABN 85 085 413 832

Statement of Income and Expenditure and Other Comprehensive Income

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
REVENUE		
Operating Activities		
Donations and Gifts		
Monetary	10,278,251	9,969,371
Non monetary	12 276,489	-
Bequests and legacies	843,819	172,115
DFAT Grants	5,104,700	5,104,700
Other income	35,971	121,591
Non-operating Activities		
Investment income	173,912	257,446
Total Revenue	16,713,142	15,625,223
Funds to international programs	(11,336,088)	(12,191,739)
Domestic programs expenditure	(243,475)	(279,441)
Program support costs	(1,453,718)	(1,221,676)
Community education	(1,839,289)	(1,495,974)
Fundraising costs		
Public	(858,597)	(736,354)
Government	(39,096)	(55,323)
Accountability and administration	(944,600)	(1,255,439)
Non-monetary expenditure	12 (276,489)	-
Total expenses	(16,991,352)	(17,235,946)
Deficit for the year	(278,210)	(1,610,723)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:	-	-
-Net Gains/(losses) on Revaluation of Property, Plant and Equipment	444,323	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met	-	-
-Net Gains/(losses) on Revaluation of Available for Sale Financial Assets	59,817	7,630
Changes to Unrealised Gain/(Loss) on Foreign Exchange Contracts		
-Current year Gains/(Losses)	(496,375)	(173,985)
-Reclassified to Profit and Loss	173,985	(134,220)
Other comprehensive income	181,750	(300,575)
Total comprehensive income for the year	(96,460)	(1,911,298)

The accompanying notes form part of these financial statements.

TEAR Australia

ABN 85 085 413 832

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	4,469,911	5,632,031
Trade and other receivables	4	61,068	27,478
Inventories	5	6,655	7,999
Financial assets	6	2,512,223	1,528,180
Other assets	8	62,190	85,141
Total current assets		7,112,047	7,280,829
Non-current assets			
Financial assets	6	1,266,787	1,192,820
Property, plant and equipment	7	3,005,890	2,559,465
Total non-current assets		4,272,677	3,752,285
TOTAL ASSETS		11,384,724	11,033,114
LIABILITIES			
Current liabilities			
Trade and other payables	9	684,765	276,446
Short-term provisions	10	562,014	558,972
Total current liabilities		1,246,779	835,418
Non-current liabilities			
Other long-term provisions	10	87,006	50,297
Total non-current liabilities		87,006	50,297
TOTAL LIABILITIES		1,333,785	885,715
NET ASSETS		10,050,939	10,147,399
EQUITY			
Financial assets revaluation reserve	11	146,864	87,047
Property revaluation reserve	11	844,323	400,000
Foreign currency reserve	11	(496,375)	(173,985)
General reserve	11	4,800,000	4,800,000
Committed funds reserve	11	4,756,127	5,034,337
Retained surpluses		-	-
TOTAL EQUITY		10,050,939	10,147,399

The accompanying notes form part of these financial statements.

TEAR Australia

ABN 85 085 413 832

Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Retained Surpluses	Property Revaluation Reserve	Foreign Currency Reserve	General Reserve	Committed Funds Reserve	Financial Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	-	400,000	(173,985)	4,800,000	5,034,337	87,047	10,147,399
Comprehensive income							
Deficit for the year	(278,210)	-	-	-	-	-	(278,210)
Other comprehensive income for the year							
Net Fair Value gains on revaluation of Property, Plant and Equipment	-	444,323	-	-	-	-	444,323
Net Fair Value gains on Available-for-Sale Financial Assets	-	-	-	-	-	59,817	59,817
Net unrealised losses on Foreign Exchange Contracts	-	-	(322,390)	-	-	-	(322,390)
Total comprehensive income for the year	(278,210)	444,323	(322,390)	-	-	59,817	(96,460)
Transfers to and from reserves							
- Committed Funds Reserve	278,210	-	-	-	(278,210)	-	-
Balance at 30 June 2017	-	844,323	(496,375)	4,800,000	4,756,127	146,864	10,050,939

The accompanying notes form part of these financial statements.

TEAR Australia

ABN 85 085 413 832

Statement of Changes in Equity

For the Year Ended 30 June 2017

2016

	Retained Surpluses	Property Revaluation Reserve	Foreign Currency Reserve	General Reserve	Committed Funds Reserve	Financial Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2015	-	400,000	134,220	4,900,000	6,545,060	79,417	12,058,697
Comprehensive income							
Deficit for the year	(1,610,723)	-	-	-	-	-	(1,610,723)
Other comprehensive income for the year							
Net Fair Value gains on Available-for-Sale Financial Assets	-	-	-	-	-	7,630	7,630
Net unrealised losses on Foreign Exchange Contracts	-	-	(308,205)	-	-	-	(308,205)
Total comprehensive income for the year	(1,610,723)	-	(308,205)	-	-	7,630	(1,911,298)
Transfers to and from reserves							
- Committed Funds Reserve	1,510,723	-	-	-	(1,510,723)	-	-
- General Reserve	100,000	-	-	(100,000)	-	-	-
Balance at 30 June 2016	-	400,000	(173,985)	4,800,000	5,034,337	87,047	10,147,399

The accompanying notes form part of these financial statements.

TEAR Australia

ABN 85 085 413 832

Statement of Cash Flows

For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Donations received	10,278,251	9,969,371
Bequests and legacies received	843,819	172,115
Operating grants received	5,615,170	5,615,170
Other income received	30,228	117,293
Payments to suppliers and employees	(5,446,768)	(5,259,649)
Distribution to overseas partners and fieldworkers	(11,579,563)	(12,471,180)
Interest and dividends received	155,550	272,052
Net cash provided by (used in) operating activities	(103,313)	(1,584,828)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of available-for-sale assets	(153,106)	(222,619)
Proceeds from sale of available-for-sale assets	140,809	157,697
Redemption/ (placement) of held-to-maturity financial assets	(984,043)	3,434,937
Purchase of property, plant and equipment	(64,480)	(23,074)
Proceeds from sale of property, plant and equipment	2,013	-
Net cash used by investing activities	(1,058,807)	3,346,941
Net increase (decrease) in cash and cash equivalents held	(1,162,120)	1,762,113
Cash and cash equivalents at beginning of year	5,632,031	3,869,918
Cash and cash equivalents at end of financial year	4,469,911	5,632,031
3		

The accompanying notes form part of these financial statements.

TEAR Australia

ABN 85 085 413 832

Notes to the Financial Statements

For the Year Ended 30 June 2017

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 Not-for-Profits Commission Act 2012. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

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

The company operates its overseas development and aid activities through the TEAR Fund (Australia) Developing Countries Aid Fund.

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

(b) Australian Council for International Development

The company is a registered member with the Australian Council for International Development (ACFID) and the financial statements are prepared in accordance with the requirements set out in the ACFID code of conduct. For further information on the Code please refer to the ACFID Code of Conduct Implementation Guide available at www.acfid.asn.au

(c) Income Tax

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

(d) Inventories

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

(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 conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

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

TEAR Australia

ABN 85 085 413 832

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(e) Property, Plant and Equipment

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

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised in the statement of profit and loss.

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

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

Depreciation

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

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

Buildings	2.5%
Office furniture and equipment	5-17%
Computer systems	25-34%
Motor vehicles	15%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit and Loss and other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surpluses.

Revaluation Model

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

(f) Leases

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

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

TEAR Australia

ABN 85 085 413 832

Notes to the Financial Statements

For the Year Ended 30 June 2017

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 Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in the income statement.

Classification and subsequent measurement

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

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

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

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

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- held-to-maturity investments;
- loans and receivables; and
- available-for-sale financial assets

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(g) Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Available-for-sale financial assets

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

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

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

Impairment of financial assets

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

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

TEAR Australia

ABN 85 085 413 832

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(g) Financial instruments

Loans and receivables

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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

Derecognition

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

(h) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Long-term employee benefits

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

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

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(h) Employee Benefits

Defined contribution superannuation benefits

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

(i) Cash and Cash Equivalents

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

(j) Goods and Services Tax (GST)

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

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

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

(k) Revenue and Other Income

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

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

Donations and bequests are recognised as revenue when received.

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

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

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

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(l) Trade payables

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

(m) Foreign exchange gains/losses

The Company incurred gains and losses on foreign exchange through both the revaluation of foreign currencies held as assets at 30 June 2017 and on payments made in foreign currency. All realised gains or losses are recorded in the Statement of Profit or Loss and Other Comprehensive Income at date of transaction, gains or losses on assets held are recorded respectively as an income or expense transactions are included respectively as a reduction or increase in the transaction value item, gains or losses on and accounted for with the original transaction.

The company uses forward purchasing contracts to assist with planning overseas commitment levels and to insulate against currency downturns.

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

(n) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The board have decided against early adoption of these Standards, but does not expect the adoption of these standards to have a material impact on the reported position or performance of the Company.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

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	National Director
James Burnet	Chief Financial Officer
Ashley Humphreys	Finance Director
Paul Flavel	Australian Program Coordinator
Jo Knight (0.7 EFT)	Advocacy Coordinator
Phil Lindsay	Acting International Program Coordinator (from Jan 2017)
Kelly Rae	South Asia Regional Team Leader (from Jan 2017)
Susan Vulling (0.6 EFT)	Human Resources Coordinator
Phil Wilkerson	International Program Coordinator (to Jan 2017)

The total remuneration paid to key management personnel of the Company is \$ 769,327 (2016: \$ 646,360).

3 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash on hand	3,455	3,718
Cash at bank	4,466,456	5,628,313
Total cash and cash equivalents	<u>4,469,911</u>	<u>5,632,031</u>

4 Trade and other receivables

CURRENT

Debtors	47,943	3,372
Franking credits receivable	13,125	24,106
Total receivables	<u>61,068</u>	<u>27,478</u>

Credit risk

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

5 Inventories

Inventories at cost	6,655	7,999
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TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2017

6 Financial Assets

	2017	2016
	\$	\$
CURRENT		
Held-to-maturity financial assets (Term deposits)	2,512,223	1,528,180
NON-CURRENT		
Available for sale financial assets at fair value:		
- Listed shares	787,422	717,857
- Convertible preference shares and hybrids	479,365	474,963
Total non-current assets	1,266,787	1,192,820

7 Property, Plant and Equipment

Freehold land & building		
At independent valuation	2,941,797	2,637,934
Accumulated depreciation	(7,076)	(135,936)
Total land and buildings	2,934,721	2,501,998
Motor vehicles		
At cost	23,855	44,000
Accumulated depreciation	(23,855)	(44,000)
Total motor vehicles	-	-
Office furniture and equipment		
At fair value	155,337	124,423
Accumulated depreciation	(127,073)	(111,567)
Total office equipment	28,264	12,856
Computer equipment		
At cost	365,248	338,480
Accumulated depreciation	(322,343)	(293,869)
Total computer equipment	42,905	44,611
Total property, plant and equipment	3,005,890	2,559,465

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2017

7 Property, Plant and Equipment

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	Motor vehicles	Office furniture and equipment	Computer Equipment	Total
	\$	\$	\$	\$	\$
Carrying amount as at 1 July 2016	2,501,998	-	12,856	44,611	2,559,465
Additions	6,798	-	30,914	26,768	64,480
Depreciation expense	(18,398)	-	(15,506)	(28,474)	(62,378)
Revaluation increase recognised in equity	444,323	-	-	-	444,323
Carrying amount as at 30 June 2017	2,934,721	-	28,264	42,905	3,005,890

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Notes to the Financial Statements

For the Year Ended 30 June 2017

8 Other Assets

	2017	2016
	\$	\$
CURRENT		
Prepayments	62,190	85,141

9 Trade and other payables

CURRENT		
Trade and other payables (excluding conference funds received in advance and unrealised foreign currency losses)	93,214	85,258
Current tax liability	16,784	17,203
Conference funds received in advance	77,454	-
Micah Network funds received in advance	888	-
Unrealised foreign currency losses	(a) 496,375	173,985
Other payables	50	-
	<u>684,765</u>	<u>276,446</u>

(a) The Company forward purchases US dollars and at balance day has open contracts requiring re-valuation at year end. In financial year 2017 with stronger exchange rates unrealised losses were booked as a liability. See note 11.

10 Provisions

CURRENT		
Employee benefits	562,014	558,972
NON-CURRENT		
Employee benefits	87,006	50,297

11 Reserves

Property Revaluation Reserve

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

Foreign Currency Reserve

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

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Reserves

General Reserve

TEAR's Reserve, Foreign Exchange Exposure and Investment Policy provides for potential needs such as essential funding commitments after a sudden or prolonged downturn in income receipts, or to meet a critical need of an overseas partner. As at 30 June this reserve was \$4.8M and forms part of financial assets.

Committed Funds Reserve

TEAR Australia has moral funding commitments to implementing partners for aid and development projects over the coming year totaling approximately \$10,670,418 (2016: \$12,640,000). These are in excess of the current reserves therefore TEAR continues to be reliant on future donations from supporters to fulfil these commitments.

Committed Funds Reserve also includes donations received for specific projects that have not been expended as at 30 June. Donations received for specific projects but not expended as at 30 June amounted to \$396,809 (2016: \$599,090). This figure includes \$264,390 (2016: \$0) for the East Africa Appeal and \$97,055 (2016: \$472,582) received for the Vanuatu Cyclone and Nepal Earthquake Appeal. These funds will be distributed for rehabilitation work to field partners as per project budget timetables.

Financial Assets Reserve

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

Retained Surpluses

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

12 Donated volunteer services

The Company receives donated services from volunteers. Where the fair value of the non monetary donation is reasonably determinable, the revenue and corresponding expense are recognised when the non-monetary donation is received. Volunteer services are valued based on guidelines received from the Department of Foreign Affairs and Trade. The company implemented appropriate systems to reliably measure donated services in the current year. During the year, the total volunteer services received were valued at \$276,489. Of this amount \$245,501 is considered community education expenditure and \$30,988 considered program support costs.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

13 Capital and Leasing Commitments

Operating Leases

	2017	2016
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	8,220	8,220
- between one year and five years	7,535	23,975
	<u>15,755</u>	<u>32,195</u>

The lease commitment is a non-cancellable operating lease for photocopiers contracted for but not capitalised in the financial statements with a five-year term. Increases in lease commitments may occur in line with the consumer price index (CPI). The lease has been active from 1 June 2014.

14 Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	3	4,469,911	5,632,031
Trade and other receivables	4	61,069	27,478
Held-to-maturity investments	6	2,512,223	1,528,180
Available-for-sale financial assets	6	1,266,787	1,192,820
Total financial assets		<u>8,309,990</u>	<u>8,380,509</u>

Financial Liabilities

Trade and other payables (excluding conference funds received in advance and unrealised foreign currency losses)	9	110,936	102,460
Total financial liabilities		<u>110,936</u>	<u>102,460</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2017

15 Fair Value Measurement

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

Recurring Fair Value Measurements

	2017	2016
	\$	\$
Financial Assets		
Available-for-sale financial assets		
- Shares in listed corporations	787,423	717,857
- Convertible preference shares and hybrids	479,365	474,963
Property Plant and Equipment		
- Freehold Land and Building	2,934,721	2,501,998

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

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

16 Events After the Reporting Period

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

17 Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the financial year no transactions were made to related parties.

18 Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2017 (30 June 2016: None).

19 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 2017 the amount that members of the company are liable to contribute if the company is wound up is \$121 (2016: \$117).

TEAR Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2017

20 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.

As non monetary donation is not a cash donation, the value of the non monetary donation and corresponding expense have been excluded from the analysis below.

	2017	2016
	\$	\$
Gross revenue from public activities	11,122,070	10,141,486
Less: public fundraising costs	(858,597)	(736,354)
Net public funds	10,263,473	9,405,133
Gross government, overseas, multilateral & corporate grants	5,104,700	5,104,700
Less government, overseas, multilateral & corporate fundraising costs	(39,096)	(55,324)
Net government, overseas, multilateral & corporate grants	5,065,604	5,049,376
Other revenue	209,883	379,037
Net funds raised	15,538,960	14,833,546
Overseas project disbursements	11,336,088	12,191,739
Domestic project disbursements	243,475	279,441
Program support costs	1,453,718	1,221,676
Community Education costs	1,839,289	1,495,974
Total funds distributed towards the objectives of the Company	(14,872,570)	(15,188,830)
Subtotal	666,390	(355,283)
Accountability and administration expenses	944,600	1,255,439
Surplus / (deficit) for the year	(278,210)	(1,610,723)

Percentages

	%	%
Total cost of public fundraising/gross public fundraising income	7.72	7.30
Surplus from public fundraising/gross public fundraising income	92.28	92.74
Funds disbursed towards objectives/total expenditure	88.98	88.10
Funds disbursed towards objectives/total revenue received	90.48	97.20

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Directors' Declaration

The Directors of the Company declare that:

1. The financial report as set out on pages 6 to 25, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with applicable Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of TEAR Australia as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that TEAR Australia will be able to pay its debts as and when they fall due.

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



Chair



Vice Chair

Dated 13 September 2017

TEAR Australia

ABN 85 085 413 832

Independent Audit Report to the members of TEAR Australia

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of TEAR Australia (the Company), being a General Purpose- Reduced Disclosure Requirements financial report, which comprises the statement of financial position as at 30 June 2017, the statement of income and expenditure and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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.

TEAR Australia

ABN 85 085 413 832

Independent Audit Report to the members of TEAR Australia

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

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

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

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

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn, VIC
Dated: 13 September 2017