



TABITHA KENYA

# Annual Report

THE STORY OF FINANCIAL YEAR 2019





INDONESIA

Tokoh-tokoh

1. Daniel
2. Ester
3. Ayub
4. Yusuf
5. Abraham
6. Sisa
7. Samuel
8. Ruth
9. Yehemia
10. Salomo

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## COMPASSION AUSTRALIA

Compassion Australia ABN 67 001 692 566 is a public company limited by guarantee incorporated under the Corporations Act. Its registered office is located at Warabrook Boulevard, Warabrook NSW 2304.

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Unless otherwise noted, all scripture quotations are taken from the New International Version.





ISAAC MOODY



Welcome \*

## Isaac Moody

### **BOARD CHAIR**

Welcome to Compassion Australia's annual report for financial year 2019. It has been yet another year of extraordinary growth in terms of both revenue and children sponsored. We are deeply thankful to you for your generosity and to God for His goodness.

Former Board Chair John Bond stepped back in October 2018 but continues in a Vice-Chair capacity. He has modelled how to transition leadership well and I greatly value his support and continued service to the ministry.

Speaking of leadership transition: After almost a decade leading Compassion Australia, Tim Hanna announced earlier this year that he would be stepping down from his role as Chief Executive Officer. Compassion's staff and supporters have been greatly blessed by Tim's leadership, but most importantly, thousands of children and their families across the globe have been forever impacted by his passion for the poor.

Tim's season will be remembered for many things, including consistent growth, healthy staff culture, growing church relationships and wise navigation through difficult times such as the closure of our program centres in India. He has led with great integrity and passion—thank you, Tim!

Tim was very gracious in giving the Board plenty of notice of his decision, which allowed us to prayerfully and carefully plan for the CEO transition.

Our incoming CEO, Clare Steele, commences with Compassion later this calendar year and will officially take the reins in January 2020.

In this time of transition, I am pleased to report that we have not wavered from our mission to release children from poverty in Jesus' name. We are Christ-centred, child-focused and church-based—and always will be.

On behalf of the entire Board, thank you for your prayers and continued support as we partner together to release even more children from poverty in Jesus' name.



**Isaac Moody**

COMPASSION AUSTRALIA BOARD CHAIR



TIM HANNA





## Tim Hanna

**CHIEF EXECUTIVE OFFICER**

This is the image that sticks in my mind when I'm asked what it means to release children from poverty in Jesus' name.

Imagine you're a child living in the toughest of circumstances in a developing community, and one day you hear a knock at your door.

Now imagine that when you hear that knock, you know immediately that it's the local pastor, centre director or social worker, asking to step into your home and share the news that a sponsor wants to support you and love you through Compassion's partnership with the local church. Imagine the joy, the hope that would well up in your heart and overflow into your home, your school, your relationships.

This financial year, 15,831 children have heard that knock on their door and the good news that they've been sponsored by someone in Australia. That takes the number of children sponsored by Australians to 122,055 and about 2 million globally. Overall, 2019 has been one of our most successful years ever. And it's because of so many generous people like you. Thank you!

This has been my final full year as Compassion Australia CEO. The truth is that I'm standing on the shoulders of giants. Earlier this year, our founding CEO, Laurie McCowan, passed away. His inspirational vision and hard work with his wife, Olive, laid the strong foundation back in the 1970s that has blessed countless children. On behalf of the entire Compassion family, thank you, Laurie and Olive. As I prepare to hand over the reins to Clare Steele, the incoming CEO, I do so with great confidence. I'm amazed and humbled to be reminded again that God has this organisation right where He wants it: on the frontlines of caring for vulnerable children and families who are made in His image and hold a special place in His heart.

There are big challenges to be faced and the work is never easy—but I'm confident that God will continue to work through friends like you to reach out to children in need. And together we will continue to see millions of children released from poverty in Jesus' name.

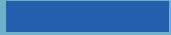
Thank you and blessings,

**Tim Hanna**

COMPASSION AUSTRALIA CEO

# 2019

## At a Glance



Thanks to God's grace and your generous support, 2019 was a strong year, filled with highlights and reasons for gratitude. These figures give just a glimpse of how you have made a difference in the lives of more than 2 million children living in poverty. Thank you for your generous partnership.

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# \$91,000,000

This year, Compassion Australia exceeded \$91m in revenue, a growth of more than 7.32 per cent on last year. What an amazing reflection of God's grace and the generosity of thousands of supporters.

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# \$1,760,000



The final result of the end of financial year appeal this year—the strongest end of year appeal in our history. All funds went to help children around the world through the Where Most Needed fund.

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# \$1,156,000



The amount raised by the Gifts of Compassion catalogue this year—its best ever year!

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# 178,000



Letters sent from Australian sponsors to their sponsored children.



# 122,055



The number of children now registered with the Child Sponsorship Program who are discovering a hope more powerful than poverty thanks to Australian sponsors.

# 100,000



Compassion International's partnership with Hillsong Church has seen more than 100,000 children sponsored around the world, over many years. It's a truly global partnership. Thank you, Hillsong!

# 40,000



Christmas cards sent by Australian sponsors to their sponsored children this year—to go with \$2.85 million in Christmas gift donations.

# 15,831



The number of new sponsorships that began this year—each one a child who received a knock on the door and the joyful news that they had been sponsored by a generous supporter in Australia.



**Congratulations to Ezra Albores,** a Leadership Development Program student studying business with the support of his Australian sponsor.

Ezra is in his final year of a Bachelor of Business Administration in Butuan City, Philippines and is looking forward to the future.

“Being a servant leader won’t end the moment I graduate ... I am part of something bigger: the work of Christ.”

As the program transitions, more young people like Ezra will benefit from mentorships, leadership training and higher education opportunities coordinated through national youth development strategies and funded by the Child Sponsorship Program and Critical Needs.

# Who We Are



## Our Mission

**TO RELEASE CHILDREN  
FROM POVERTY IN  
JESUS' NAME.**

## Our History

### 1952

Compassion International is founded when Everett Swanson witnesses the suffering of children during the Korean War and God calls him to do something about it. He begins with a promise to help 35 children.

### 1975

Compassion International ministers in 18 developing nations and more than 25,000 children are sponsored.

### 1977

Compassion Australia is founded in Newcastle, NSW by Laurie and Olive McCowan. Our prayers are with the McCowan family and we mourn Laurie's passing in 2019. He leaves an incredible legacy in the lives of hundreds of thousands of children. Thank you, Laurie and Olive.

### JUNE 2019

Compassion International now serves more than 2 million children in 25 developing nations, including more than 122,000 children who are sponsored by Australians.





Compassion Australia is part of Compassion International, a global network of more than 12 funding and 25 developing countries. Together, we are a Christian child development ministry that partners with local churches to release children from poverty in Jesus' name.

## What Makes Us Unique

### OUR WORK IS:



#### CHRIST-CENTRED

Every child has an opportunity to hear the life-changing gospel message in a culturally relevant way.



#### CHILD-FOCUSED

The program engages each child as an individual, fostering their spiritual, socio-emotional, physical and economic development.



#### CHURCH-BASED

Our program is run in partnership with local churches in the children's communities.

## Our Values

TRUST GOD

BE WELL

VALUE OTHERS

ACHIEVE TOGETHER

GROW THROUGH  
CHALLENGE

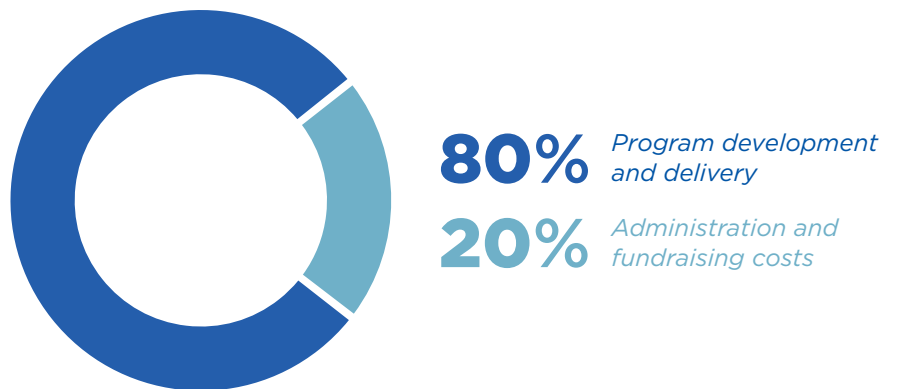
# Financial Accountability



Compassion Australia is committed to earning and keeping the trust and confidence of our donors and sponsors through accountability and godly stewardship. Integrity is a principle that drives our whole organisation.

As an organisational partner of Fundraising Institute Australia, we comply with the standards of Missions Interlink and are independently audited annually by Bentleys Brisbane (Audit) Pty Ltd.

You can find more information about our commitment to integrity, accountability and transparency on pages 14 and 15.





The 80/20 financial split has been Compassion Australia’s benchmark since the organisation was established in 1977.

APPROXIMATELY **80 PER CENT** OF ALL DONATIONS TO COMPASSION ARE USED:

- For the development, delivery and supervision of the program
- For the purchase of goods and services for the direct benefit of children in the program
- To inform and update sponsors and facilitate their personal relationship with their sponsored child
- For community education in Australia

APPROXIMATELY **20 PER CENT** OF ALL DONATIONS ARE ALLOCATED TO COVER ALL ADMINISTRATION AND FUNDRAISING COSTS IN AUSTRALIA.

We do not use child sponsorship funds for other development activities; these are funded from other sources like Critical Needs.

PER CENT OF FUNDS USED FOR ADMINISTRATION AND FUNDRAISING:

YEAR	TOTAL
2019	18.78%
2018	19.49%
2017	20.21%
2016	19.99%
2015	19.70%



ADMINISTRATION COSTS:

Expenses that are not directly related to our income, including the majority of costs of the CEO and Board, Finance, People & Culture (HR), and IT teams.

FUNDRAISING COSTS:

Expenses that relate directly to income generation, such as support and encouragement for current supporters and the majority of costs of the Marketing, Ministry Relationships and Supporter Ministries teams.

# We Maintain the Highest Standards

Compassion Australia is an active member of Fundraising Institute Australia (FIA) and committed to complying with the Australian Charities and Not-for-profits Commission (ACNC) external standards and the Christian Management Advancement (CMA) Standards Council.

As an organisational partner of Fundraising Institute Australia, we comply with the standards of Missions Interlink and are independently audited annually by Bentleys Brisbane (Audit) Pty Ltd.



## ACNC EXTERNAL CONDUCT STANDARDS

In late 2017, the Australian government introduced new standards of governance for charities called the external conduct standards. These standards come into effect in July 2019 and will be governed by the Australian Charities and Not-for-profits Commission (ACNC). The external conduct standards focus on charities who fundraise in Australia but send funds overseas to operate their programmatic work. Compassion Australia is committed to complying with these new standards.

### The standards cover:

- Activities and control of resources (including funds)
- Annual review of overseas activities and record keeping
- Anti-fraud and anti-corruption
- Protection of vulnerable individuals



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## FUNDRAISING

Compassion Australia is an active member of Fundraising Institute Australia (FIA). As an FIA Organisational Member, Compassion Australia is a signatory to FIA's Principles and Standards of Fundraising Practice, and therefore upholds the highest ethical and professional standards for fundraising.

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## CHRISTIAN MANAGEMENT ADVANCEMENT STANDARDS COUNCIL

Earlier this year Compassion Australia became an accredited member of the CMA Standards Council. The council's mission is to help build faith and trust in Christian organisations.

**As a member of the CMA Standards Council, Compassion Australia has committed to complying with nine principles of ministry accountability:**

- God First
- Charitable Status
- Diligent Governance
- Responsible Leadership
- Charitable Purpose
- Financial Oversight
- Risk Management
- Transparency and Accountability
- Honest Communication

Visit [cmasc.net.au](http://cmasc.net.au) for more information on these principles.



# Why We Exist



Poverty is the absence of choice.

It speaks to a child. It tells them, “You don’t matter, you are nothing. Life will always be this way.” It leaves a child feeling hopeless, believing there is no future to look forward to, and no way out of their current circumstances.

Children are the most impacted by poverty and injustice. And yet they are the least able to defend themselves against it.

ACCORDING TO THE MOST RECENT FIGURES:

## 385 million



385 million children still live in extreme poverty (defined as less than US\$1.90 a day). That’s roughly one in five of the world’s children.

## 6.3 million



6.3 million children die each year, mostly from preventable causes. That’s one child every five seconds.

## 262 million



262 million children and young people of school age are out of school.

## 570 million



570 million children don’t have basic drinking water at school.

## 620 million



620 million children don’t have access to basic sanitation.

### SOURCES:

UNICEF (2018) Annual Report 2018; <https://www.unicef.org/media/55486/file/UNICEF-annual-report-2018%20revised%201.pdf>

UNICEF (2016) Ending Extreme Poverty: a Focus on Children; [https://www.unicef.org/publications/files/Ending\\_Extreme\\_Poverty\\_A\\_Focus\\_on\\_Children\\_Oct\\_2016.pdf](https://www.unicef.org/publications/files/Ending_Extreme_Poverty_A_Focus_on_Children_Oct_2016.pdf)

UNICEF (2017) A World Free From Child Poverty; [https://www.unicef.org/media/49406/file/Child\\_Poverty\\_SDG\\_Guide-Complete-March\\_2017.pdf](https://www.unicef.org/media/49406/file/Child_Poverty_SDG_Guide-Complete-March_2017.pdf)

# Yet... there is a hope more powerful than poverty

For more than 65 years, with the partnership of local churches and the support of generous sponsors and donors, we've seen the impact of releasing children from poverty in Jesus' name. Right now, more than 2 million children receive the love and support they need to dream, pursue their education, build stronger relationships, and grow physically, emotionally and spiritually. Now that's something to celebrate!

# Where We Work

PARTNER COUNTRIES  
FIELD COUNTRIES

Compassion Australia is one of more than 12 partner countries around the world: a global network that enables Compassion's child development program to minister to the needs of individual children in 25 developing countries.

TO DETERMINE THE COUNTRIES IN WHICH WE WILL WORK, COMPASSION CONSIDERS THE FOLLOWING FACTORS:

## GOD'S DIRECTION:

We seek God's direction in all relationships and decision-making.

## EVIDENCE OF NEED:

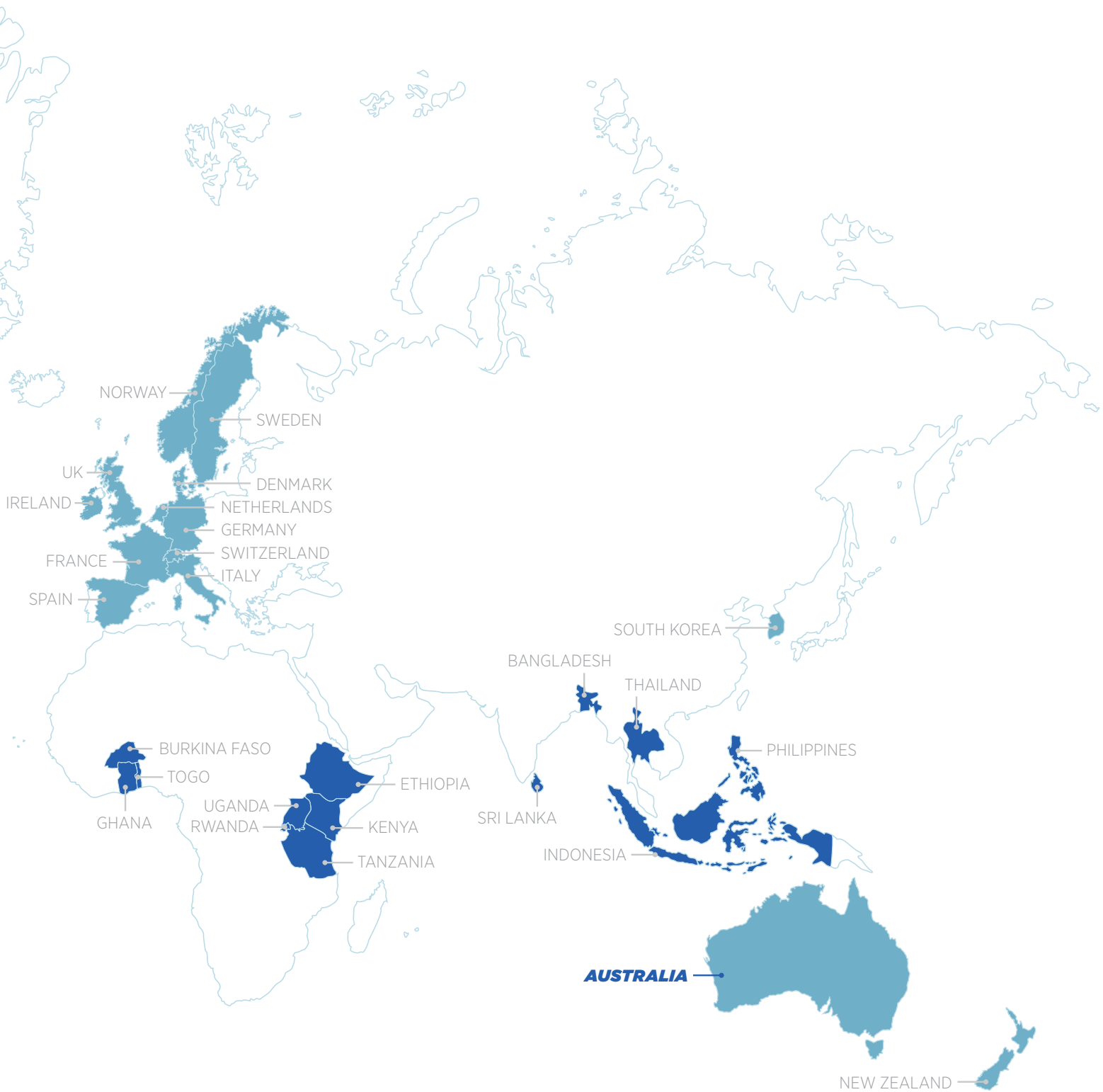
Compassion works in countries where the per capita income is \$1500 p.a. or less, or where there is definite need.

## GOVERNMENT:

The government of the country must be amenable to Compassion's work and demand no financial contributions.







#### ADMINISTRATION:

With few exceptions, Compassion intends to have a country office and qualified and trainable personnel available in every country in which it works.

#### COST EFFECTIVE:

There should be long-term need for Compassion's assistance, and the country's economic conditions should be conducive to cost-effective programs.

#### PROGRAMS:

Compassion's program presence should be of sufficient duration so that positive results in the lives of children can be measured and evaluated.

#### FUNDING:

Compassion must be able to attract funding through sponsorship, special appeals or grants to meet the needs of the children.

**12 COMPASSION  
PARTNER COUNTRIES:****AUSTRALIA:** Est. 1977**CANADA:** Est. 1963**FRANCE:** Est. 1990**GERMANY:** Est. 2007**ITALY:** Est. 2001i. **SPAIN:** Est. 2001**NETHERLANDS:** Est. 1996**NEW ZEALAND:** Est. 1986**NORWAY:** Est. 2013i. **DENMARK:** Est. 2013ii. **SWEDEN:** Est. 2013**SOUTH KOREA:** Est. 2004**SWITZERLAND:** Est. 2003**UNITED KINGDOM:** Est. 1999i. **IRELAND:** Est. 2011**UNITED STATES:** Est. 1952**25 FIELD COUNTRIES TOTAL:**

7565	Church Partners
2,078,603	Registered Children
22,231	Survival Beneficiaries
64	Leadership Students

**AFRICA TOTAL:**

3192	Church Partners
809,390	Registered Children
8949	Survival Beneficiaries
2	Leadership Students

**BURKINA FASO:** Est. 2004

330	Church Partners
94,881	Registered Children
886	Survival Beneficiaries

**ETHIOPIA:** Est. 1993

525	Church Partners
120,342	Registered Children
1156	Survival Beneficiaries

**GHANA:** Est. 2004

337	Church Partners
86,344	Registered Children
547	Survival Beneficiaries

**KENYA:** Est. 1980

429	Church Partners
126,326	Registered Children
1798	Survival Beneficiaries

**RWANDA:** Est. 1980

402	Church Partners
99,082	Registered Children
648	Survival Beneficiaries
1	Leadership Student

**TANZANIA:** Est. 1999

477	Church Partners
99,199	Registered Children
1428	Survival Beneficiaries

**TOGO:** Est. 2008

270	Church Partners
66,013	Registered Children
781	Survival Beneficiaries

**UGANDA:** Est. 1980

422	Church Partners
117,203	Registered Children
1705	Survival Beneficiaries
1	Leadership Student

**ASIA TOTAL:**

1467	Church Partners
357,973	Registered Children
4184	Survival Beneficiaries
3	Leadership Students

**BANGLADESH: Est. 2004**

170	Church Partners
37,671	Registered Children
587	Survival Beneficiaries

**EAST INDONESIA: Est. 2005**

301	Church Partners
70,730	Registered Children
1037	Survival Beneficiaries

**INDONESIA: Est. 1968**

365	Church Partners
83,219	Registered Children
446	Survival Beneficiaries

**PHILIPPINES: Est. 1972**

370	Church Partners
93,237	Registered Children
1334	Survival Beneficiaries
3	Leadership Students

**SRI LANKA: Est. 2010**

75	Church Partners
14,347	Registered Children
444	Survival Beneficiaries

**THAILAND: Est. 1970**

186	Church Partners
58,769	Registered Children
336	Survival Beneficiaries

**SOUTH AMERICA TOTAL:**

1239	Church Partners
423,016	Registered Children
4161	Survival Beneficiaries
14	Leadership Students

**BOLIVIA: Est. 1978**

234	Church Partners
93,236	Registered Children
1015	Survival Beneficiaries

**BRAZIL: Est. 1974**

199	Church Partners
57,067	Registered Children
485	Survival Beneficiaries

**COLOMBIA: Est. 1976**

281	Church Partners
91,158	Registered Children
513	Survival Beneficiaries

**ECUADOR: Est. 1974**

283	Church Partners
98,730	Registered Children
1255	Survival Beneficiaries
11	Leadership Students

**PERU: Est. 1985**

242	Church Partners
82,825	Registered Children
893	Survival Beneficiaries
3	Leadership Students

**HONDURAS: Est. 1974**

214	Church Partners
56,875	Registered Children
399	Survival Beneficiaries
23	Leadership Students

**CENTRAL AMERICA TOTAL:**

1667	Church Partners
488,224	Registered Children
4937	Survival Beneficiaries
45	Leadership Students

**DOMINICAN REPUBLIC: Est. 1970**

204	Church Partners
67,331	Registered Children
957	Survival Beneficiaries

**EL SALVADOR: Est. 1977**

286	Church Partners
62,613	Registered Children
715	Survival Beneficiaries
11	Leadership Students

**GUATEMALA: Est. 1976**

211	Church Partners
59,575	Registered Children
437	Survival Beneficiaries
3	Leadership Students

**HAITI: Est. 1968**

339	Church Partners
120,216	Registered Children
1550	Survival Beneficiaries
2	Leadership Students

**MEXICO: Est. 1976**

213	Church Partners
57,442	Registered Children
393	Survival Beneficiaries

**NICARAGUA: Est. 2002**

200	Church Partners
64,172	Registered Children
486	Survival Beneficiaries
6	Leadership Students



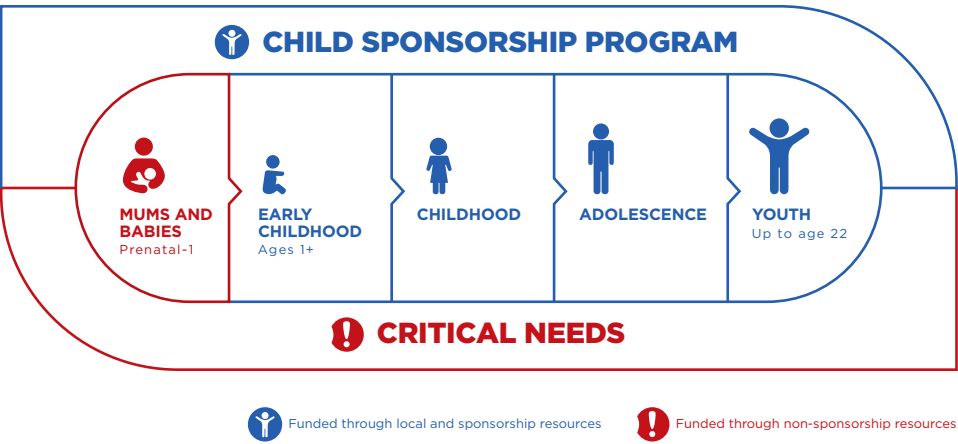
## How We Work

Holistic child development takes a child through a process of growth and fulfilment in all dimensions of their life: spiritually, socio-emotionally, economically and physically. It's a long-term approach that starts before a child is born and continues through to school age and beyond.

WE ADDRESS THE **FOUR KEY AREAS** OF A CHILD'S DEVELOPMENT:



WE WORK WITH CHILDREN AT EACH STAGE OF THEIR LIVES.



We work with children from the womb to the workforce, so they can develop their God-given potential and become healthy and fulfilled adults.

Our program addresses the individual needs of children that are unique to their stage of life—from prenatal care through to early childhood, school age, and adolescence.

# A Global Network

**The funding for this work comes from more than 12 partner countries, known as the Global Partner Alliance.**

Each member of the GPA operates as a separate entity but adheres to a global covenant agreement on a statement of faith, standards of stewardship and use of the Compassion brand.

Staff at Compassion International's Global Ministry Centre in Colorado Springs, CO provide program oversight. They liaise with staff in field country offices to implement Compassion's child development model in partnership with local churches in the developing world.

Child development centres become part of the local church's ministry and are overseen by the pastor, centre director and a church project committee. They receive curriculum support from Compassion but contextualise the work as needed. The local church is accountable for the funds that Compassion provides and responsible for providing information that is used for reporting to supporters.



## PARTNER COUNTRIES

Compassion's ministry is funded by more than 12 partner countries, including Australia, known as the Global Partner Alliance.



## GLOBAL MINISTRY CENTRE

Compassion's child development program is managed by Compassion International, located at the Global Ministry Centre in Colorado Springs, Colorado, USA.



## COUNTRY OFFICE

The main office located in each developing country where Compassion works is responsible for coordinating national staff, program oversight and cultivating local relationships.



## LOCAL CHURCHES

More than 7000 local churches in 25 developing countries are the catalysts for change in their communities, reaching out to the most vulnerable children with Compassion's support.



## PROGRAM

Through Compassion's Child Sponsorship Program, children have their spiritual, physical, economic and socio-emotional needs met and are released from poverty in Jesus' name. Extra support is provided through Critical Needs—including Mums and Babies, which funds survival projects around the world.

**Compassion  
International works  
in more than 25  
developing nations  
to serve more than  
2 million children  
living in poverty.**



EDEN ETHIOPIA







## MUMS AND BABIES





# Mums and Babies



Local churches in 25 developing nations provide critical support to vulnerable mums and babies with Compassion’s support—because a child’s first step to being released from poverty is survival.

NUMBER OF BABIES AND CAREGIVERS SUPPORTED BY AUSTRALIA AT THE END OF THE FINANCIAL YEAR:

YEAR	CAREGIVERS	CHILDREN	TOTAL
2019	833	819	1652
2018*	828	814	1642
2017	1705	1687	3392
2016	2527	2493	5020
2015	2629	2605	5234

\*Note: Beginning in 2018, children were registered for sponsorship from the age of one.

YOUR SUPPORT PROVIDES:



**Home-based care for mothers and babies**, with perinatal specialists visiting families monthly to offer healthcare, education and emotional support.



**Advocacy for mums** to ensure they are treated fairly by local services and can access the essential support they need to thrive, including medical care and birth attendants.



**Community support networks** that bring mothers together to combat isolation, learn new ways of earning an income and provide each other with long-term support.



**Compassion centres**, where mothers can always turn for support, learning opportunities and expert advice on how to monitor their child’s healthy development.



## MUMS AND BABIES IN 2019...

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# 833

833 caregivers are supported through Compassion Australia, along with their precious babies.

---

# 1513

1513 survival projects serving babies and caregivers in 25 nations.

---

# 22,484

22,484 children and 22,032 caregivers supported by survival projects worldwide.

---

# 18,564

18,564 children transitioned from survival projects to sponsorship at age one during the 2019 financial year.

---

# \$1,906,152

\$1,906,152 donated by Australians to survival interventions and Mums and Babies Critical Needs\* this financial year, up from \$1,566,335 in financial year 2018.

\*Funds given through Mums and Babies Critical Needs and survival interventions are referred to as Child Survival Program funds on page 57.





MARY KENYA





**CHILD SPONSORSHIP PROGRAM**



# Child Sponsorship Program



Compassion’s Child Sponsorship Program gives people the opportunity to connect with an individual child living in poverty.

NUMBER OF CHILDREN SPONSORED BY AUSTRALIA AT THE END OF THE FINANCIAL YEAR:

YEAR	TOTAL
2019	122,055
2018	117,107
2017	111,177
2016	110,225
2015	105,476

Through a child development centre based at a local church in their community, Compassion assisted children receive access to education, healthcare, nutritious food, a safe place to play, the opportunity to discover Jesus’ incredible love for them, and more.

By being an active part of a child’s life through letter writing, prayer and encouragement, a sponsor plays an important role in helping that child discover a hope more powerful than poverty.

**This financial year, 15,831 children were sponsored through Compassion Australia.** The cancellation rate, which includes sponsors who did not resume sponsoring after their sponsored child graduated or otherwise departed from the program, was 9.29 per cent. This has come down slightly from last year’s figure but remains well above where we would like it to be. Improving this result is an urgent priority.



#### CHILD SPONSORSHIP IN 2019...

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**15,831**

15,831 children sponsored through Compassion Australia in the financial year.

---

**122,055**

122,055 children sponsored through Compassion Australia in total.

---

**1,876,699**

1,876,699 children sponsored worldwide.

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**\$68,371,256**

\$68,371,256 donated to the Child Sponsorship Program.

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**7565**

7565 child development centres serving the most vulnerable children across 25 developing countries.



RACHEL THE PHILIPPINES







**CRITICAL NEEDS**



# Critical Needs



Critical Needs removes obstacles to children’s development and provides preventive action in nine different areas of need that are sometimes out of the reach of sponsorship funds.

Critical Needs directly address the issues facing children, their families and communities, including projects for Water and Sanitation, Disaster Relief, Income Generation, and many others.

AMOUNT SENT FROM AUSTRALIA FOR  
CRITICAL NEEDS WORLDWIDE\*:

YEAR	TOTAL
2019	\$9,788,423
2018	\$10,227,596
2017	\$9,995,808
2016	\$6,927,089
2015	\$6,813,034

\*Totals exclude giving to Mums and Babies



## CRITICAL NEEDS IN 2019...

Thousands of children and their families benefited from the generosity of Compassion Australia supporters as they gave to various Critical Needs projects in financial year 2019, including:

---

# 886

886 young people in Ethiopia who will learn vocational and life skills including carpentry, tailoring, computer skills and music—thanks to 15 new training classrooms built in the Bule Hora region.

---

# 513

513 Bolivian children whose health and dignity will be protected, thanks to the construction of new toilets at two churches on the outskirts of La Paz.

---

# 302

302 families in the Philippines who were displaced by Mount Mayon erupting but have received support for income generation training to help them return home and rebuild their lives.

---

# 2250

2250 young children in Burkina Faso who will be immunised against meningitis, and their families receive education in prevention and recognising the warning signs of this deadly disease.

---

# 266

266 high school students who will receive extra support to enable them to attend secondary school—a major hurdle for young people living in poverty in Rwanda, where primary education is free but secondary school is prohibitively expensive.





KADZO KENYA



THE PEOPLE SECTION





# The Board and Governance

Compassion Australia is governed by a voluntary Board of Directors. The Board comprises seven members, each with unique skills and experience, united for the purpose of releasing children from poverty in Jesus' name.

Compassion Australia is a company limited by guarantee, with a Constitution that defines the organisation's purpose, objectives and powers, and how income is to be applied. It is the role of the Board of Directors to ensure we operate in accordance with the principles and commitments stated in our Constitution.



## Dr John Bond

### **VICE-CHAIR OF THE BOARD OF DIRECTORS**

MEMBER OF THE CEO AND GOVERNANCE COMMITTEE; MEMBER OF THE MINISTRY RELATIONS AND SUPPORTER ENGAGEMENT COMMITTEE; COMPASSION AUSTRALIA BOARD MEMBER SINCE 2002

John is a Minister of Religion with international ministry experience. He currently serves as the Minister-at-Large for Lifestreams Christian Church, Director of Lifestreams Global Family and the Asia South East Pacific World Zone leader of Dynamic Church Planting International. He is the Founding Director of Sonlife Ministries Inc.



## Mabel Chua

### **SECRETARY OF THE BOARD**

MEMBER OF THE MINISTRY SERVICES AND FINANCE COMMITTEE; COMPASSION AUSTRALIA BOARD MEMBER SINCE 2012

Mabel holds a Master of Laws, Bachelor of Laws and a Bachelor of Commerce majoring in accounting and finance. Prior to becoming the Managing Director of M 6:8 Legal in Perth, she was a partner at a multi-disciplinary boutique legal practice. Mabel has served in various leadership capacities in her local church and in the Christian community.



## Mike Jeffs

### **MEMBER OF THE MINISTRY SERVICES AND FINANCE COMMITTEE**

MEMBER OF THE BOARD OF DIRECTORS OF COMPASSION INTERNATIONAL SINCE 2010; COMPASSION AUSTRALIA BOARD MEMBER SINCE 1995

Mike has extensive business knowledge, with 40-plus years' experience in management and director roles. He is the Founder and Director of Network Communications Pty Ltd, Founder and CEO of Australian Christian Channel Pty Ltd, and Director of Southern Cross Institute Pty Ltd.



## Isaac Moody

### **CHAIR OF THE BOARD OF DIRECTORS**

MEMBER OF THE CEO AND GOVERNANCE COMMITTEE; COMPASSION AUSTRALIA BOARD MEMBER SINCE 2008

Isaac has a group of businesses in hospitality, agriculture and property, which enables him to volunteer for ministries like Compassion, maintain strong community involvement in the Toowoomba region and serve as a co-founding pastor of a church plant in Highfields.

Isaac is married to Mel and together they lead a busy yet fulfilling life with six young children.



## Mark McCrindle

### **MEMBER OF THE MINISTRY RELATIONS AND SUPPORTER ENGAGEMENT COMMITTEE**

COMPASSION AUSTRALIA BOARD MEMBER SINCE 2015

Mark is a demographer, social researcher and founding principal of McCrindle Research. Along with his team of data analysts, he works to identify emerging trends and research insights that can inform strategy and effective engagement. Mark is regularly commissioned to deliver strategy and advice to some of Australia's leading organisations.



## Sam Valich

### **MEMBER OF THE MINISTRY RELATIONS AND SUPPORTER ENGAGEMENT COMMITTEE**

COMPASSION AUSTRALIA BOARD MEMBER SINCE 2015

Sam has over 20 years' not-for-profit and commercial experience in brand development research and communications. Her consultancy, The Values Driven Co., focuses on the development of identity, purpose and culture. She developed a proprietary tool called Monostory and has a successful track record in creative and strategic advisory in Australia, the UK and the USA.



## Kent Medwin

### **MEMBER OF THE MINISTRY SERVICES AND FINANCE COMMITTEE**

COMPASSION AUSTRALIA BOARD MEMBER SINCE 2010

Kent has been in business for over 20 years and is the Managing Director of Rock Property Australia, Campus Pastor Hillsong Tasmania, and a Director of St Michael's Collegiate School. Kent is passionate about seeing change, growth and empowering others to impact their sphere. He resides in Hobart with his wife and three children.

# Board Declaration

## THE BOARD OF DIRECTORS OF COMPASSION AUSTRALIA DECLARES THAT:

- [a] The financial statements and notes as set out on pages 52 to 61 are in accordance with the Corporations Act 2001 and:
- i. Comply with Australian Accounting Standards, and
  - ii. Give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the company.
- [b] In the directors' opinion, there are reasonable grounds to believe that the organisation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



**Isaac Moody**  
CHAIR OF THE BOARD



**Mabel Chua**  
SECRETARY OF THE BOARD



# How the Board Operates



## STRUCTURE

The Board meets face to face at least four times per year, including an annual general meeting every October. Members are also encouraged to be involved in other Compassion activities such as promotional events, conferences or Insight Trips to Compassion field countries.

## BOARD COMMITTEES

Each Board member serves on at least one Board committee. These are not decision-making bodies but rather provide insight into the operational aspects of management at Compassion. Each committee reports to the Board, which, as a whole, discusses any issues raised.

## RECRUITMENT

Potential Board members are recommended by current Board members and chosen for their contribution to the decision-making process. Each director is required to be a Christian, committed to a local church and living a life consistent with the Christian faith. Potential members are invited to a Board meeting as observers. The Board then makes a decision and, if successful, the applicant is invited to join the Board.

## TRAINING AND DEVELOPMENT

The Board functions effectively and is always looking for improvement. Recent initiatives include developing a healthy gender balance on the Board, improving induction practices, developing performance review procedures for Board members and the CEO, ongoing Board education, and the continued development of a Board manual.

## REIMBURSEMENT

Directors are not paid any remuneration for their services, but Compassion does reimburse related reasonable expenses, such as travel and accommodation.

## LENGTH OF SERVICE

The Board's Constitution sets out the length of time a member may serve on the Board. Members are appointed for three years and must retire at the end of their term. They can stand again and, subject to the Board's approval, be re-elected.

## CONFLICTS OF INTEREST

No Board member, officer or employee of the organisation shall benefit, either directly or indirectly, from any individual or group that conducts business with the organisation without full disclosure and approval of the CEO and the Board of Directors.

# Risk Management and Sustainability

## CHILD PROTECTION

As part of our ongoing commitment to child safety, Compassion Australia has continued to participate in the global Child Protection Project 2.0 with the goal of creating more effective and shared approaches to child protection. As part of this project, we are strengthening our approach to child protection policies, developing standard global child protection training, as well as job-specific training, and improved incident response processes.

## FOREIGN EXCHANGE RISK

Compassion sends funds all around the world, which means we need to deal with foreign currency exchanges. The Ministry Services and Finance Committee of the Board determines our approach to mitigating our foreign exchange risk. This is based on regular prudent analysis of trends in financial markets and reviewing economic indicators.

## INVESTMENT RISK

Investment decisions and guidelines are approved by the Ministry Services and Finance Committee of the Board. Compassion Australia invests all available funds in either low-risk, interest-bearing accounts—including short maturing term deposits—or in commercial property holdings.

## TECHNOLOGY RISK

Protecting our intellectual property and supporters' information is critical to Compassion Australia's operation and reputation. Our risk management strategy is achieved through a series of controls, including policies, processes, procedures, organisational structures, and software and hardware tools. Compassion volunteers and staff are responsible for protecting sensitive information, with procedures in place to ensure consistent information handling according to its sensitivity and level of importance. Our Newcastle office, and cloud based data storage used by remote staff, is also protected by a backup system, located remotely in case of catastrophic damage or data loss at our primary location.

Compassion Australia also complies with the Payment Card Industry Data Security Standard.

## EXTERNAL AUDITING

Compassion Australia engages Bentleys Brisbane (Audit) to perform a thorough audit on our financial reports each year. Bentleys is an accounting and audit firm; the lead auditor is Ms Ashley Carle FCA. **Full financial reports dating back to 2012 are available to view at [compassion.com.au/annualreport](https://compassion.com.au/annualreport)**

## INTERNAL AUDITING

Compassion International has a global internal audit and risk management function that routinely monitors financial and operational integrity at child development centres and national offices across the globe. As part of this, Compassion reviews project partner financial activity and conducts child development centre visits on a regular basis, which can include audits. This way, we aim to ensure all programs meet minimum standards of financial accountability and programmatic integrity.

Observations and action items from child development centres and field offices are documented and brought to the attention of staff and management for consideration, decision making, action planning and subsequent follow-up.



Over the last three years, Compassion International has been developing a new risk-based audit framework to assist in assessing the financial and non-financial risk and compliance needs in the countries that we do our programmatic work in. Along with this new audit framework, the Compassion International finance department have begun developing a new funds management process to enable them to provide further control over the use of funds. This will also allow them to provide a globally consistent review of the financial use of funds and enable a more detailed level of reporting on how these funds are used in conducting the program. This new multi-faceted approach to financial governance and risk management will provide assurance that the funds used through Compassion national offices and front-line church partners are used for the purpose for which they were given. Staff from Compassion Australia's Finance and Risk Management departments have continued to be involved in this redevelopment and will continue to play an active part in the internal auditing and funds management processes in the coming years.

Compassion International also has an anonymous fraud and ethics reporting hotline. This is an independent and objective process that determines the legitimacy of any allegations and takes appropriate action.

## ETHICAL CONDUCT

At Compassion we endeavour to conduct our ministry with the highest ethical standards, inspired by our dedication to the Bible. Employees are expected to demonstrate integrity and ethical behaviour through transparent relationships with governments, churches, other not-for-profit associations, beneficiaries, and the general public.

## CRISIS COMMUNICATION

Compassion currently has a well-established reputation among our supporters and in the wider Christian Church in Australia, and we want to ensure this reputation continues. Compassion's Crisis Communication Plan equips us to proactively protect our positive reputation by immediately and thoughtfully addressing public concerns about Compassion's activities and prioritising timely and accurate communication to supporters in the event of a crisis.

## FINANCIAL SUSTAINABILITY

Compassion Australia funded approximately 85 per cent of activities through recurring monthly support. By using this recurring model of fundraising, there is an assurance that Compassion's current level of program funding is sustainable. This enables Compassion to focus fundraising efforts on retaining existing supporters and engaging new supporters.

For more information on Compassion's income, please refer to page 52.

## MITIGATING RISK IN DEVELOPING NATIONS

We face increasingly complex and challenging regulatory environments across many nations in which we work. Therefore, the Compassion International General Counsel Office assesses risks we may face in the future, so we can be prepared to respond to them or address them before they become a reality. The general counsel office also actively builds relationships to create government awareness of Compassion's work—in the USA and other global partner countries—should we need to engage them in a future situation. Additionally, through our global strategic priorities, Compassion International looks for effective ways to respond to increased regulations, persecution and secularisation, so we can be nimble and responsive to risks that may affect our ministry.

# Leadership

The Executive Team at Compassion Australia ensures the strategy developed by the Board of Directors is implemented across the ministry and is responsible for the ongoing health and growth of Compassion Australia.



**Dr Tim Hanna**

**CHIEF EXECUTIVE OFFICER**

SINCE 2010

Tim was a senior pastor for more than 30 years and a former senior lecturer at the Australian College of Ministries. As CEO of Compassion Australia, Tim leads the Executive Team in providing direction to the organisation and is accountable to the Board of Directors. He is passionate about cultivating leadership and giving children the opportunities they need to thrive.



**Janine Daly**

**EXECUTIVE DIRECTOR OF  
SUPPORTER ENGAGEMENT**

SINCE 2014

Janine joined Compassion in 2009 and was made NSW State Manager in 2011. Promoted to Executive Director of Supporter Engagement in 2014, Janine leads the Supporter Engagement section in engaging, delighting and supporting sponsors through their experience with Compassion.





## Adam Holland

### **EXECUTIVE DIRECTOR OF MINISTRY RELATIONSHIPS**

SINCE 2012

Adam has managed teams in local church, academic and local government contexts. He joined Compassion as Executive Director of Ministry Relationships and leads the team that engages directly with churches, Compassion Advocates, donors and supporters to see children lifted out of poverty.



## Deb Adams

### **EXECUTIVE DIRECTOR OF MINISTRY SERVICES**

SINCE 2011

Deb joined Compassion in 2006, became Human Resources Director in early 2007 and was promoted to Executive Director in 2011. Deb oversees Ministry Services, which includes People and Culture, Field Experience, Legal and Sector Compliance, Strategy and Innovation, Risk Management, and Special Projects.



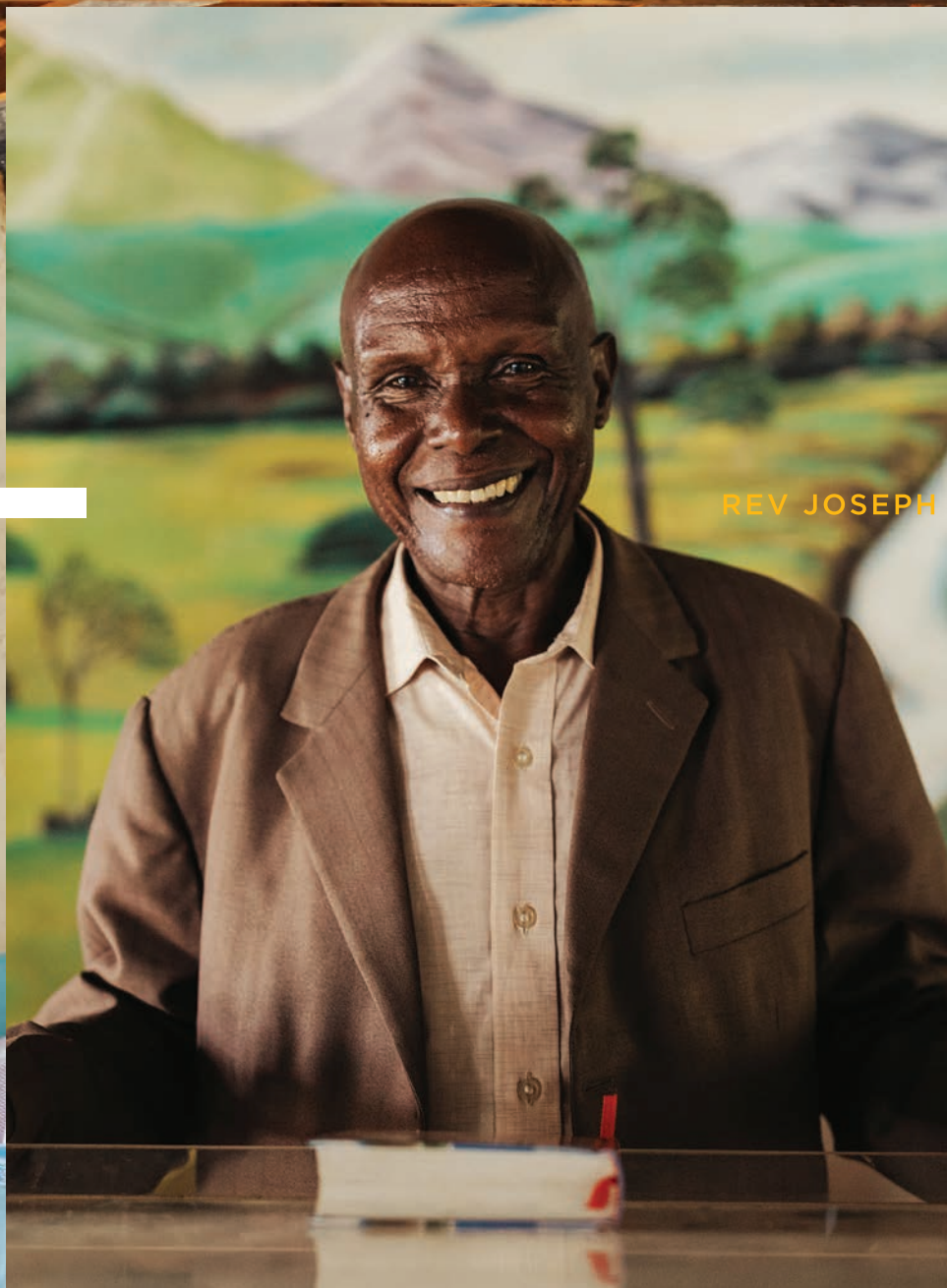
## Ben Dodd

### **EXECUTIVE DIRECTOR OF FINANCE AND TECHNOLOGY (CHIEF FINANCIAL OFFICER)**

SINCE 2015

Ben has a background in economics and banking. After joining Compassion Australia in 2009, he became Chief Financial Officer in 2015 and is now responsible for enhancing Compassion Australia's financial position and overseeing the ministry's technology team.





REV JOSEPH KENYA



## THE FINANCE SECTION







BEN DODD



# Hey!

## Ben Dodd

**COMPASSION AUSTRALIA'S CHIEF FINANCIAL OFFICER**

### Another year of records: The highest income in Compassion Australia's history.

We are thankful to the Lord for another year of increase—and another year of more children being released from poverty. God's provision and the generosity of supporters this year saw Compassion Australia reach its highest-ever income, and our second-highest year of new sponsorships at 15,831. Now 122,889 children, mums and babies are supported by generous Australians!

Our income rose to its highest level ever, finishing the year at \$91 million. This is an increase of 7.32 per cent on last year. This growth has come from a number of areas—most notably an improved process for communicating with sponsors who miss a contribution, as well as a very successful end of financial year appeal and income received through bequests.

The Child Sponsorship Program remains fundamentally strong and continues to be our largest source of income. This year, new sponsorships reached 15,800, which is the second-highest ever number of new sponsorships in a single year. However, this was offset by cancellations of 10,800, which resulted in a net growth of 5000. Several initiatives are underway to address cancellations.

Administration and fundraising comprised 18.78 per cent of expenditure. In all, 80.25 per cent of expenditure went to programmatic activities around the world and 0.97 per cent to community education in Australia. As a result, Compassion finished the year with a surplus of \$672,000.

The economic climate for most Australian households tightened in this financial year. A combination of falling house prices, less building and construction, low wage growth, escalating expenses and the drought produced a prudence in decision making. Supporters' ability to begin new sponsorships or continue their existing sponsorships was squeezed. We expect next year to see the economy tighten a little further; however, we plan and expect to see Compassion continue the emerging growth trend of between three and six per cent.

In the midst of these economic realities, we continue to believe God for His grace and we thank Him for His continued faithfulness and blessing on the ministry of Compassion. We also thank supporters, sponsors and donors around the nation for faithfully releasing children from poverty in Jesus' name.



**Ben Dodd**

**COMPASSION AUSTRALIA CFO**

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**YOU CAN FIND THE FULL  
COMPASSION AUSTRALIA  
FINANCIAL REPORT 2019  
ON OUR WEBSITE, AT  
[COMPASSION.COM.AU/  
ANNUALREPORT](http://COMPASSION.COM.AU/ANNUALREPORT)**

# Income, Expenditure, Sponsorships and Beneficiaries

## INCOME:

# \$91 million

% ^

Our income for the year was \$91 million, which was an increase on last year of \$6 million or 7.32 per cent. The growth in donations came most notably through the Child Sponsorship Program, although the increase is also reflected in the Critical Intervention (CIV) fund.

# 15,831



There were 15,831 new sponsorships this year through the Child Sponsorship Program. Total sponsorship cancellations closed the year at 10,883. As a result, Compassion experienced 4.23 per cent growth (almost 5000 sponsorships) in the number of children sponsored. This, combined with the continued improvement in Compassion's internal processes, led to an increase of \$5 million being raised to release children from poverty in Jesus' name.

# \$1.65 million



\$1.65 million was left to Compassion this year by supporters giving through bequests. This generosity has been used on continuing child sponsorship as well as various Critical Needs, such as providing support and scholarships for secondary, college and university education, providing youth with entrepreneurial skills, and creating child-friendly environments for children to learn in.

# 85%



Compassion Australia's income is sustainable year on year. Our main source of income is through the Child Sponsorship Program, which is a recurrent income source. Approximately 85 per cent of our total income is considered recurrent due to our ongoing partnership with current supporters. The majority of our remaining income comes through semi-recurrent sources such the Christmas appeal, child and family gifts, as well as one-off appeals. This means that our current income level is sustainable, enabling us to focus on keeping our current supporters engaged, partnering with new supporters, and developing and continuing one-off appeals.



## EXPENDITURE:

**18.78%**

Compassion Australia spent 18.78 per cent or \$17 million on administration and fundraising this financial year.

**81.22%**

In financial year 2019, 81.22 per cent of our expenditure was used:

- For the development, delivery and supervision of the child development program
- To purchase goods and services for the direct benefit of the children in our program
- To facilitate sponsors' personal relationship with their sponsored children
- For community education

## NET SURPLUS:

**\$672,000**

Income less expenditure resulted in a net surplus of \$672,000. Management of financial reserves over the next few years will continue to focus on maintaining an optimum ratio of program and operating reserves while marginally increasing equity. See page 59 for more information on financial reserves.

## LOOKING TO NEXT YEAR:

**2020**

The forecasted global and domestic economic climate looks to be tightening next year but still holds opportunity for growth.

**3%**

For financial year 2020 we have set a modest income growth target of three per cent. This target is based on planned initiatives and activities.

**\$94 million**

Meeting our income growth target will provide approximately \$94 million in revenue for the year, which will allow us to spend approximately \$73 million on program-related services.

# Revenue and Expenditure

**OVER \$91M**

Total revenue, which was an increase on last year of \$6 million or 7.32 per cent.

## INCOME FOR THE YEAR ENDED 30 JUNE 2019:

<b>REVENUE</b>	<b>2019</b>	<b>2018</b>
<b>Donations and gifts</b>		
— Monetary	\$89,065,627	\$83,570,680
— Non-monetary	—	—
<b>Bequests and legacies</b>	<b>\$1,658,694</b>	<b>\$666,650</b>
<b>Grants</b>		
— Department of Foreign Affairs & Trade	—	—
— Other Australian	—	—
— Other overseas	—	—
<b>Investment income</b>	<b>\$515,202</b>	<b>\$728,356</b>
<b>Other income</b>	<b>\$15,846</b>	<b>\$68,857</b>
<b>Revenue for international political or religious proselytisation programs</b>	<b>—</b>	<b>—</b>
<b>TOTAL REVENUE</b>	<b>\$91,255,369</b>	<b>\$85,034,543</b>



## EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2019:

<b>EXPENDITURE</b>	<b>2019</b>	<b>2018</b>
<b>INTERNATIONAL AID AND DEVELOPMENT PROGRAMS EXPENDITURE</b>		
International programs		
— Funds to international programs	\$60,237,098	\$56,308,100
— Program support costs	\$12,390,796	\$10,748,583
Community education	\$878,910	\$776,642
Fundraising costs		
— Public	\$11,587,866	\$11,309,888
— Government, multilateral and private	—	—
Accountability and administration	\$5,425,425	\$5,128,587
Non-monetary expenditure	—	—
<b>TOTAL INTERNATIONAL AID AND DEVELOPMENT PROGRAMS EXPENDITURE</b>	<b>\$90,520,095</b>	<b>\$84,271,800</b>
International political or religious adherence promotion programs	—	—
Domestic programs expenditure	\$63,027	\$55,523
Commercial activities expenditure	—	—
Other expenditure	—	—
<b>TOTAL EXPENDITURE</b>	<b>\$90,583,122</b>	<b>\$84,327,323</b>
<b>EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE</b> (Total Comprehensive Income)	<b>\$672,247</b>	<b>\$707,220</b>

# OVER \$72M

Total international program funds, dedicated to delivering program benefits to more than 2 million babies, children, students and caregivers around the world.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Balance at 1 July (commencing balance)	\$17,140,707	\$16,433,487
Adjustments or changes in equity	—	—
Excess/(shortfall) of revenue over expenses	\$672,247	\$707,220
Other amounts transferred (to) or from reserves	—	—
<b>BALANCE AT 30 JUNE</b> (year-end balance)	<b>\$17,812,954</b>	<b>\$17,140,707</b>

## NOTE:

We have not provided a table of cash movements for designated purposes because no single appeal, grant or other form of fundraising for a designated purpose generated 10 per cent or more of the organisation's international aid and development revenue for the financial year.

# Key Performance Indicators

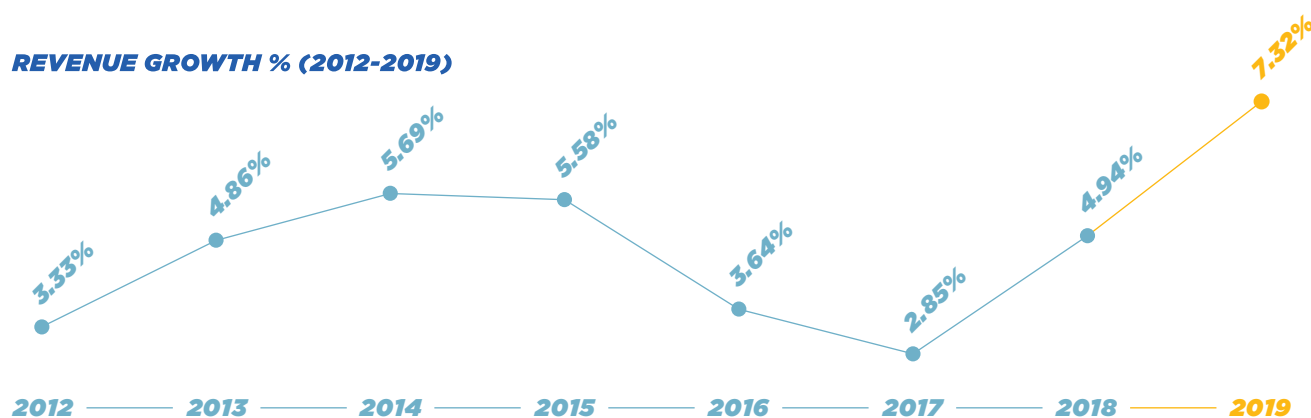
## 1.39

The number of children per sponsor. This number has been growing steadily since 2009, when it was 1.31, meaning that current supporters are, on average, sponsoring more children.

KPIs FOR THE YEAR ENDED 30 JUNE 2019:

KEY PERFORMANCE INDICATORS	2019	2018
Income per staff (\$)	\$51,324	\$54,292
Child cancellation rates	9.29%	9.35%
Sponsorship retention rates	90.71%	90.65%
Children per sponsor	1.39	1.38
Revenue growth %	7.32%	4.94%
Return on fundraising investment	7.83	7.44

### REVENUE GROWTH % (2012-2019)



## 80.25%

Expenditure directed to program activities this financial year.

### EXPENDITURE

Program	\$72,690,921 80.25%	\$67,112,206 79.59%
Community Education	\$878,910 0.97%	\$776,642 0.92%
Fundraising	\$11,587,866 12.79%	\$11,309,888 13.41%
Administration	\$5,425,425 5.99%	\$5,128,587 6.08%
<b>TOTAL EXPENDITURE</b>	<b>\$90,583,122 100.00%</b>	<b>\$84,327,323 100.00%</b>



<b>INCOME BY SOURCE</b>	<b>2019</b>	<b>2018</b>
<b>CHILD SPONSORSHIP INCOME</b>		
Child Development Sponsorship	\$68,371,256 74.92%	\$63,358,051 74.51%
Christmas Fund	\$2,853,875 3.13%	\$2,620,821 3.08%
Gifts	\$3,716,948 4.07%	\$3,159,346 3.72%
<b>CRITICAL NEEDS INCOME</b>		
Child Survival Program (Mums and Babies)	\$1,906,152 2.09%	\$1,566,335 1.84%
Critical Intervention Fund	\$13,195,503 14.46%	\$12,706,325 14.94%
Disaster Relief	\$83,326 0.09%	\$53,822 0.06%
Un-sponsored Children	\$221,641 0.24%	\$242,531 0.29%
Leadership Development Program	\$19,646 0.02%	\$88,144 0.10%
Bibles	\$208,396 0.23%	\$186,719 0.22%
Indigenous	\$144,160 0.16%	\$101,799 0.12%
<b>OTHER INCOME</b>		
Operating Fund	\$462,566 0.51%	\$452,304 0.53%
Endowment Operations	\$46,360 0.05%	\$472,035 0.56%
Other Income	\$25,540 0.03%	\$26,311 0.03%
<b>TOTAL INCOME</b>	<b>\$91,255,369 100.00%</b>	<b>\$85,034,543 100.00%</b>

# 74.92%

Income directed to the Child Sponsorship Program, which is a recurrent income source and very stable.

# 17.29%

Funds directed to meet Critical Needs in areas that fall beyond the reach of sponsorship.

# Sponsorships and Beneficiaries

## 1,876,699

Number of children sponsored worldwide at 30 June 2019. More than 2 million children are being released from poverty, including children who are registered and waiting for a sponsor.

## 122,889

Total number of babies, children, students and caregivers who are supported by Australians at 30 June 2019.

## 30,678

Recurring Critical Needs donations given by Australians.

### SPONSORSHIPS AND BENEFICIARIES FOR THE YEAR ENDED 30 JUNE 2019:

<b>SPONSORSHIPS</b>	<b>2019</b>	<b>2018</b>
Australian-supported Child Sponsorships	122,055	117,107
Worldwide Child Sponsorships	1,876,699	1,784,465
AU as a % of worldwide sponsorships	6.50%	6.56%

### SPONSORSHIP DETAIL

New Sponsorships	15,831	16,322
Cancelled Sponsorships	10,883	10,392
Net Growth	4,948	5,930
Net Growth %	4.23%	5.33%
<b>TOTAL SPONSORSHIPS</b>	<b>122,055</b>	<b>117,107</b>

### BENEFICIARIES BREAKDOWN

Child Sponsorship Program	122,055	117,107
Child Survival Program	833	828
Leadership Development Program	1	11
<b>TOTAL BENEFICIARIES</b>	<b>122,889</b>	<b>117,946</b>

### OTHER COMMITMENTS

Critical Needs	30,678	30,704
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# Balance Sheet



## Overall, Compassion Australia's balance sheet remains healthy and in a strong financial position.

Total assets for the year increased by \$3.19 million on last year. Cash and cash equivalents increased by \$3.78 million, which is the main reason for the overall increase. This is mainly due to monies received during financial year 2019 but not expended until financial year 2020. The majority of this cash is temporarily held by Compassion for programmatic use and is recognised with a corresponding liability in current liabilities.

Total liabilities increased by \$2.51 million compared to last year and this variance exists within our current liabilities. This year we have higher obligations on our program commitments compared to last year.

Our current ratio is 1.36; while this is noted as being below average—largely due to significant fixed assets in property and the structure of our balance sheet—it still shows that we have sufficient current assets to cover our current liabilities. This is slightly higher than last year's ratio of 1.32 and is considered to be a low risk, as our income is reliable and regular. Continued strengthening of this ratio over the coming years is a priority for management.

Our balance sheet shows an increase in equity of \$672,000 for financial year 2019. The resultant equity position reflects maintenance of two key strategies: holding equity for the future and maintaining appropriate operating reserves.



# Balance Sheet

## Assets

## ASSETS BALANCE SHEET AS AT 30 JUNE 2019

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$20,921,144	\$17,140,680
Trade and other receivables	\$1,418,024	\$1,265,086
Inventories	—	—
Assets held for sale	—	—
Other financial assets	—	—
<b>TOTAL CURRENT ASSETS</b>	<b>\$22,339,168</b>	<b>\$18,405,766</b>
<b>NON CURRENT ASSETS</b>		
Trade and other receivables	—	—
Property, plant and equipment	\$10,715,921	\$10,836,995
Investment property	\$633,040	\$637,226
Intangibles	\$907,954	\$1,530,451
Other financial assets	—	—
Other non current assets	—	—
<b>TOTAL NON CURRENT ASSETS</b>	<b>\$12,256,915</b>	<b>\$13,004,672</b>
<b>TOTAL ASSETS</b>	<b>\$34,596,083</b>	<b>\$31,410,438</b>

# Balance Sheet

## Liabilities

### LIABILITIES BALANCE SHEET AS AT 30 JUNE 2019

<b>LIABILITIES</b>	<b>2019</b>	<b>2018</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	\$16,094,935	\$13,647,650
Borrowings	—	—
Current tax liabilities	—	—
Other financial liabilities	\$4,768	\$4,768
Provisions	\$406,464	\$288,917
Other	—	—
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$16,506,167</b>	<b>\$13,941,335</b>
<b>NON CURRENT LIABILITIES</b>		
Other financial liabilities	\$7,947	\$12,715
Provisions	\$269,015	\$315,681
Other	—	—
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>\$276,962</b>	<b>\$328,396</b>
<b>TOTAL LIABILITIES</b>	<b>\$16,783,129</b>	<b>\$14,269,731</b>
<b>NET ASSETS</b>	<b>\$17,812,954</b>	<b>\$17,140,707</b>
<b>EQUITY</b>		
Restricted reserves	—	—
General reserves	\$17,812,954	\$17,140,707
<b>TOTAL EQUITY</b>	<b>\$17,812,954</b>	<b>\$17,140,707</b>

**Report of the Independent Auditor  
on the Summary Financial Statements  
To the Members of Compassion Australia**



**Opinion**

The summary financial statements, which comprise the summary Balance Sheet as at 30 June 2019, and the summary Revenue and Expenditure for the year then ended, are derived from the audited financial report of Compassion Australia (the "Company") for the year ended 30 June 2019.

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

**Summary Financial Statements**

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards - Reduced Disclosure Requirements and *Division 60 of 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 31 October 2019.

**Directors' Responsibility for the Summary Financial Statements**

The Directors of the Company are responsible for the preparation of the summary financial statements and the extraction of such information from the Company's full financial report to give an abridged summary of the financial position and performance of the entity for the relevant financial year under review. This responsibility includes ensuring the summary financial statements are free from material misstatement, whether due to fraud or error.

**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*.

Bentleys Brisbane (Audit) Pty Ltd  
Chartered Accountants

Ashley Carle  
Director  
Brisbane  
31 October 2019



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