Compassion Australia
Annual Impact Report 2020

See how you’re helping to release children from poverty in Jesus’ name.
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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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Your 2020 Impact Story

How you’re helping to release children from poverty in Jesus’ name
2020 has been turned upside down by a global pandemic.

In these turbulent times, your support for vulnerable children is vital—and your impact is undeniable.

This is the story of God’s Church rising as one in 2020, united to see vulnerable children receive the spiritual, physical, socio-emotional and economic support they need to thrive.
This is a story of God’s unfailing love for His children—even when life as we know it has been turned upside down by the COVID-19 pandemic.

The pandemic’s effects have been felt around the planet but especially on families living in poverty, including the 2.1 million children that we serve together.

This year marked a new season for Compassion Australia. We said goodbye to CEO Tim Hanna after a decade of service and welcomed new CEO Clare Steele. There were changes at a Board level, too, with Sam Valich resigning from the Board and accepting a position as Executive Director: Brand Experience.

2020 also marks a season of change for the global Compassion community—and the pace of those changes around the world has been accelerated by the COVID-19 pandemic.

As we steward every dollar to bless the children we serve, lockdowns, travel restrictions and the associated economic impact in Australia has necessitated some difficult decisions for our team here. We are grateful to Clare for her leadership in challenging circumstances and we are thankful to all Compassion Australia staff and volunteers who have given so much in this season.

On the field, social distancing and other restrictions have meant more than 8000 local churches have had to quickly adapt as they reach out to children.

New circumstances have prompted new innovations to engage Australian Christians and churches to further the mission of releasing children from poverty in Jesus’ name.

And yet, through this time of immense change, some things have remained steadfast.

God’s love for His precious children has not changed—nor will it ever. His heart is to see children everywhere, in all circumstances, come to live life to the fullest. The creativity and passion of His Church to serve the poor has not diminished. In Australia and across the world, His people remain generous and open hearted.

The pandemic has made life even more complicated and difficult for millions of people living in poverty. But it has also revealed the strength of His Church as we rise as one to follow God’s leading. We do so with faith that He is sovereign over whatever may come next.

Through it all, the generosity of supporters like you is truly inspiring. Your impact in children’s lives is undeniable.

Thank you for your partnership, your prayer, and your passion for seeing children released from poverty in Jesus’ name.
This year for me personally was always going to be different and full of change. A new role as Compassion Australia CEO, a new home in a new city, new people and experiences.

I did not anticipate that 2020 would be so different for all of us, right across the world.

The COVID-19 pandemic has plunged us into new ways of working, interacting, shopping and studying. New ways of living.

And the new of 2020 has not spared the children we serve. Their lives have been radically altered by COVID-19 and the response to the virus.

For families like 14-year-old Alvin’s in the Philippines, quarantine measures hit hard.

Businesses closed across the country, including the junk shop where his mother worked to earn a daily wage. Alvin was desperate to help—but he didn’t know what to do.

“I thought of looking for work or begging in the streets for money, but quarantine meant I couldn’t do either,” he says.

Just in time, the staff of his local Compassion centre arrived with a relief bag of rice, noodles, milk, vegetables, canned goods and other essentials.

“I don’t need to beg because I know God will supply for my family through the church and my sponsor,” says Alvin.

His story is a timely reminder of the importance of what we do in a Compassion neighbourhood that stretches around the world. There have been hundreds of stories of great struggle like his—but also stories of great generosity and impact as churches reach out to meet the most urgent needs and support children and families in new ways.

That’s why I’m so pleased to report that Australians and the worldwide Church have responded with such generosity to our first ever global disaster relief campaign.

So far, local church partners have delivered more than 3.9 million food packs, over 2.5 million hygiene kits, and reached more than 170,000 children and family members with medical support.

As extreme poverty increases for the first time in many years, these interventions are essential in supporting vulnerable children and their families. And now, more than 124,000 children are sponsored and have the support they need to thrive, thanks to generous Australians like you.

As we travel the new together, I’m so encouraged by your words of support, your generosity and your great desire to continue to see children released from poverty in Jesus’ name. Thank you!

And in a year of great uncertainty, I am thankful and full of praise that we can rest on the unflailing love and mercy of our God, who has compassion for those in need and longs for justice.
The economic impact of COVID-related restrictions hit Australia hard. As workplaces closed and the economy stalled, many supporters worried about how they would continue to sponsor the children they loved.

Yet others, including a family in Perth, saw their businesses grow—and followed God’s prompting to give generously.

They knew many Australian sponsors might be struggling and wanted to help them stay connected so they could encourage and bless their sponsored children. In their own words:

“Our businesses have been blessed significantly over this past few weeks. As a family, we have been inspired to ‘stand in the gap’ for others who have been adversely affected by COVID-19. God seemed to lay Aussie supporters and their sponsored children on our hearts. We’re excited to take the opportunity to join with Compassion and give to help others maintain their support during these tough times.”

We are so grateful to this family. Their generosity has helped hundreds of Australian sponsors to stay connected to their sponsored children and blessed countless families around the world.
How COVID-19 is supercharging poverty

For the first time in decades, global poverty is rising.

The COVID-19 pandemic has stolen lives and livelihoods. The financial fallout has crushed economies around the world.
**COVID-19** threatens to push *millions more* children and families into poverty.

<table>
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<th>71m</th>
<th>66m</th>
<th>176m</th>
<th>177m</th>
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<tr>
<td>COVID-19 could push <strong>71 million more</strong> people into <strong>extreme poverty</strong> (&lt;$1.90/day)</td>
<td><strong>Including 42-66 million children</strong> (&lt;$1.90/day)</td>
<td><strong>176 million additional poor</strong> at ($3.20/day)</td>
<td><strong>177 million additional poor</strong> at ($5.50/day)</td>
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That’s equivalent to the global poverty rate rising by 2.3%
Yet poverty is more than economic hardship.

The socio-emotional, spiritual and physical effects of the pandemic will be felt for years. *For vulnerable children, the stakes are incredibly high.*

Without strong action, COVID-19 is predicted to cause a huge increase in cases of *child marriage, FGM and domestic abuse* within the coming decade alone.

The COVID-19 pandemic has changed life as we know it—and children and their families living in poverty have felt its full effects. Poverty threatens millions more. But God’s Church is rising as one.

More than 8000 local churches and child development centres in the developing world have adapted to meet the most urgent needs and ensure children are known, loved and protected.

**Australian supporters** and donors have stepped forward with God-inspired generosity.

**Advocates** are standing up and speaking out for the most vulnerable.

**Australian churches** are rising as one to be the hands and feet of Jesus in serving children who live in poverty.
Your support is creating an amazing impact in so many lives. In just three months from April to June 2020, the incredible global response to COVID-19 saw...

- **3,973,006 Food Packs**
  - Distributed to the most vulnerable children and families

- **2,482,881 Hygiene Kits**
  - Delivered to protect children from COVID-19 and other contagious diseases

- **164,301 Medical Treatments**
  - Provided to people who needed individual medical support

Generous Australians like you gave $2.2 million to the We Rise as One Appeal by the end of June 2020, contributing to a global total of more than $11 million to provide hope during the COVID-19 pandemic.

The pandemic requires a long-term response, so this amazing support will continue to bless and benefit families for months to come.
This year alone...

12,391 children were sponsored in the financial year for a total of 124,567 children sponsored through Compassion Australia.

18 brand new child development centres were launched with the partnership of generous Australians. More than 3000 children in Ethiopia, Indonesia, Mexico, Sri Lanka, the Philippines, Tanzania and Uganda now have the opportunity to flourish. Thank you!

16,405 vulnerable babies joined the Child Sponsorship Program after receiving the support they needed to thrive through their first year of life at Survival projects around the world.

2.1m More than 2.1 million children being released from poverty by Compassion supporters and local churches across the world, in a movement that reaches more than 25 countries across the world.
And the movement is *growing*

440

New partnerships this year

This year, Compassion began new partnerships with more than 440 local churches in developing nations.

8000

Total partnerships worldwide

Now, we work with more than 8000 local churches in the developing world to serve the most vulnerable children and families in their neighbourhoods—to release children from poverty in Jesus’ name.
Compassion is partnering with more and more local churches across Australia to serve vulnerable children around the world in the name of Jesus.

Pastor Dustan Bell from Calvary Christian Church in Queensland shares about his church’s partnership with Compassion this year, and the impact he’s seen in people’s lives—in Africa and Australia.

“For years, Calvary has had a connection with Ethiopia and Kenya. To further our impact in Africa, Calvary partnered with Compassion so that more children could be helped by local churches. “In October 2019, we ran a Compassion Sunday across all of our campuses. We expected our church family to be receptive and generous—but we were blown away. 196 children were sponsored in one day!

“Without doubt, the best part of the day was watching parents and their primary-aged children choose to extend generosity through child sponsorship. It’s impossible to overestimate the effect this has upon children in our church, as they learn that they can make a difference in the lives of those less fortunate.

“Our partnership with Compassion has enlarged the hearts of our people. It’s impossible to witness the work of Compassion and not have your perspective, your heart and your hope enlarged.”
The Children’s Story

How children are thriving, with your help
Your generosity helps to meet children’s needs from the womb to the workforce—empowering them to be all that God created them to be.

Each stage of life brings its own challenges and triumphs.

But with practical support, local mentors and staff, the love of family and the local church, and the encouragement and prayers of a sponsor, children are being released from poverty in Jesus’ name.
Compassion and Child Protection

The safety and wellbeing of children is foundational to their healthy growth and development. **We have zero tolerance for child abuse.** *All children—regardless of their gender, race, religious beliefs, age, disability, sexual orientation, family or social background—have equal rights to protection from abuse.*

In a time when quarantines and restrictions on movement can leave children even more vulnerable to abuse, a strong approach to child protection is more important than ever.

Find out more about Compassion's child protection stance on our website [here](#).
The first step to being released from poverty is survival.

Challenges

- Lack of prenatal education and support for mums giving birth lead to complications in pregnancy and birth.
- Undernutrition causes developmental delays for young babies and toddlers.
- Preventable diseases, including malaria, diarrhoea and measles, still take many lives.
- COVID-19 makes basic services even more difficult to access.
This year alone...

- **860** babies and their mothers are being supported through Compassion Australia.

- **1710** Survival projects are serving babies and caregivers in 25 nations, including 57 projects funded by Australians.

- **25,672** children and **25,475 caregivers are registered** in Survival projects worldwide.

- **16,405** vulnerable babies joined the Child Sponsorship Program—after receiving the support they needed to thrive through their first year of life at Survival projects around the world.
Babies and Caregivers supported by Australian’s at the end of the financial year

Note: Beginning in 2018, children were registered for sponsorship from the age of one.
How your support helps vulnerable mums and babies

- **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.
Nurturing little ones from Melbourne to Mbulu
Melanie McGrice

A renowned prenatal dietitian, foster mum, and influential speaker and author, Melanie McGrice is passionate about nurturing mothers before, during and after pregnancy.

As she saw the difference that good nutrition and health made for mothers and children in Melbourne, she was prompted to look even further afield—to help the most vulnerable in developing communities.

“As my business and influence grew in the field of fertility and pregnancy nutrition, God laid a call on my heart to reach out to Compassion about their Mums and Babies program,” says Melanie.

Melanie and her company, Nutrition Plus, fund a survival project in Mbulu, Tanzania that sees vulnerable mothers given the opportunity to thrive.

“Once my organisation started sponsoring a survival project in Tanzania, I wanted to see it with my own eyes … I was blown away by the work being done there! It’s not just about good nutrition—it’s about education and long-term health for these mums. It turns their lives around.”

Through this partnership, mothers in Mbulu gain access to prenatal care, medical attention, birthing support and education, and a community of support to share their trials and triumphs, to laugh and learn new skills together.

“I feel so honoured to be able to contribute and make such a difference in so many people’s lives. I’m grateful to be a part of this work.”

“I feel so honoured to be able to contribute and make such a difference in so many people’s lives. I’m grateful to be a part of this work.”

–MELANIE McGRICE, MELBOURNE

See how you can make an impact for vulnerable mums and babies here
Poverty looks different for each child, but our goals stay the same: **good health**, **good skills**, **good relationships**—and the opportunity to hear the Good News.

**Challenges**

- Malnutrition and unsafe water threaten millions.
- Medical attention is unreachable or unaffordable for many families.
- COVID-19 threatens the most vulnerable—day labourers, rural villages that lack medical services, closely-packed urban communities where social distancing is impossible.
This year alone...

12,391 children sponsored by Australians this financial year

124,567 children sponsored in total through Compassion Australia

1,917,544 children sponsored worldwide

8014 child development centres serving the most vulnerable children across 25 developing countries
Children sponsored by Australian’s at the end of the financial year

- 2020: 124,567
- 2019: 122,055
- 2018: 117,107
- 2017: 111,177
- 2016: 110,225
Critical Needs remove the barriers that affect children, their families and communities. Thank you for blessing thousands of children by meeting their needs for Water and Sanitation, Disaster Relief, Income Generation, and so much more.
Water is life. Without it, children are vulnerable to disease, unable to grow and learn properly. But when the Yeriko Parish in Magu Town, Tanzania dug deep with the help of friends like you to bring safe water to the surface—hundreds of children’s lives changed.

“With the funds from Compassion and supporters, the church has managed to implement three great things,” says Amani, Compassion Tanzania’s local partnership facilitator.

“First is the new flush restrooms. The second is the hygiene education. And the third is safe and clean water for all the registered children at the centre.”

With the aid of a deep-borehole well, the church can provide more than enough safe water for every child—and for the surrounding community, too.

“An advantage is that during our monthly period we have clean, running water in the restrooms,” says Jesca, a sponsored girl. “Before [the well was built], the girls would have to go home, they would miss class and then come back. Other children had already had porridge or a meal, and the girls would miss part of the program.

“Because of clean water, we’ve been able to prevent waterborne diseases. We have also reduced the amount of money used on hospitals.

“Thank you … all the problems we had are gone. You provided the solution!”

Find out how you can meet children’s critical needs for water with Compassion here.
Thousands of children and their families benefitted from your generosity as you gave to Critical Needs projects in financial year 2020.

Here’s a snapshot of just a few of the projects that Australians like you supported this year—and the impact you’ve had in thousands of people’s lives.

210 children, their families and community in northern Togo can access healthy, nutritious food after local partners and generous supporters helped to build a corn mill, rice husker and spice mill at the local church. Their families can earn income by operating the mills, too!

50 Kenyan students, including Mary Mwende, received four-year scholarships to complete their secondary education at national schools, giving them the best opportunity to pursue a tertiary-level qualification. Despite the challenge of COVID-19 closing Kenya’s schools, the students have received support to keep up with their lessons from home. Mwende’s mother says the scholarship was an answer to prayer.

“My daughter performed well in her primary school exams. When she received an entry to a national school, I prayed that God would provide a way for her to study without fees. I was overjoyed when the Compassion centre director informed me that Mwende had received a scholarship for her studies. I thank God for the donors! I’m committed to support her.”

14-year-old Kalkidan, a sponsored girl from north-eastern Ethiopia, will undergo life-changing surgery to treat Chronic Rheumatic Valvular Heart Disease in Addis Ababa.

2271 children and many more community members across Bangladesh will finally gain access to safe drinking water, thanks to new water pump systems being installed at 10 Compassion child development centres. The staff and children were thrilled to receive the news that you were making it possible to install their water pumps!

561 children, family members, staff and volunteers at a centre in San Juan, Philippines are excited to see their new building take shape, thanks to Australian supporters. With six classrooms and a new toilet block, the centre can also serve as a community hub and a typhoon shelter in this disaster-prone part of the nation.

“The entire church leadership, congregation and all the children are excited for the completion of the building,” says staff member Joseph Alba.

327 children and their families in San Jose De Cucuta, Colombia are counting the days until their church’s child development centre is rebuilt. A 7.7-magnitude earthquake in 2018 caused significant damage—but they’re building back better, with four classrooms, two toilets and a new kitchen. All construction meets national earthquake-resistant standards. “The children are excited to see the big, beautiful new classrooms … they’ve written to their sponsors about the project with joy,” says Doliaida Acosta Galván from Compassion Colombia.
The Global Story

How advocates like you across the world make an impact
Your support is making an amazing impact in the lives of more than 2.1 million children in a neighbourhood that stretches around the world.

The COVID-19 pandemic threatens to isolate vulnerable children and make the struggle to survive even harder. But the love and support of millions of friends like you in more than 12 partner countries is so powerful.

More than 8000 local churches in 25 developing nations are on the front lines of ensuring children are known, loved and protected—thanks to your support.
What makes Compassion unique?

Compassion Australia is part of Compassion International, a global network of more than 40 countries.

Together with millions of sponsors, supporters and church partners around the world, we are a Christian child development ministry that partners with local churches 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.

**2020**
(JUNE)
Compassion International now serves more than 2.1 million children in 25 developing nations, including more than 124,000 children who are sponsored by Australians.
Jesus is at the heart of Compassion. His love for the marginalised and His power to change lives are why Compassion exists. The life-changing message of His love moves through the support of friends like you. He is the ultimate source of hope: both for the immediate and the eternal.

More than 80,000 Australians like you help to meet the specific economic, socio-emotional, physical and spiritual needs of 2.1 million children. You’re personally connected with a child who knows your name and treasures the knowledge that you care about them.

More than 8000 Christian churches in Africa, Asia, Central America and South America are on the front lines of releasing children from poverty in Jesus’ name—building relationships with children and their families, meeting urgent nutrition and healthcare needs, encouraging and growing them spiritually.
Countries Raising Support

- Australia: Est 1977
- Canada: Est 1963
- France: Est 1990
- Germany: Est 2007
- Italy: Est 2001
- i. Spain: Est 2001
- Netherlands: Est 1996
- New Zealand: Est 1986
- Norway: Est 2013
- i. Denmark: Est 2013
- ii. Sweden: Est 2013
- South Korea: Est 2004
- Switzerland: Est 2003
- United Kingdom: Est 1999
- i. Ireland: Est 2011
- United States: Est 1952
Countries Delivering Program

8014 Church Partners
2,179,017 Registered Children
25,731 Survival Beneficiaries

Total at June 2020
Africa

3425  Church Partners
860,103  Registered Children
10,516  Survival Beneficiaries

Total at June 2020
### Asia

**Church Partners**

- **Bangladesh**: 175
- **East Indonesia**: 341
- **Indonesia**: 394
- **Philippines**: 388
- **Sri Lanka**: 72
- **Thailand**: 184

**Registered Children**

- **Bangladesh**: 39,463
- **East Indonesia**: 74,993
- **Indonesia**: 86,599
- **Philippines**: 98,671
- **Sri Lanka**: 14,986
- **Thailand**: 55,538

**Survival Beneficiaries**

- **Bangladesh**: 757
- **East Indonesia**: 1151
- **Indonesia**: 662
- **Philippines**: 1353
- **Sri Lanka**: 621
- **Thailand**: 229

**Total at June 2020**

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<thead>
<tr>
<th>Country</th>
<th>Church Partners</th>
<th>Registered Children</th>
<th>Survival Beneficiaries</th>
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<tr>
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<td>175</td>
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<tr>
<td>Thailand</td>
<td>184</td>
<td>55,538</td>
<td>229</td>
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</table>
Central America

1757 Church Partners
511,616 Registered Children
5795 Survival Beneficiaries

Total at June 2020
South America

- **Peru**
  - Church Partners: 1985
  - Registered Children: 85,932
  - Survival Beneficiaries: 959

- **Bolivia**
  - Church Partners: 1978
  - Registered Children: 96,192
  - Survival Beneficiaries: 1,169

- **Brazil**
  - Church Partners: 1974
  - Registered Children: 59,020
  - Survival Beneficiaries: 502

- **Colombia**
  - Church Partners: 1976
  - Registered Children: 95,535
  - Survival Beneficiaries: 638

- **Ecuador**
  - Church Partners: 1974
  - Registered Children: 100,369
  - Survival Beneficiaries: 1,379

Total at June 2020
A Global Network

Supporting Countries
Compassion’s ministry is funded by more than 12 supporting 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 8000 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.
The Stewardship Story

How your dollars make a difference
Your impact in 2020
by the numbers

Your generosity in the 2020 financial year is about more than dollars and cents—it’s about children receiving the support they need to thrive!

Here’s a snapshot of some of the ways you have helped to meet children’s needs in a year when the need has been greater than ever.
It would be an understatement to say that financial year 2020 has been a tough year.

With ongoing drought, bushfires across Australia in the summer and then the emergence of COVID-19, it has been a year like no other.

Despite all of these things, God’s provision and your generosity have seen Compassion Australia continue to grow.

Through your generous giving, you enabled over $74 million to be utilised on program initiatives, as together we support over 125,000 children, mums and babies. This was an increase of $1.4 million expenditure on program activities from last year.

Despite dropping by 17 per cent in May from the previous year, our income finished the year at $93.7 million—an increase on last year of $2.5 million or 2.7 per cent. The growth in donations came most notably through the Child Sponsorship Program as a number of supporters generously stood in the gap to provide support and donations when others weren’t able to. The We Rise as One campaign launched in May and was our best performing campaign to date (raising over $2.2 million by 30 June 2020) to support the urgent needs of those affected by COVID-19.

Our core Child Sponsorship Program is our largest source of income (approximately 85 per cent) and remains strong. New sponsorships declined when churches and events were restricted by COVID-19, but with a strong start to the year, we saw overall growth of 2,512 sponsorships. The recurring nature of this source of income and our ongoing partnership with current supporters and their generosity makes our income sustainable year on year which is important for our program model.

Compassion Australia spent 19.87 per cent or $18.6 million on administration and fundraising this financial year, and 80.13 per cent of our expenditure was used:

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

While Compassion Australia remains in a strong financial position, the economic climate is uncertain and volatile. Our income and sponsorships will likely decline over the coming year. We are conservatively forecasting that total income will decrease by 14 per cent to $80.4 million in the 2021 financial year. As such we are continuing to make difficult decisions to ensure a global impact for next year and beyond.

From March, a number of positions within the ministry were made redundant. These decisions were not made lightly and were in response to the impact of COVID-19 locally and globally, and to best position Compassion Australia to achieve our ambitious strategy over the coming years.

Thank you to all supporters, sponsors and donors around Australia for partnering with us as together we release children from poverty in Jesus’ name.

In a challenging year, we continue to trust in God. This is His ministry, and He will continue to bless the work of Compassion Australia.

A note from the Chief Operating Officer Compassion Australia COO Deb Adams

Deb Adams
COMPASSION AUSTRALIA CHIEF OPERATING OFFICER

You can find the full financial report for 2020 on our website here.
Meet the Board

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

Compassion Australia is a company limited by a 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.

Board Declaration

THE BOARD OF DIRECTORS OF COMPASSION AUSTRALIA DECLARES THAT:

[a] The financial statements and notes as set out on pages 58 to 60 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 2020 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
Meet the Board

Isaac Moody
Chair of the Board of Directors; Chair of the CEO and Governance Committee and the Executive Committee; Board member since 2008
Isaac has a group of businesses in hospitality, agriculture and property, which enables him to volunteer for ministries like Compassion and maintain strong community involvement in the Toowoomba region.

Dr John Bond
Vice-Chair of the Board of Directors; Member of the Executive Committee; Board member since 2002
John is a Minister of Religion with international ministry experience. He has worked with Youth for Christ International, as Senior Minister of Thornlie Church of Christ and Lifestreams Christian Church. He is currently serving as the Minister-at-Large for Lifestreams Christian Church, Director of Lifestreams Global Family and the Asia South East Pacific World Zone leader for Dynamic Church Planting International. He is the Founding Director of Sonlife Ministries Inc.

Mabel Chua
Secretary of the Board; Chair of the Risk Committee; Member of the CEO and Governance Committee; 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 M6:8 Legal in Perth, Mabel 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.

Mark McCrindle
Member of the Risk Committee; 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.
Meet the Board

**Mike Jeffs**
Member of the Finance Committee; Member of the Board of Directors of Compassion International since 2010; Australian Board member since 1995

Mike has extensive business knowledge, with 40+ 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 Limited.

**Sam Valich**
Member of the Executive Committee; Board member since 2015; resigned from the Board June 2020

Sam Valich 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: a one-day workshop designed to develop internal brand identity, purpose and culture. She has a successful track record in creative and strategic advisory in Australia, the UK and USA.

**Kent Medwin**
Chair of the Finance Committee; Member of the Executive Committee; 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, Tasmania with his wife and three children.
Accountable, Transparent, Trustworthy.

Compassion Australia is committed to earning and keeping your trust and confidence through transparency and godly stewardship. *Integrity is a value that drives the whole organisation, in Australia and across the world.*

So you can give confidently, knowing that your support will be stewarded well as it makes an impact in the lives of vulnerable children.
**The Stewardship Story**

**Risk management**

**Foreign Exchange Risk:** Compassion sends funds all around the world, which means we need to deal with foreign currency exchanges. The 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 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/annualreports

**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.

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 is developing a new funds management process to enable further control over the use of funds. This will also 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 to benefit the children we serve.

This new multi-faceted approach to financial governance and risk management will provide assurance that the funds used through Compassion national offices and local 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.
Revenue **year ended 30 June**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations and gifts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monetary</td>
<td>$92,092,153</td>
<td>$89,065,627</td>
</tr>
<tr>
<td>Non-monetary</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bequests and legacies</td>
<td>$760,951</td>
<td>$1,658,694</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Foreign Affairs and Trade</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Australian</td>
<td>$564,500</td>
<td>-</td>
</tr>
<tr>
<td>Other Overseas</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$320,885</td>
<td>$515,202</td>
</tr>
<tr>
<td>Other Income</td>
<td>$8,490</td>
<td>$15,846</td>
</tr>
<tr>
<td>Revenue for international political or religious proselytisation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$93,746,979</strong></td>
<td><strong>$91,255,369</strong></td>
</tr>
</tbody>
</table>
## Expenditure year ended 30 June

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International aid and development programs expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds to international programs</td>
<td>$60,878,053</td>
<td>$60,237,098</td>
</tr>
<tr>
<td>Program support costs</td>
<td>$13,052,764</td>
<td>$12,390,796</td>
</tr>
<tr>
<td>Community Education</td>
<td>$894,456</td>
<td>$878,910</td>
</tr>
<tr>
<td>Fundraising Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>$12,622,824</td>
<td>$11,587,866</td>
</tr>
<tr>
<td>Government, multilateral and private</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accountability and administration</td>
<td>$5,962,542</td>
<td>$5,425,425</td>
</tr>
<tr>
<td>Non-monetary expenditure</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total International aid and development programs expenditure</strong></td>
<td>$93,400,639</td>
<td>$90,520,095</td>
</tr>
<tr>
<td>International Political or Religious Adherence Promotion Programs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Domestic programs expenditure</td>
<td>$120,005</td>
<td>$63,027</td>
</tr>
<tr>
<td>Commercial Activities Expenditure</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Expenditure</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>$93,520,644</td>
<td>$90,583,122</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenditure (Total Comprehensive Income)</strong></td>
<td>$226,335</td>
<td>$672,247</td>
</tr>
</tbody>
</table>
# Balance Sheet assets and liabilities

<table>
<thead>
<tr>
<th>Assets</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$19,213,900</td>
<td>$20,921,144</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>$874,973</td>
<td>$1,418,024</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$20,088,873</td>
<td>$22,339,168</td>
</tr>
<tr>
<td><strong>Non current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>$10,199,769</td>
<td>$10,715,921</td>
</tr>
<tr>
<td>Investment property</td>
<td>$633,040</td>
<td>$633,040</td>
</tr>
<tr>
<td>Intangibles</td>
<td>$717,734</td>
<td>$907,954</td>
</tr>
<tr>
<td>Right of Use Assets</td>
<td>$692,071</td>
<td>-</td>
</tr>
<tr>
<td>Other non current assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non current assets</strong></td>
<td>$12,242,614</td>
<td>$12,256,915</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$32,331,487</td>
<td>$34,596,083</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>$12,703,903</td>
<td>$16,094,935</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>$335,303</td>
<td>$4768</td>
</tr>
<tr>
<td>Provisions</td>
<td>$528,715</td>
<td>$406,464</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$13,567,921</td>
<td>$16,506,167</td>
</tr>
<tr>
<td><strong>Non current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>$365,884</td>
<td>$7947</td>
</tr>
<tr>
<td>Provisions</td>
<td>$358,393</td>
<td>$269,015</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non current liabilities</strong></td>
<td>$724,277</td>
<td>$276,962</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$14,292,198</td>
<td>$16,783,129</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>$18,039,289</td>
<td>$17,812,954</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Reserves</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Reserves</td>
<td>$18,039,289</td>
<td>$17,812,954</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>$18,039,289</td>
<td>$17,812,954</td>
</tr>
</tbody>
</table>
Opinion
The summary financial statements, which comprise the summary Balance Sheet as at 30 June 2020, and the summary Expenditure and Revenue for the year then ended, are derived from the audited financial report of Compassion Australia (the “Company”) for the year ended 30 June 2020.

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

Summary Financial Statements
The summary financial statements do not contain all the disclosures required by 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 29 October 2020.

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
12 November 2020
To every sponsor, supporter, family, church, business, ambassador and advocate who gave their time, energy, talent, income, prayer, passion and voice to raising up the world’s most vulnerable children this year—thank you!

ACT JUSTLY AND LOVE MERCY AND WALK HUMBLY WITH YOUR GOD
MICAH 6:8b NIV
Thank you.

Share your impact with a friend!
#togetherwe-riseas-one