

# Annual Report

2017/18

Transform.  
Empower.  
Advocate.  
Restore.



TEAR  
AUSTRALIA

## Who we are

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

## Mission

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

We will:

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

## Values

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

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

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Cover image: A passionate community advocate and farmer, Ram Saki has seen great improvements in her village since TEAR's partner, the Emmanuel Hospital Association, began equipping them to seek justice and access their government entitlements. And, with their help, she's now earning her own income raising chickens. For her inspirational story, see page 13.



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



Much to celebrate – and much more to do. This has been a theme for the past year as the TEAR Board and staff have been focused on investing in the future work of TEAR. The 'much to celebrate' includes the work of our 66 partners in 20 countries (including Australia) who operate the 125 projects supported by TEAR, who have reached millions of people through the impact of their work. People who have found new hope and new life as their families and communities have been freed from the chains of despair, oppression and grinding poverty. So much to celebrate!

At the same time, we recognise there is still much more to do and thus we have been envisioning our next season of work while developing a new strategic plan. We have also been actively laying the foundation for the season to come. This foundation has taken the shape of investment in a variety of new tools for the future growth of TEAR – such as a digital strategy and the accompanying software and hardware resources that help us work, educate, and raise resources more efficiently and effectively. We have also continued to innovate and find new ways to try and grow our impact with Australian Christian supporters.

Partnerships and coalitions in Australia have always been integral to TEAR's ethos and the Board has considered new ways of working with other agencies – which could involve new opportunities for joint ventures, mergers, or other approaches that are aligned with our mission and vision and will mean we can reach even more people.

As part of TEAR's commitment to building a more just and compassionate world, during this financial year the Board and staff have continued to look at ways to ensure we are tackling the root causes of injustice while also being willing to work where the needs are greatest.

One of the new projects which reflects this commitment is our global leadership for the newly launched Renew Our World campaign, which includes a focus on climate justice. There are still parts of the Australian Christian community who are both sceptics about climate change and also dispute why Christians should care about creation stewardship. Though some supporters have stopped supporting TEAR due to our work on climate, we feel that we can't shy away from the issue since we see the deeply negative impact that climate change is

having on some of the poorest communities around the world, and in particular the challenges being faced by small-scale farmers whose food security is at risk.

Another example of TEAR pushing to the places of greatest need is our ongoing work in places like Afghanistan, Somalia, Sudan, and South Sudan. Facing the challenges of insecurity and war, our Christian partners in these places remain committed to putting Christ's love into action while facing huge costs. Matthew is just back from a visit to see some of this work in Somalia and was overwhelmed by the comments from our partners who so deeply value the partnership with TEAR. While we do all we can to work towards protecting lives, we are grieved to have just received the news that one of our partner's staff members was shot and killed by militant forces in the midst of their work. We certainly don't take these risks lightly – but we do feel a deep calling and commitment to faithfully shine light into places of great darkness.

We also began to get momentum around our newly reinvigorated First Peoples Program (formerly Dhumba) with two new staff appointed, new partnerships being developed, and creating opportunities to magnify the voices of First Peoples on issues of biblical justice. It is still early days, but we are excited to see the huge potential.

Finally, this past January, we joined a group from the TEAR Board on a trip to India to meet our partners, visit their projects and hear directly from the communities impacted by their work. These visits enrich our governance work and help positively inform and shape decisions about TEAR policy and strategy through building understanding and a clearer line of sight toward how we can best support our partners for maximum positive impact.

Thanks to all of you for continuing to walk with us in this shared belief that we can make a difference – that God is at work with and through our efforts to help alleviate poverty and suffering, bringing hope and new life. There is much to celebrate – and much more to do!

**Matthew Maury**  
Chief Executive Officer

**Joanna Betteridge**  
Chair of the Board

Ranno Devi, a widow living in eastern India, was supported to start her own poultry business by TEAR's partner EHA. She is now able to give her children a good meal every day and earn an income.

# TEAR Australia at a Glance

## Internationally...



594,643  
people directly\*  
participate in



123  
projects



through  
64  
Christian  
partners



in  
19  
countries  
across Africa,  
Asia and the  
Pacific

## In Australia...



2  
projects



through  
2  
indigenous  
partners



14,960  
donors



934  
registered  
volunteers



49  
paid staff

## Financially...



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

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



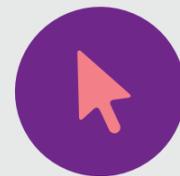
### Gifts Catalogue

11,202  
gifts purchased

through the Useful Gifts Catalogue enabled families all over the world to enjoy improved health, education, clean water and nutritious food, while living in stronger, safer communities.

320  
Australian volunteers

brought the gifts to their local community by setting up Useful Gifts Shops at Christmas time, making it easier to give meaningful gifts to celebrate Christ's birth.



### Digital Communication

12,000+  
people

engaged through our social media channels, spurred on to act, live, give, pray and speak out for justice. These channels are now some of our most effective ways to connect, encourage, educate and inspire.

27,000+  
Australians

connected through our e-newsletter, staying in touch through monthly updates on the achievements of our partners, prayers for justice and ways to take action.



### The Justice Conference

1,090  
people

attended The Justice Conference 2017, a 50% growth from 2016. In a pre-conference event, almost 200 Christian leaders gathered to be inspired by Pastor Don Hayward and Lisa Sharon Harper about paths to reconciliation.

150  
women

attended the inaugural Just Women event to discuss God's justice in their space, their story and their seeking. The event was so popular it extended to three events across Sydney and Melbourne in 2018.



### Innovation

1  
social-impact business

in India is being developed through TEAR's investment into supporting innovation. For our international partners interested in seeding new and creative ideas to address poverty, TEAR provides research and investment for them to develop commercially viable businesses. This enables us to broaden the approaches TEAR uses to address poverty and marginalisation. In the year ahead, TEAR Australia will offer partners technical assistance to develop business models, establish and run social enterprises, attract investments and take businesses to scale.

# Distribution of International Funds



● Location of TEAR's partners  
 ⊙ Location of emergency grants



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## Africa

Country	Partners	Projects	Development & Humanitarian Assistance
Ethiopia	4	5	\$410,574
Mozambique	3	3	\$224,345
Somalia	1	1	\$241,587
South Sudan	2	7	\$407,452
Sudan	1	1	\$198,424
Uganda	4	4	\$218,334
Zambia	2	2	\$252,394
Zimbabwe	3	4	\$370,587
<b>TOTAL</b>			<b>\$2,323,697</b>

## South Asia

Country	Partners	Projects	Development & Humanitarian Assistance
Afghanistan	4	12	\$1,313,472
Bangladesh	6	9	\$832,964
India	10	32	\$1,717,006
Nepal	8	20	\$1,153,114
Pakistan	3	3	\$254,869
<b>TOTAL</b>			<b>\$5,271,425</b>

## South East Asia

Country	Partners	Projects	Development & Humanitarian Assistance
Cambodia	5	6	\$581,262
Indonesia	2	3	\$144,924
Laos	3	5	\$581,594
Myanmar	2	4	\$523,268
Solomon Islands & PNG	1	2	\$89,050
<b>TOTAL</b>			<b>\$1,920,098</b>

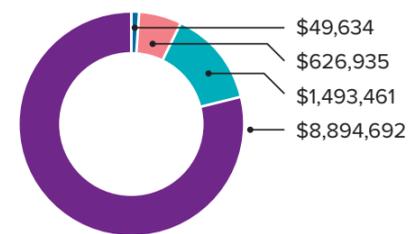
International - other \$6,407

## Emergency Humanitarian Grants

Bangladesh	\$161,813	Solomon Islands	\$37,421
India	\$121,722	South Sudan	\$133,349
Myanmar	\$7,260	Uganda	\$159,091
Nepal	\$6,279	<b>TOTAL</b>	<b>\$626,935</b>

Partners Total 64  
 Projects Total 123

## Total Program Analysis



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

Total International Program \$11,064,722

## International Program Funding According to Sectors



- Livelihoods & Food Security
- Basic Health
- Strengthening Civil Society
- Water & Sanitation
- Basic Education
- Disaster Relief & Recovery
- Other
- Partner Organisational Development
- Environmental Sustainability
- Fieldworkers



## Our Work: Livelihoods + Food Security

Investing in livelihoods  
and food production  
for the future.



In 2016, little Rupali (above and left) featured in TEAR's Useful Gifts Catalogue as the 'face' of the gift of pre-school education. At the time, she attended an education program set up by TEAR's partner in Bangladesh, Baptist Aid – Bangladesh Baptist Church Fellowship, and was loving the opportunity to learn. Two years later, TEAR's Kelly Rae caught up with Rupali and her mother, Sharothi Rani Roy, for an update on how they're doing.

It turns out that they've both been very busy. Thanks to the pre-school, Rupali has been able to get a place in the local government school, and is now in class one. She says it's good to be in school and learning. She is happy and healthy and continues to have an amazingly bright smile!

Sharothi is now the Treasurer of her women's Self-Help Group, established by BA-BBCF. Through this group, she accessed an initial loan to buy a sewing machine and start a tailoring business, which helps fund Rupali's education. Since then, Sharothi has accessed two other loans – one for a goat and the other to purchase cloth to expand her business.

In just two years, Sharothi's hard work has paid off and her monthly income has doubled. She's keeping detailed records of her business and has banners advertising her services near Rupali's old pre-primary school. More exciting than that, she is encouraging other entrepreneurial women. So far, three other women have been inspired to start a small business as a result of Sharothi's encouragement.

*Bangladesh, Baptist Aid – Bangladesh Baptist Church Fellowship receives support from the Australian Government through the Australian NGO Cooperation Program (ANCP).*



129  
Self-Help  
Groups

are supported through this project (113 with female-only members and 16 with male-only members), with a total

2,085  
members

Groups give all members the training and access to credit they need to invest in their own small business





22  
evaluations  
were conducted of our partner's programs during 2017 / 18

## Program evaluations: Livelihoods

TEAR and our international partners are continually assessing the impact of programs through regular monitoring and evaluation processes. A recent evaluation of PNKS, one of our partners in Cambodia providing livelihoods support through agriculture, showed the program had excellent outcomes for farmers and the development of village life. It also pointed to a significant cultural shift in the lives of rural Cambodians as factory jobs and urban employment opportunities push people away from farming as a livelihood. Reports such as these are essential for TEAR and our partners to shape programs that are relevant and able to adapt to changing circumstances.



The Renew Our World campaign continues to grow in momentum, now with

10  
national  
campaign  
expressions  
+ 3  
global  
networks

## Renew Our World, and the Future of Food

In Australia, TEAR continued its lead role for the global Renew Our World campaign, engaging our supporters to pray, live out their faith and campaign to make the world fair and sustainable, thus bringing God's Kingdom closer, so that everyone, everywhere can enjoy fullness of life.

2018 saw the launch of the Future of Food report, investigating the critical relationship between hunger, poverty and climate change. It suggests ways that we, as Christians in Australia, can put our love for God and our neighbours into action to end hunger and secure a sustainable food future.

Accompanying the report are stories of smallholder farmers supported by TEAR's partners. These sit alongside the stories of Australian Christians, motivated by their faith to consume food more sustainably. Tanya Fenwick from Sydney shared the story of her own food journey: *"Instead of being just a 'consumer' in our food system, I have started to participate in it. I have begun to eat with more understanding, gratitude and joy, and found joy in sharing this with others."*



## Our Work: Water + Sanitation

Building the infrastructure for clean, reliable water supply.

For Sambhawi (above) and her schoolmates, new school toilets and handwashing facilities have been the missing link to a better education. As a high school student, she used to feel anxious because there was neither a toilet in the school nor a safe place outside it to "go". All students had to walk far away to the bushes to hide – leaving the girls feeling very vulnerable. Students missed out on class, and some would not return to school at all.

Now Sambhawi's anxiety has disappeared thanks to the work of TEAR's partner United Mission to Nepal (UMN). In conjunction with a local development committee, the school management committee was trained to lead a sanitation program including forming an action plan. UMN then helped the school committee to build boys' and girls' toilets and hand washing facilities.

Now the students can concentrate on their studies, and incidences of illness and school absence have decreased, which makes the school community much happier all round. And Sambhawi is flourishing, crediting the toilet for helping her achieve good marks!

*United Mission to Nepal receives support from the Australian Government through the Australian NGO Cooperation Program (ANCP).*

## Environmental stewardship

TEAR is inspired by its vision of biblical justice to approach the challenges of a changing climate in ways that seek to ensure that everyone's basic needs are met, that we live within environmental limits, and that everyone lives fairly and has their fair share.

Electricity for the Head Office in Blackburn is generated through installed solar panels, with the balance sourced through a recognised renewable energy provider.

Air travel is offset through the purchase of carbon credits, contributing to a certified project in Laos run by Nexus. It trains local producers to make fuel-efficient cooking stoves which reduce pollution, protect Laos' forests and save households time and money.



3,947  
people

were provided with access to clean water, and

2,399  
people

gained access to basic sanitation through UMN's programs across Nepal



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# Our Work: Strengthening Civil Society

Collective action driving  
community change.

*“Since you have been visiting, my mind has been opened. Before, we never met as a village. Women didn’t sit and talk. Nobody had knowledge. Now, we get together. We have relationships. We campaigned, and we got a road.”*

Ram Saki’s reflection on how life in her Indian village has improved since TEAR’s partner, the Emmanuel Hospital Association, began ‘visiting’ is a telling insight into the power of collective action. For six years, EHA’s community worker has been equipping the families with the knowledge and skills to advocate for their government entitlements. Through this ‘rights-based’ approach, Ram Saki (pictured left) and her neighbours have campaigned for, and received, an electricity connection, public toilets, a water pump, and a sealed access road. It took a lot of paperwork and some determined meetings in the local government office, but they got them in the end.

They also discovered that the health worker was supposed to visit regularly, and that immunisations were available – so they campaigned for those too. As the women became more aware of gender discrimination, they have gradually worked to change entrenched cultural attitudes. Now, there is a support group for adolescent girls, marriages are discouraged until girls turn 18, and there has been a dramatic reduction in the abortion rate of girl babies.

All of these collective achievements are, for Ram Saki, the highlight of her involvement with EHA. There’s also a big change for her own family. With no land of their own, the family rely on a rented field to survive as farmers. Half of their produce is paid to the landowner. EHA has supported Ram Saki to start her own business raising chickens, and to improve the output of her crop with new seed and planting techniques. Her business is now generating steady income, and Ram Saki hopes to one day buy her own land.

*Emmanuel Hospital Association receives support from the Australian Government through the Australian NGO Cooperation Program (ANCP).*



25  
villages  
and urban  
settlements

are supported through this project, connecting thousands of families with government rights, and supporting them to address gender discrimination, domestic violence, and develop new livelihoods.



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# Our Work: Basic Education

Enabling all people to achieve a basic education.



## 934 volunteers

offered their time and skills during the year through events, teaching, fundraising, administration and skilled consultancy over the past year.



## Australian volunteers

Across Australia, TEAR supporters take an active role in strengthening our own communities to create change. We recognise that what we do here makes a significant impact towards reducing poverty across the world, particularly when it comes to climate care and faithful living.

In Adelaide, Yen (above) is part of the TEAR team engaging young adults with God's work of justice. She says: *"I love that I can be so active in outworking the justice that comes from believing in Christ, but also be enriched and nourished because TEAR explains the WHY, the biblical and spiritual basis, behind every campaign – from poverty to climate change – and their overall vision as an organisation."*



In the world's youngest country, Tabitha (above, centre) and her friends are the first generation to be growing up as independent South Sudanese citizens. She is determined to do well in school and graduate to become a doctor – a much needed skill in her community.

TEAR's partner ACROSS, a local Christian organisation, is helping Tabitha achieve her goals through a program improving the quality of education delivered through government schools. Recognising that the government school system was struggling in rural areas, ACROSS has been equipping schools with teacher training and support, gender awareness training, water and sanitation facilities. They also train volunteers to become 'school mothers' who encourage school attendance and support students' wellbeing – essential when families traditionally need boys to tend cattle and girls to help grow food.

It's making a clear difference to Tabitha's eagerness to achieve. Every night when her chores are finished – the dishes washed, the grain pounded, water collected, and the younger children settled – Tabitha pulls out her homework books and completes her work by torchlight. With such dedication, she finds the work achievable, even in the midst of busy family life.

With ACROSS also working in her community to improve health outcomes and food production, as well as address entrenched conflict after decades of war and civil conflict, Tabitha and her family can hope for a life that is peaceful and secure.



## 76 teachers

have been trained by ACROSS in the past year, giving them the skills they need to deliver quality education with minimal physical resources.



## Prayer

Another creative way TEAR Australia is strengthening communities is through prayer. Through the 2018 season of Lent, thousands of Australians used TEAR's prayer cards (like the one to the left) to inform their devotional time. With one card per week in the lead up to Easter, featuring the work of Australian Christian artists, and prayers from our partners, the prayers lifted up our hearts and minds to God's work of justice and compassion.

Beyond Lent, every Friday a new prayer is posted on TEAR's Facebook page. To join us in prayer, like @TEAR Australia and set aside time in your Friday to pray.



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## Program evaluations: Education

*In the past year, TEAR Australia commissioned a formal external evaluation of the ACROSS program. The report was extremely encouraging, showing: "Regardless of the challenges of insecurity in Rumbek East County that led to government declaration of a state of emergency in the Lake state and the ongoing civil unrest in the country, the programme effectiveness on average can comfortably be put at 85%, which is excellent performance. The strategy of working with trained community resource persons such as the Parents' and Teachers' Associations, Village Health Team, School Mothers, Listening Groups and others made it so much easier for the programme to attain its desired objectives by such a high percentage regardless of the challenges. In addition, the programme staff was not only highly qualified and professional but also deeply committed to the project."*

*"The programme brought about some significant changes in the community. The levels of uptake of professional health services in a predominantly traditional Dinka society with strong belief in long standing cultural health practices dramatically increased; the appreciation of formal education especially for the girl child is inspirational; turning former warriors into peace builders under the peace building component says a lot about the changes brought about by the project in the community."*

Pointing to the future, the report made some valuable recommendations. These included expanding into livelihoods support, accrediting the teacher training program, and adopting the help of role models. These recommendations, and others, have been accepted by ACROSS, and they will inform program planning into the future.

### Visiting projects

Enabling Australians to learn more and engage with God's work of justice and compassion is central to TEAR's work. That's why we offer DEEP (Development Education and Experience Program) trips, giving our supporters the opportunity to experience first-hand the work of our partners.

Pamela Ferrar reflected: *"I witnessed such a strong sense of community, even though, to our Western mindset, they have very little. When we visited some villages where Share and Care Nepal had concluded their work, there was such pride in the prosperity they had created – veggie gardens, greenhouses, buffalo, goats and water tanks. It was just brilliant!"*

### Resources for churches and bible study groups

2018 saw the unveiling of "Release", a video and bible study resource for small groups and churches, focusing on the work of Share and Care in Nepal. Following the stories of men and women in a remote village as they address injustice and rebuild after the earthquake, the resource is at once visually beautiful and spiritually encouraging, as it takes us on a journey of discovery as to what change looks like in difficult places. Available free at [tear.org.au/release](http://tear.org.au/release)

In South Sudan, TEAR's partner ACROSS supports education by training passionate and capable teachers, like Moses (pictured). As well as equipping teachers for the classroom, ACROSS also supports School Mothers – local women who advocate for female students and encourage the community to prioritise girls' education.



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22

Australians

participated in the trips in early 2018, visiting partners in Cambodia and Nepal.



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# Our Work: Disaster Relief + Recovery

Emergency assistance when disaster strikes, and support during reconstruction.



## All humanitarian responses

- **Flooding in Bangladesh, Nepal and India** (6 partners)
- **Storm damage in Nepal** (1 partner)
- **Climate change adaptation in Solomon Islands** (1 partner)
- **Food insecurity in South Sudan** (2 partners)
- **Capacity building in Indonesia** (1 partner)
- **Refugees and Internally Displaced People in Bangladesh, Nepal, and Uganda** (4 partners)



## Raising funds

Across Australia, TEAR's supporters find meaningful ways to raise money to enable communities to find fullness of life. Fearless fundraiser Ann Hansen (above) took the plunge at Moomba's Birdman Rally (Melbourne) in a costume made from hundreds of disposable coffee cups. She said: "I have been struck by the polar opposites of our wealthy consumer society enjoying our throw away café lattes and the poverty many people face on a daily basis in developing countries." Funds were raised to support Rohingya refugees in Bangladesh.



58  
people

ran fundraisers during the year, enabling communities to bring fullness of life to people in the most difficult circumstances

211  
people

joined TEAR's regular giving program, providing a faithful and reliable source of revenue for the long-term work of TEAR's partners

Suffering violence and persecution in Myanmar, almost a million Rohingya people have fled their homes, the majority of those making their way to southern Bangladesh. The refugee camps there are now the largest in the world. TEAR's response has been through our Integral Alliance partners (see page 32) who have worked with locally-based Christian organisations to provide much-needed emergency supplies.

In the midst of monsoonal rains causing landslides and road closures, TEAR's partner World Renew provided relief kits for families including soap, raincoats, umbrellas, plastic sandals and solar lighting, all in a handy re-useable plastic tub. As the rain poured down, supplies reached 2000 households (18,000 people), helping people adjust to the wet conditions, improve safety and reduce the spread of disease.

For the local Bangladeshi community members in the region, our partner supported 700 'host' families with a kit including hygiene items, umbrellas, solar lighting, and a waterproof container.

Kelly Rae, TEAR's South Asia Team Leader, visited Kutupulung camp in 2017 and has closely monitored the situation since. "Over 690,000 people have now arrived in Bangladesh seeking refuge, most settling in Kutupulung which is now the world's largest refugee camp. It is hard to find words to describe the level of hardship being faced within these camps. We continue to be grateful for the work of our partners who are able to be present with the Rohingya people in their pain and suffering and extend practical support as an expression of Christ's love in a difficult context."



2,700  
households

received emergency relief through this project



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## Our Work: Basic Health

Preventing illness  
and disease to enjoy  
improved wellbeing.

Mother to seven children, Luna (left) is well acquainted with the various illnesses going around her neighbourhood in Beira, on the coast of Mozambique. Living in a community that experiences poverty and social disadvantage, Luna decided to take the opportunity presented by TEAR's partner Oasis Mozambique to train as a "Mother Leader" – improving local health and hygiene practices, and awareness of gender discrimination and human rights.

These practices are simple, but important and include keeping babies clean and safe food handling. After sharing her knowledge with 16 of her neighbours, Luna formed a women's care group. Their work has improved their community's health, including reducing the impact of diarrhoeal illnesses and diseases, including cholera. The group has now grown to 35 members and has evolved into a savings and loans group. Because the women know and trust one other, they feel comfortable to contribute what they can to the groups' savings each week. Luna says that many children are now going to school because their parents can afford the fees thanks to the savings group.

Guided by her love and commitment, Luna's group exemplifies what happens when women are empowered to lift up others, who then collectively overcome disadvantage for the current generation and the next. One member commented: *"the group is like a family and we help each other when they are sick."*



**245**  
mother  
leaders

have now been trained  
by Oasis Mozambique,

**101**  
in the  
past year,

to help families  
improve their health  
through simple,  
affordable techniques.



## Research into mental health

This year, TEAR completed an important piece of research investigating development approaches with people who experience mental health challenges. The research has been an incredibly useful learning exercise; it has resulted in important changes to development practice for our partners, and is being applied broadly through TEAR Australia's international program. The results of the research reinforce the importance of connectedness and rebuilding relationships within communities, households and broader systems as an enabler of positive mental health.

*Read the report on our website at [tear.org.au/resources/community-inclusion-for-mental-health-photovoice](http://tear.org.au/resources/community-inclusion-for-mental-health-photovoice). This research has been conducted in partnership with the University of Melbourne (Nossal Institute for Global Health) and the Australian Government's Department of Foreign Affairs and Trade.*



## The gift of health

Every one of the 11,202 gifts purchased through the Useful Gifts Catalogue creates a connection between those who give and those whose lives are impacted. For Bekka Glover, from Melbourne (pictured above), her favourite gift was particularly personal: *"I grew up in Nepal so met and knew of many women in the villages who had no access to any kind of maternal health, leading to all sorts of birthing complications and often death. This is something that we seriously take for granted in Australia, so I love that this gift card gives me a practical way to improve the situation of those women (and their children)!"*

*Gifts of life, hope and opportunity are available all year at [usefulgifts.org](http://usefulgifts.org)*

# Our Work: First Peoples Program

Listening and Learning  
Amplifying Voices  
Supporting First Peoples



TEAR Australia has a vision for reconciliation, for a just and compassionate world in which all Australians have the opportunity to achieve their God-given potential. With this vision in mind, we recognise that Aboriginal and Torres Strait Islander people, the original custodians of this land, experience daily injustice that has led to ill health, poverty, family breakdown and alarming rates of incarceration. In light of the injustices experienced by Australia's First People, TEAR responds in two ways:

- 1 We provide support to projects run by Christian partners that are empowering Aboriginal and Torres Strait Islander peoples to achieve their potential and gain greater control over their own affairs.
- 2 We mobilise Australian Christians and the wider community to work towards a more just and equitable society.

**Listening and learning:** TEAR Australia hosted seven events that provided opportunities for people to connect with Indigenous Christian leaders. One event, a webinar exploring how churches can engage in reconciliation, featured an Aboriginal minister from the Uniting Aboriginal and Islander Christian Congress and attracted 45 participants from across Australia, 11 of whom had leadership responsibilities in their churches.

**Amplifying voices:** TEAR Australia's social media channels carried the voices of 15 Indigenous Australians, including a NAIDOC week focus on #becauseofherweCAN, and a Reconciliation week focus on awareness and advocacy. Through these channels, their prayers, faith insights, stories and encouragement have inspired thousands of people.

**Supporting First Peoples:** The program supported 2 projects during the year: Hope for Health (a community-led project enabling women on Elcho Island to reclaim their health); and supporting Indigenous youth to participate in Scripture Union Queensland's A2B Program (a 16-week program for at-risk youth that aims to break negative habits and behavioural cycles by helping young people critically evaluate their experiences in school and in the community).

Participants in a Hope for Health retreat (above left) have lost weight, reduced their blood pressure, been able to achieve and maintain healthy blood sugar levels and maybe most importantly Yolngu people have been able to protect, promote and facilitate the reclamation of "rom walngaw" – their way to vitality!



Auntie Rose Rigney (above), a Ngarrindjeri woman who lives at Raukkan, offered us this prayer to mark the end of NAIDOC week:

*"We pray for words of encouragement, refreshing and restoring of strength, caring wisdom, grace, love and vision for us now and for future generations of women all across this land..."*



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# Staff Leadership Team + Board Members

## Staff Leadership Team

**Matthew Maury** Chief Executive Officer  
**Phil Wilkerson** International Program Coordinator  
**Paul Flavel** Australian Program Coordinator  
**James Burnet** Chief Financial Officer  
**Susan Vulling** People at TEAR Coordinator  
**Ashley Humphreys** Finance Director  
**Kelly Rae** South Asia Regional Team Leader  
**Jo Knight** National Advocacy Coordinator

## Board Members



**Joanna Betteridge**  
 BA, LLB, LLM, GAICD, PRIMed  
 Appointed: 2010 (Consultative Member in 2009)  
 Responsibilities: Board Chair, Governance Committee Member  
 Number of meetings attended: 5/5  
*Joanna is Principal of Betteridge Legal Consulting, a lawyer practising in employment and safety law. She has significant board governance experience across health, welfare, broadcasting and not-for-profit. She is a Senior Fellow and Lecturer at Monash University's Law Faculty post-graduate program.*



**Peter Snowsill**  
 BE (Hons), MAICD  
 Appointed: November 2015  
 Responsibilities: Vice Chair, Membership Committee Chair, Program Committee Member  
 Number of meetings attended: 5/5  
*Peter is a Chemical Engineer with governance, management and project expertise in water treatment, renewable energy and international aid. He is also a director and co-owner of a chemical manufacturing and distribution business.*



**Matthew Maury**  
 BA (Hons), MBA (Dev Studies), GAICD  
 Appointed: 2009  
 Responsibilities: Governance Committee Member, Assurance Committee Member, Membership Committee Member  
 Number of meetings attended: 5/5  
*Matthew is TEAR Australia's Chief Executive Officer. He has worked with poor and marginalised communities in Africa, Asia, Latin America and the Middle East. Matthew is Vice President of the ACFID Board, a member of the Campaign for Australian Aid Board, Vice-Chair of the Micah Global, and Integral Alliance Boards.*



**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 and has over 20 years' experience of governance in educational and philanthropic settings.*



**Peter Noble**  
 BA, LLB, M Intl & Community Development  
 Appointed: November 2014  
 Responsibilities: 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. 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 is the owner and director of a small business, and recently was employed with Scope Global. He has a background working internationally in development and project management, and has been a TEAR Fieldworker.*



**Graham Hall**  
 B Bus, CPA, GAICD  
 Appointed: May 2017  
 Responsibilities: Assurance Committee Member  
 Number of meetings attended: 5/5  
*Graham is the Corporate Strategy 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 a senior finance executive in an international business.*



**Lauren Bonnet**  
 B Dev Studs, MSW  
 Appointed: November 2015  
 Responsibilities: Associate Board Member; Program Committee Member  
 Number of meetings attended: 3/3  
*Lauren is a case worker for a suicide prevention program. She is the founder of the fashion social enterprise From Found, employing women from refugee backgrounds in Adelaide. She participated in TEAR's Cambodia DEEP 2017.*



**Barbara Deutschmann**  
 BA, DipEd, MTh  
 Appointed: November 2016  
 Responsibilities: Membership Committee Member, Governance Committee Member  
 Number of meetings attended: 4/5  
*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.*



**Barry Morris**  
 Dip Tech (Comm), FCA  
 Appointed: April 2016  
 Responsibilities: Assurance Committee Chair  
 Number of meetings attended: 4/5  
*Barry is a Chartered Accountant and is also a Director of Bible Society Australia. He has experience as CFO of publicly listed companies and religious charities, the Director of Finance at The Institute of Chartered Accountants in Australia and State Manager of large legal firms.*



**Joanna Lee**  
 BSc (Hons I), BA (Geography and Economics), MSocSc(IntlDev)  
 Appointed: 2017  
 Responsibilities: Program Committee Member  
 Number of meetings attended: 3/3  
*Joanna focuses on the assessment and development of new business and mission enterprises for Churches of Christ in Queensland. From a background in environmental consulting and project management, she has worked with a TEAR partner in Zimbabwe, and with Micah Global.*



**Daniel Parris**  
 Dip Ch Studs, BA (Hons)  
 Appointed: May 2017  
 Associate Board Member; Governance Committee Member (until end 2017), Program Committee Member (from 2018)  
 Number of meetings attended: 5/5  
*Daniel has worked as a Community Programs Officer with the Australian Red Cross, and is undertaking a Masters in Environment and Sustainability at Monash University.*

# Auditor's Declaration

# Finance Report



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SAWARD DAWSON  
chartered accountants

**TEAR Australia**  
ABN 85 085 413 832

**Report of the Independent Auditor on the Summary Financial Statements**

**Opinion**  
The summary financial statements, which comprise the summary statement of financial position as at 30 June 2018, the summary statement of income and expenditure and other comprehensive income, summary statement of changes in equity for the year then ended and board declaration, are derived from the audited financial report of TEAR Australia for the year ended 30 June 2018.

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 19 September 2018.

**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 19 September 2018

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Joshua Morse CA Jeff Tulk CA  
Matthew Stokes CA

**Directors:** Marie Ickerlingill SSA Cathy Braun CA  
Murray Nicholas CA Vicki Adams CA CPA CFP®

CHARTERED ACCOUNTANTS A member of Audit & Finance International  
Liability limited by a scheme approved under Professional Standards Legislation

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 2018 financial report. In respect to the 30 June 2018 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 (ACFID) Code of Conduct. The summary reports have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Implementation Guidance available at [www.acfid.asn.au](http://www.acfid.asn.au)

The financial statements and notes give a true and fair view of the financial position as at 30 June 2018 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 19 September 2018.

*Joanna Betteridge*

**Joanna Betteridge**  
Chair

*Peter Snowsill*

**Peter Snowsill**  
Vice Chair

Last financial year (2018) was a difficult one for TEAR, with income falling below expectations. Total income was down almost 16% from the previous year, to \$14,488,959.

There are a few reasons for this reduction. One of our historically important sources of funds, the Useful Gifts Catalogue, continues to weaken each year and our team continues to work hard on creating new income streams for the future. Likewise our Federal Government grant income from the Department of Foreign Affairs and Trade (DFAT) reduced by 15% to \$4.35 million. This reduction was expected, and reflects TEAR's reduced share of the DFAT NGO budget.

Some of the reduction is also due to a change in accounting practices, as this year TEAR decided to not recognise unspent DFAT income valued at \$242,584. This amount forms part of the year-on-year DFAT reduction and is instead recognised on the balance sheet as a liability, to be booked to income and matched against expenditure in 2019.

TEAR was thankful that, in a year where the sector continues to face financial challenges, our other (non-emergency appeal) donation income was up by 1%. We are also very appreciative to receive a number of generous bequests totalling \$382,220.

The backbone of revenue for TEAR continues to be our supporters who give regularly. Our retention rate for these very important, and faithful, supporters remains strong.

Also positive, TEAR's investment income is solid at \$237,019, if up only 1% on 2017. Early adoption of a new accounting standard (now valuing all unrealised

gains and losses through the income statement) has required a retrospective restatement of the 2017 figure (previously \$173,912).

The Board has recognised the need for TEAR to further invest in fundraising to support our donation income whilst also keeping our expenditure amongst the lowest in the sector. The fundraising budget in 2018 was increased, allowing for investment in new initiatives.

Outside of fundraising, the internal expense cost (program support costs, community education costs and administration costs) fell by almost 5% compared to 2017, reflecting the continued tight fiscal environment and the need to make ongoing cuts to match falling income.

In a similar manner to 2017, our international programs benefited from a stronger Australian dollar, which averaged close to USD\$0.78 over the course of the year. TEAR, therefore, had to pay less (in Australian dollars) to maintain project payments to partners. The International Program team have also made ongoing cuts to programs as part of an organisation-wide strategy to return to budget balance. The cuts to programs, and savings made through a stronger exchange rate, resulted in total international program expenditure falling almost 16% compared to 2017.

**James Burnet**  
Chief Financial Officer and Company Secretary

*If you would like a further explanation of the accounts, please contact TEAR. For a copy of the Full Financial Statement for the year to 30 June 2018, please contact the TEAR Office on 1800 244 986 or go to [tear.org.au](http://tear.org.au)*

# TEAR Australia Income Statement

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

## Funds to International Programs

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

## Domestic Program Expenditure

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

## 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.

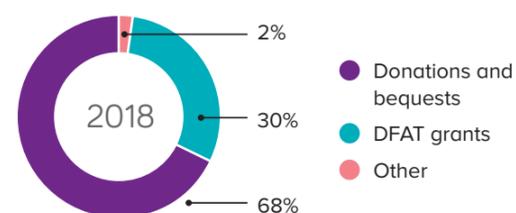
## Fundraising Costs

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

## Accountability and Administration

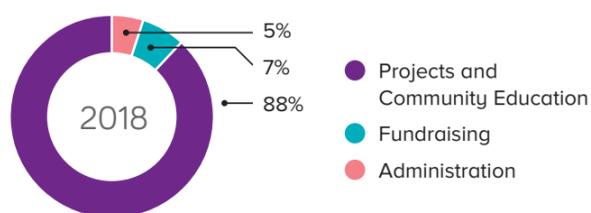
Expenses supporting the board, executive, finance, administration, HR, ITC and customer service functions.

## Source of Income



Percentages of total income for the financial year

## Disbursements



Percentages of total expenditure for the financial year

The percentage for Projects under Disbursements includes the Funds to International Programs (63%), Program Support Costs (10%), Domestic Program Expenditure (2%) and Community Education (13%).

# Statement of Financial Position

As at 30 June 2018

	2018	2017
<b>ASSETS</b>	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	4,362,617	4,469,911
Trade and other receivables	81,153	77,682
Inventories	-	6,655
Financial assets	2,070,491	2,512,223
Other assets	315,840	62,190
<b>TOTAL CURRENT ASSETS</b>	<b>6,830,101</b>	<b>7,128,661</b>
<b>Non-Current Assets</b>		
Financial assets	1,370,101	1,266,787
Property, plant and equipment	3,083,253	3,005,890
<b>TOTAL NON-CURRENT ASSETS</b>	<b>4,453,354</b>	<b>4,272,677</b>
<b>TOTAL ASSETS</b>	<b>11,283,455</b>	<b>11,401,338</b>
<b>LIABILITIES</b>	<b>\$</b>	<b>\$</b>
<b>Current Liabilities</b>		
Trade and other payables	297,120	701,379
Provisions	572,114	562,014
Other current liabilities	242,584	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,111,818</b>	<b>1,263,393</b>
<b>Non-Current Liabilities</b>		
Provisions	59,849	87,006
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>59,849</b>	<b>87,006</b>
<b>TOTAL LIABILITIES</b>	<b>1,171,667</b>	<b>1,350,399</b>
<b>NET ASSETS</b>	<b>10,111,788</b>	<b>10,050,939</b>
<b>EQUITY</b>	<b>\$</b>	<b>\$</b>
Property revaluation reserve	844,323	844,323
Foreign currency reserve	279,610	(496,375)
Designated funds reserve	101,539	396,809
Committed funds reserve	8,886,316	9,306,182
Retained surplus	-	-
<b>TOTAL EQUITY</b>	<b>10,111,788</b>	<b>10,050,939</b>

See the summary on page 28 for an explanation of the account categories.

# Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 30 June 2018

	2018	2017
<b>REVENUE</b>	<b>\$</b>	<b>\$</b>
Donations and gifts		
Monetary	9,255,047	10,278,251
Non-monetary	207,955	276,489
Bequests and legacies	382,220	843,819
Grants		
Department of Foreign Affairs & Trade	4,351,646	5,104,700
Investment income	237,019	233,729
Other income	55,072	35,971
<b>TOTAL REVENUE</b>	<b>14,488,959</b>	<b>16,772,959</b>
<b>EXPENDITURE</b>	<b>\$</b>	<b>\$</b>
<b>Aid and Development Program Expenditure</b>		
Funds to international programs	9,571,261	11,336,088
Program support costs	1,493,461	1,453,718
Domestic program expenditure	205,205	243,475
Community education	1,829,861	1,839,289
<b>Total Aid and Development Program Expenditure</b>	<b>13,099,788</b>	<b>14,872,570</b>
Fundraising costs		
Public	1,110,752	858,597
Government, multilateral and private	17,400	39,096
Accountability and administration	768,200	944,600
Non-monetary expenditure	207,955	276,489
<b>TOTAL EXPENDITURE</b>	<b>15,204,095</b>	<b>16,991,352</b>
<b>EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	<b>(715,136)</b>	<b>(218,393)</b>
<b>Other Comprehensive Income</b>	<b>775,985</b>	<b>121,933</b>
<b>Total Comprehensive Income for the Year</b>	<b>60,849</b>	<b>(96,460)</b>

No individual project received greater than 10% of the international aid and development revenue earned during the financial year; therefore, no Table of Cash Movements has been included. See the summary on page 28 for an explanation of the account categories.

# Statement Changes in Equity

For the year ended 30 June 2018

	Retained Surplus \$	Property Revaluation Reserve \$	Foreign Currency Reserve \$	Designated Funds Reserve	Committed Funds Reserve \$	Total \$
<b>Balance at 30 June 2016</b>	-	400,000	(173,985)	599,090	9,322,294	10,147,399
<b>Comprehensive Income</b>						
Surplus (deficit)	(218,393)	-	-	-	-	(218,393)
<b>Other Comprehensive Income for the Year</b>						
Net Fair Value gains on revaluation of property, plant and equipment	-	444,323	-	-	-	444,323
Net unrealised gains/(losses) on foreign exchange contracts	-	-	(322,390)	-	-	(322,390)
<b>Total Comprehensive Income for the Year</b>	<b>(218,393)</b>	<b>444,323</b>	<b>(322,390)</b>	<b>-</b>	<b>-</b>	<b>96,460</b>
Transfers to and from reserves	218,393	-	-	(202,281)	(16,112)	-
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>844,323</b>	<b>(496,375)</b>	<b>396,809</b>	<b>9,306,182</b>	<b>10,050,939</b>
<b>Comprehensive Income</b>						
Surplus (deficit)	(715,136)	-	-	-	-	(715,136)
<b>Other Comprehensive Income for the Year</b>						
Net unrealised gains/(losses) on foreign exchange contracts	-	-	775,985	-	-	775,985
<b>Total Comprehensive Income for the Year</b>	<b>(715,136)</b>	<b>-</b>	<b>775,985</b>	<b>-</b>	<b>-</b>	<b>60,849</b>
Transfers to and from reserves	715,136	-	-	(295,270)	(419,866)	-
<b>BALANCE AT 30 JUNE 2018</b>	<b>-</b>	<b>844,323</b>	<b>279,610</b>	<b>101,539</b>	<b>8,886,316</b>	<b>10,111,788</b>

# Memberships, Accountability + Accreditations



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

We thank DFAT for their continued support of TEAR's work. See: [dfat.gov.au](http://dfat.gov.au)



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

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

## Integral:

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

In 2017/18, TEAR responded to two disasters through Integral, supporting Rohingya refugees in Bangladesh, and responding to the needs of traumatised, war-affected South Sudanese refugees in camps in Uganda. See: [integralalliance.org](http://integralalliance.org)



TEAR Australia is a signatory to the Charter for Change, an initiative led by both National and International NGOs to practically implement changes to the way the humanitarian system operates to enable more locally-led responses. In 2017-18 TEAR Australia committed 40% of its humanitarian expenditure to local or national agencies and spent \$32,939 on capacity strengthening for local and national partners. See: [charter4change.org](http://charter4change.org)



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



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



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

## we're for Australian Aid

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



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

## Feedback

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

### TEAR Australia

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

### Publication details:

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T: 1800 244 986

After a serious illness, Kumar was supported by EHA in India, a TEAR partner, to start a small business selling vegetables from a hand cart. It's helped him pay his medical costs, his children's school fees, and recover his confidence.



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## Join us

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

## Thank you

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

[tear.org.au](https://tear.org.au)  
[usefulgifts.org](https://usefulgifts.org)





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

Financial Statements  
For the Year Ended  
30 June 2018

# TEAR Australia

ABN 85 085 413 832

For the Year Ended 30 June 2018

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# TEAR Australia

ABN 85 085 413 832

## Directors' Report

30 June 2018

The Directors submit the financial report of TEAR Australia (the Company) for the financial year ended 30 June 2018

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 Snowsill (Deputy Chair)	Deputy Chair from Dec 2017
Barbara Deutschmann	
Brett Gresham	
Graham Hall	
Joanna Lee	Elected Nov 2017
Matthew Maury (also National Director)	
Barry Morris	
Peter Noble	Deputy Chair up to and including Nov 2017
Joanna Watts	

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 and campaigns.

The company's long-term objectives are to:

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

### Strategies

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

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

### Key Performance Measures

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

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

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

# TEAR Australia

ABN 85 085 413 832

## Information on Directors

Joanna Betteridge (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 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	Deputy Chair (from December 2017), Membership Committee member, Program Committee member
Barbara Deutschmann	Qualifications	BA, DipEd, MTh
	Experience	Board Member since November 2016. Currently completing a PhD in Theology. Former coordinator of TEAR's Fieldworker and Indigenous support programs.
	Special Responsibilities	Membership Committee member, Governance 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
Joanna Lee	Qualifications	BSc (Hons I), BA (Geography and Economics), MSocSc(IntlDev)
	Experience	Board Member since Nov 2017. Works in Mission and growth in the Churches of Christ. Previous roles include Environmental Consultant at GHD, Assistant at Micah Global and TEAR Associate
	Special Responsibilities	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. Previous Chief Financial Officer at Bible Society Australia. Fellow of Chartered Accountants Australia and New Zealand.
	Special Responsibilities	Assurance Committee Chair

# TEAR Australia

ABN 85 085 413 832

## Information on Directors (continued)

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 (up to and including Nov 2017), Membership Committee Chair, Assurance Committee member

Joanna Watts

Qualifications BA (Hons), PG Cert (Higher Education Administration)  
Experience Board member since 2015. Director of Operations in the University of Melbourne Advancement Office. Former Associate Director of Services and Support at La Trobe University.  
Special Responsibilities 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	5
Peter Snowsill (Deputy Chair)	5	5
Barbara Deutschmann	5	4
Brett Gresham	5	5
Graham Hall	5	5
Joanna Lee	3	3
Matthew Maury	5	5
Barry Morris	5	4
Peter Noble	5	5
Joanna Watts	5	4

## 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 2018 the total amount that members of the company are liable to contribute if the company is wound up is \$121. (2017: \$122).

## Auditors Independence Declaration

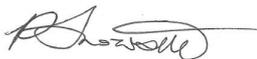
The auditors independence declaration for the year ended 30 June 2018 has been received and can be found on page 4 of the financial report.

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



Board member: .....

Joanna Betteridge (Chair)



Board member: .....

Peter Snowsill (Deputy Chair)

Dated: 19 September 2018

## 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 2018, 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: 19 September 2018

Blackburn, VIC

# TEAR Australia

ABN 85 085 413 832

## Statement of Income and Expenditure and Other Comprehensive Income

For the Year Ended 30 June 2018

	2018	2017
	\$	\$
<b>REVENUE</b>		
<b>Operating Activities</b>		
Donations and Gifts		
Monetary	9,255,047	10,278,251
Non monetary	13 207,955	276,489
Bequests and legacies	382,220	843,819
DFAT Grants	4,351,646	5,104,700
Other income	55,072	35,971
<b>Non-operating Activities</b>		
Investment income	237,019	233,729
<b>Total Revenue</b>	<b>14,488,959</b>	<b>16,772,959</b>
Funds to international programs	(9,571,261)	(11,336,088)
Domestic programs expenditure	(205,205)	(243,475)
Program support costs	(1,493,461)	(1,453,718)
Community education	(1,829,861)	(1,839,289)
Fundraising costs		
Public	(1,110,752)	(858,597)
Government	(17,400)	(39,096)
Accountability and administration	(768,200)	(944,600)
Non-monetary expenditure	13 (207,955)	(276,489)
<b>Total expenses</b>	<b>(15,204,095)</b>	<b>(16,991,352)</b>
<b>Deficit for the year</b>	<b>(715,136)</b>	<b>(218,393)</b>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
- Net Gains/(losses) on Revaluation of Property, Plant and Equipment	-	444,323
Changes to Unrealised Gain/(Loss) on Foreign Exchange Contracts		
- Current year Gains/(Losses)	279,610	(496,375)
- Reclassified to Profit and Loss	496,375	173,985
<b>Other comprehensive income</b>	<b>775,985</b>	<b>121,933</b>
<b>Total comprehensive income for the year</b>	<b>60,849</b>	<b>(96,460)</b>

The accompanying notes form part of these financial statements.

# TEAR Australia

ABN 85 085 413 832

## Statement of Financial Position

As at 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	4,362,617	4,469,911
Trade and other receivables	4	81,153	77,682
Inventories	5	-	6,655
Financial assets	6	2,070,491	2,512,223
Other assets	8	315,840	62,190
<b>Total current assets</b>		<b>6,830,101</b>	<b>7,128,661</b>
<b>Non-current assets</b>			
Financial assets	6	1,370,101	1,266,787
Property, plant and equipment	7	3,083,253	3,005,890
<b>Total non-current assets</b>		<b>4,453,354</b>	<b>4,272,677</b>
<b>TOTAL ASSETS</b>		<b>11,283,455</b>	<b>11,401,338</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	297,120	701,379
Short-term provisions	10	572,114	562,014
Other current liabilities	11	242,584	-
<b>Total current liabilities</b>		<b>1,111,818</b>	<b>1,263,393</b>
<b>Non-current liabilities</b>			
Other long-term provisions	10	59,849	87,006
<b>Total non-current liabilities</b>		<b>59,849</b>	<b>87,006</b>
<b>TOTAL LIABILITIES</b>		<b>1,171,667</b>	<b>1,350,399</b>
<b>NET ASSETS</b>		<b>10,111,788</b>	<b>10,050,939</b>
<b>EQUITY</b>			
Property revaluation reserve	12	844,323	844,323
Foreign currency reserve	12	279,610	(496,375)
Designated funds reserve	12	101,539	396,809
Committed funds reserve	12	8,886,316	9,306,182
Retained surpluses		-	-
<b>TOTAL EQUITY</b>		<b>10,111,788</b>	<b>10,050,939</b>

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 2018

**2018**

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

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 2018

**2017**

	<b>Retained Surpluses</b>	<b>Property Revaluation Reserve</b>	<b>Foreign Currency Reserve</b>	<b>Designated Funds Reserve</b>	<b>Committed Funds Reserve</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	-	400,000	(173,985)	599,090	9,322,294	10,147,399
<b>Comprehensive income</b>						
Deficit for the year	(218,393)	-	-	-	-	(218,393)
<b>Other comprehensive income for the year</b>						
Net Fair Value gains on revaluation of Property, Plant and Equipment	-	444,323	-	-	-	444,323
Net unrealised losses on Foreign Exchange Contracts	-	-	(322,390)	-	-	(322,390)
<b>Total comprehensive income for the year</b>	<b>(218,393)</b>	<b>444,323</b>	<b>(322,390)</b>	<b>-</b>	<b>-</b>	<b>(96,460)</b>
<b>Transfers to and from reserves</b>						
- Committed Funds Reserve/ Designated Funds Reserve	218,393	-	-	(202,281)	(16,112)	-
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>844,323</b>	<b>(496,375)</b>	<b>396,809</b>	<b>9,306,182</b>	<b>10,050,939</b>

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 2018

	2018	2017
Note	\$	\$
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Donations received	9,255,047	10,278,251
Bequests and legacies received	382,220	843,819
Operating grants received	5,053,653	5,615,170
Other income received	40,253	30,228
Payments to suppliers and employees	(5,511,487)	(5,446,768)
Distribution to overseas partners and fieldworkers	(9,776,466)	(11,579,563)
Interest and dividends received	158,474	155,550
<b>Net cash provided by (used in) operating activities</b>	<b>(398,306)</b>	<b>(103,313)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for investments	(251,915)	(153,106)
Proceeds from sale of investments	232,190	140,809
Redemption/ (placement) of held-to-maturity financial assets	441,732	(984,043)
Purchase of property, plant and equipment	(134,579)	(64,480)
Proceeds from sale of property, plant and equipment	3,584	2,013
<b>Net cash used by investing activities</b>	<b>291,012</b>	<b>(1,058,807)</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>	<b>(107,294)</b>	<b>(1,162,120)</b>
Cash and cash equivalents at beginning of year	4,469,911	5,632,031
<b>Cash and cash equivalents at end of financial year</b>	<b>4,362,617</b>	<b>4,469,911</b>
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 2018

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

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

The 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](http://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 2018

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

#### Revaluation Model

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

#### (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 2018

### 1 Summary of Significant Accounting Policies

#### (g) Financial instruments

The Company has elected to apply AASB 9 Financial Instruments as issued in December 2014 with comparative figures being restated.

##### *Initial recognition and measurement*

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

##### *Classification and subsequent measurement*

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

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

##### *(i) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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

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

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

Financial assets at fair value through profit or loss comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

##### *(ii) Financial liabilities*

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

##### *(iv) Fair value*

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

##### *Impairment of financial assets*

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

# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 1 Summary of Significant Accounting Policies

#### (g) Financial instruments

##### *Derecognition*

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

##### **Defined contribution superannuation benefits**

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

# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 1 Summary of Significant Accounting Policies

#### (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.

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

Donations and bequests are recognised as revenue when received.

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

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

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

# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 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 2018 and on payments made in foreign currency. All realised gains or losses are recorded in the Statement of Income and Expenditure and Other Comprehensive Income at date of transaction, gains or losses on assets held are recorded respectively as an income or expense transactions are included respectively as a reduction or increase in the transaction value item, gains or losses on and accounted for with the original transaction.

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

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

#### (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 (with the exception of AASB 9, refer to further details in Note 1(o)), but does not expect the adoption of these standards to have a material impact on the reported position or performance of the Company.

#### (o) Adoption of new and revised accounting standards

The Company has elected to early-adopt AASB 9 Financial Instruments, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Under this new standard, the Company has made an irrevocable election at initial recognition for financial assets (equity instruments) to be measured at fair value through the Statement of Income and Expenditure and Other Comprehensive Income.

The accounting policies were changed to comply with AASB 9. AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. AASB also significantly amends other standards dealing with financial instruments such as AASB 7 Financial Instruments: Disclosures.

Comparatives have been retrospectively restated in accordance with the application of this standard. This change increased the net surplus in the prior period by \$59,817. Total comprehensive income and net assets were not impacted.

# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 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 (to Dec 2017)
Kelly Rae	South Asia Regional Team Leader
Susan Vulling (0.6 EFT)	Human Resources Coordinator
Phil Wilkerson	International Program Coordinator (from Dec 2017)

The total remuneration paid to key management personnel of the Company is \$ 769,327 (2017: \$ 646,360).

### 3 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	4,155	3,455
Cash at bank	4,358,462	4,466,456
Total cash and cash equivalents	<u>4,362,617</u>	<u>4,469,911</u>

### 4 Trade and other receivables

#### CURRENT

Debtors	45,761	47,943
Franking credits receivable	10,263	13,125
GST receivable	25,129	16,614
Total receivables	<u>81,153</u>	<u>77,682</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	<u>-</u>	<u>6,655</u>
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# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 6 Financial Assets

	2018	2017
	\$	\$
CURRENT		
Held-to-maturity financial assets (Term deposits)	<u>2,070,491</u>	<u>2,512,223</u>
NON-CURRENT		
<b>Financial assets at fair value through profit or loss</b>		
- Listed shares	891,003	787,422
- Convertible preference shares and hybrids	<u>479,098</u>	<u>479,365</u>
Total non-current assets	<u>1,370,101</u>	<u>1,266,787</u>

### 7 Property, Plant and Equipment

Freehold land & building		
At independent valuation	2,941,797	2,941,797
Accumulated depreciation	<u>(25,694)</u>	<u>(7,076)</u>
Total land and buildings	<u>2,916,103</u>	<u>2,934,721</u>
Motor vehicles		
At cost	23,855	23,855
Accumulated depreciation	<u>(23,855)</u>	<u>(23,855)</u>
Total motor vehicles	<u>-</u>	<u>-</u>
Office furniture and equipment		
At cost	156,956	155,337
Accumulated depreciation	<u>(140,849)</u>	<u>(127,073)</u>
Total office equipment	<u>16,107</u>	<u>28,264</u>
Computer equipment		
At cost	498,209	365,248
Accumulated depreciation	<u>(347,166)</u>	<u>(322,343)</u>
Total computer equipment	<u>151,043</u>	<u>42,905</u>
<b>Total property, plant and equipment</b>	<u>3,083,253</u>	<u>3,005,890</u>

# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 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 2017	2,934,721	-	28,264	42,905	3,005,890
Additions	-	-	1,618	132,961	134,579
Depreciation expense	(18,618)	-	(13,775)	(24,823)	(57,216)
<b>Carrying amount as at 30 June 2018</b>	<b>2,916,103</b>	<b>-</b>	<b>16,107</b>	<b>151,043</b>	<b>3,083,253</b>

# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 8 Other Assets

	2018	2017
	\$	\$
CURRENT		
Prepayments	36,230	62,190
Unrealised foreign currency gains	(a) 279,610	-
	<u>315,840</u>	<u>62,190</u>

#### (a) Unrealised foreign currency gains/losses

The Company forward purchases US dollars and at balance day has open contracts requiring re-valuation at year end. In financial year 2018 with weaker exchange rates unrealised gains were booked as an asset. See Note 12.

### 9 Trade and other payables

CURRENT		
Trade and other payables (excluding conference funds received in advance and unrealised foreign currency losses)	164,890	93,214
Current tax liability	34,276	33,398
Conference funds received in advance	97,954	77,454
Unrealised foreign currency losses	8(a) -	496,375
Other payables	-	938
	<u>297,120</u>	<u>701,379</u>

### 10 Provisions

CURRENT		
Employee benefits	(572,114)	(562,014)
NON-CURRENT		
Employee benefits	(59,849)	(87,006)

### 11 Other Liabilities

CURRENT		
Deferred DFAT Grants	1(k) 242,584	-

# TEAR Australia

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 12 Reserves

#### Property Revaluation Reserve

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

#### Foreign Currency Reserve

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

#### Committed Funds Reserve

TEAR Australia has moral funding commitments to implementing partners for aid and development projects over the coming years that are in excess of the current reserves of \$8,886,316 therefore TEAR continues to be reliant on future donations from supporters to fulfil these commitments.

#### Designated Funds Reserve

The Designated Funds Reserve includes donations received for specific projects that have not been expended as at 30 June 2018. Donations received for specific projects but not expended as at 30 June 2018 amounted to \$101,539 (2017: \$396,809). This figure includes \$25,361 (2017: \$264,390) for the East Africa Appeal, \$52,578 (2017: \$97,055) received for the Vanuatu Cyclone and \$23,600 (2017: \$0) for the Rohingya Refugee Appeal. These funds will be distributed for rehabilitation work to field partners as per project budget timetables.

#### Retained Surpluses

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

### 13 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 \$207,955 Of this amount \$179,616 is classified as community education expenditure and \$28,338 is classified as program support costs.

# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 14 Capital and Leasing Commitments

#### Operating Leases

	2018	2017
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	7,535	8,220
- between one year and five years	-	7,535
	<u>7,535</u>	<u>15,755</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.

### 15 Financial Risk Management

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

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

#### Financial Assets

Cash and cash equivalents	3	4,362,617	4,469,911
Trade and other receivables	4	56,023	61,069
Held-to-maturity investments	6	2,070,491	2,512,223
Financial assets at fair value through profit or loss	6	1,370,101	1,266,787
<b>Total financial assets</b>		<u>7,859,232</u>	<u>8,309,990</u>

#### Financial Liabilities

Trade and other payables (excluding conference funds received in advance and unrealised foreign currency losses)	9	199,166	127,549
<b>Total financial liabilities</b>		<u>199,166</u>	<u>127,549</u>

# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 16 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

	2018	2017
	\$	\$
<b>Financial Assets</b>		
Financial assets at fair value through profit or loss		
- Shares in listed corporations	891,003	787,426
- Convertible preference shares and hybrids	479,098	479,365
<b>Property Plant and Equipment</b>		
- Freehold Land and Building	2,916,103	2,934,721

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.

### 17 Events After the Reporting Period

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

### 18 Other Related Party Transactions

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

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

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

### 19 Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingent liabilities at 30 June 2018 (30 June 2017: None).

### 20 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 outstandings and obligations of the Company. At 30 June 2018 the amount that members of the company are liable to contribute if the company is wound up is \$121 (2017: \$122).

# TEAR Australia

ABN 85 085 413 832

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 21 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.

	2018	2017
	\$	\$
Gross revenue from public activities	9,637,267	11,122,070
Non monetary donations and gifts	207,955	276,489
Less: public fundraising costs	(1,110,752)	(858,597)
<b>Net Public Funds</b>	<b>8,734,470</b>	<b>10,539,962</b>
Government grants	4,351,646	5,104,700
Less government fundraising costs	(17,400)	(39,096)
Net government grants	4,334,246	5,065,604
Other revenue	292,091	269,700
<b>Net funds raised</b>	<b>13,360,807</b>	<b>15,875,266</b>
Overseas project disbursements	(9,571,261)	(11,336,088)
Domestic project disbursements	(205,205)	(243,475)
Program support costs	(1,493,461)	(1,453,718)
Community Education costs	(1,829,861)	(1,839,289)
Non monetary expenditure	(207,955)	(276,489)
<b>Total funds distributed towards the objectives of the Company</b>	<b>(13,307,743)</b>	<b>(15,149,059)</b>
<b>Subtotal</b>	<b>53,064</b>	<b>726,207</b>
Accountability and administration expenses	(768,200)	(944,600)
<b>Surplus / (deficit) for the year</b>	<b>(715,136)</b>	<b>(218,393)</b>
<b>Percentages</b>		
	%	%
Total cost of public fundraising/gross public fundraising income	11.3	7.5
Surplus from public fundraising/gross public fundraising income	88.7	92.5
Funds disbursed towards objectives/total expenditure	87.5	89.1
Funds disbursed towards objectives/total revenue received	91.9	90.3

# TEAR Australia

ABN 85 085 413 832

## Directors' Declaration

The Directors of the Company declare that:

1. The financial report as set out on pages 5-23, 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 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that TEAR Australia will be able to pay its debts as and when they fall due.
3.
  - (a) The Statement of Income and Expenditure and Other Comprehensive Income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals for the financial year ended 30 June 2018, and
  - (b) The Statement of Financial Position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals as at 30 June 2018, and
  - (c) The provisions of the Charitable Fundraising Act (NSW) 1991, the regulations under the Act and the conditions attached to the authority have been complied with for the year ending 30 June 2018, and
  - (d) The internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

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

  
Chair .....

  
Deputy Chair .....

Dated 19 September 2018

## 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 2018, 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 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

##### Basis for Opinion

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

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

##### Responsibilities of Directors for the Financial Report

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

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

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

## TEAR Australia

ABN 85 085 413 832

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

#### Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

## TEAR Australia

ABN 85 085 413 832

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

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

#### Opinion

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

In our opinion:

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

#### Auditor's Responsibilities

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

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



Saward Dawson



Jeffrey Tulk  
Partner

Blackburn, VIC  
Dated: 19 September 2018