TEARFUND

England & Wales · Charity number 265464

Details

Other names	TEAR FUND, Bin Twinning, TEARFUND, TOILET TWINNING, Twinning Unlimited
Status	Registered
Legal form	Charitable company
Company number	00994339
Registered	1973-03-06
Register	View on the Charity Commission register

Contact

Address	100 Church Road Teddington Middlesex TW118QE
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Activities

Objects: (A) THE OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE: (1) (A) TO RELIEVE POVERTY, SUFFERING AND DISTRESS AND PREVENT DISEASE AND ILL HEALTH AMONG THE PEOPLES OF THE WORLD; AND (B) TO PROMOTE CHRISTIAN EDUCATION AND FAITH AND AS TO BOTH THE OBJECTIVES SET OUT IN SUB-PARAGRAPH (A) AND (B) IN THIS SUB-CLAUSE BY WHEREVER POSSIBLE WORKING IN PARTNERSHIP WITH OR THROUGH FELLOW CHRISTIANS SUCH OBJECTIVES TO BE PURSUED IN ACCORDANCE WITH THE FOLLOWING PRINCIPLES; (I) THE BIBLE IS THE AUTHORITATIVE WORD OF GOD AND IS THE GUIDING RULE OF ALL CHRISTIAN BELIEF AND BEHAVIOUR. (II) WHEREVER POSSIBLE THE SUPERVISION OF ANY PROJECT SUPPORTED BY THE COMPANY WILL BE IN THE HANDS OF CHRISTIANS WHO WHOLEHEARTEDLY SUPPORT THE ETHOS AND OBJECTIVES OF THE COMPANY; AND (III)THE STATEMENT OF FAITH SET OUT AT THE END OF THESE ARTICLES OF ASSOCIATION.

Activities: TEARFUND IS A CHRISTIAN RELIEF AND DEVELOPMENT AGENCY COMMITTED TO ERADICATING POVERTY. OUR VISION IS TO SEE PEOPLE FREED FROM POVERTY LIVING TRANSFORMED LIVES AND REACHING THEIR GOD-GIVEN POTENTIAL. OUR MISSION IS TO

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FOLLOW JESUS WHERE THE NEED IS GREATEST RESPONDING TO CRISES AND PARTNERING WITH LOCAL CHURCHES TO BRING RESTORATION TO PEOPLE LIVING IN POVERTY.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

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Geography

- **Area of benefit:** WORLDWIDE
- Afghanistan
- Angola
- Bangladesh
- Bolivia
- Brazil
- Burkina Faso
- Burma
- Burundi
- Cambodia
- Central African Republic
- Chad
- China
- Colombia
- Congo (Democratic Republic)
- Ethiopia
- Guatemala
- Haiti
- Honduras
- India
- Iraq
- Ivory Coast
- Jordan
- Kenya
- Laos
- Liberia
- Malawi
- Mali
- Mozambique
- Nepal
- Nicaragua
- Niger
- Nigeria
- Northern Ireland

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- Pakistan
- Peru
- Philippines
- Russia
- Rwanda
- Scotland
- Sierra Leone
- Somalia
- South Africa
- Sudan
- Syria
- Tanzania
- Thailand
- Uganda
- United States
- Zambia
- Zimbabwe
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£80,238,000	£77,667,000	£29,750,000	893
2024-03-31	£82,587,000	£82,727,000	£27,179,000	1078
2023-03-31	£85,382,000	£90,292,000	£27,319,000	1057
2022-03-31	£79,474,000	£76,914,000	£32,229,000	1088
2021-03-31	£81,367,000	£77,756,000	£29,669,000	1237

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Trustees

Name	Role	Appointed
AKINYEMI OLUSESAN ODUSOLU		2022-01-05
ANNA LASZLO		2018-09-27
Alfred Weyers Biehler		2025-05-23
Andrew Fraser Mackie		2025-05-23
Catherine Alison De Souza		2021-09-24
David Wesson		2019-12-04
Jayakumar Kuruvilla Christian		2020-09-15
Jean Paul Ndagijimana		2021-03-24
Jimmy Maniar Nadapdap		2026-05-26
STEPHANIE CLARE BIDEN		2017-09-01
Tracy Jane Cotterell		2025-06-10

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TEARFUND

England & Wales - Charity number 265464

Accounts

Annual Report 2024/25

Celebrating the past year

Report and Financial Statements 2024/25
Year ended 31 March 2025

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Front cover: Mary is a member of the Komenta Village Savings and Loan Association (VSLA) created as a result of a Church and Community Transformation (CCT) project in South Sudan. Photo: Tom Price/Tearfund

Where we work

We’re working in more than 40 countries to bring an end to extreme poverty.

Afghanistan
Angola
Bangladesh
Bolivia
Brazil
Burkina Faso
Burundi
Cambodia
Central African Republic (CAR)
Chad
Colombia
Côte D’Ivoire
Democratic Republic of Congo (DRC)
Ethiopia
Guatemala
Honduras
India
Indonesia
Iraq
Kenya
Lebanon
Liberia
Malawi
Mali
Mozambique
Nepal
Nicaragua
Niger
Nigeria
Pakistan
Papua New Guinea
Philippines
Rwanda
Sierra Leone
South Sudan
Syria
Tanzania
Thailand
Uganda
Ukraine
Yemen
Zambia
Zimbabwe

UK*
USA*

*Fundraising, raising awareness and mobilising the church to act and speak out on injustice and poverty.

Chair’s introduction

As I write, we are in a time of great instability across the world. We see conflicts all around us; climate change continuing to wreak havoc and drive people from their homes; global poverty reduction almost at a standstill according to a recent World Bank report; and longstanding, vital support to address these issues being withdrawn by those at the highest level with little or no notice, and with devastating impact.

At times like this, we need solid ground beneath our feet. We need support we can trust, from those we can trust. Around the world, and with the support of Tearfund, we are seeing the local church stand up as a source of hope and transformation in the communities around. The church is always there, and will always be there. And its very calling is to be light in the darkness.

Over the past ten years, under the leadership of Nigel Harris, Tearfund has come into a place of focus and clarity about its role in what could be seen as a crowded marketplace. We are called to act as a servant and enabler of the church, both global and local, as it responds to its call to be salt and light in an increasingly dark and troubling world. As we have taken up this calling, we have found the church around the world responding in extraordinary ways: playing out its role as God’s agent of transformation, being itself transformed, and being used to transform others in every way. We have seen, and continue to see, individuals, relationships, churches and communities deeply and sustainably changed. It is Nigel’s direction, under God and with our extraordinary team around the world, that has brought Tearfund to this privileged place of service. And I am so grateful to each one of our supporters who, whether through prayer, financial giving or in other ways, enable us to do this work every day.

As Nigel comes to the end of his time with Tearfund, I would like to pay huge tribute to his humble and servant-hearted leadership. Through both good times and challenging times, Nigel has consistently shown us what it looks like to seek God’s guidance, to take hard decisions and see them through, and always to have at our heart those who live in the most vulnerable situations and the deepest poverty. He leaves behind an organisation that is clear and focused: clear on its role to serve the church in bringing transformation; increasingly focused on that calling; continuing to follow Jesus where the need is greatest; and knowing it is utterly reliant on God in all of this.

We are so grateful for that gift.

Anna Laszlo, Chair of the Board

CEO’s introduction

Tearfund has a vision for the world in which all people are freed from poverty, living transformed lives and reaching their God-given potential, and we work with, through and alongside the local, national and global church and churches to see that vision fulfilled. We know that the church – for all its challenges – is God’s chosen vehicle for bringing good news to those who live in poverty. We know, too, that the local church is uniquely suited to this role. It’s everywhere and it’s permanent and it is God’s vessel of transformation.

I have just spent two days in the company of church leaders from across Asia, from the central Asian states to the Philippines and Cambodia, who together represent nearly 11 million Christians across the region. It is so exciting to see the commitment to local churches as centres of hope and transformation across the countries in which Tearfund works. We are now working with more than 57,000 churches globally, well on our way towards our vision of 250,000 churches transforming their communities by 2030. We thank God for this achievement and for his continued goodness to us.

At the same time, we are called to serve a deeply hurting world. As I look out into the world, I see two massively contrasting themes and a significant spiritual battle: I see a deeply traumatised and conflicted world, and I see the church bringing the good news of Jesus to the most deprived people, and the most marginalised.

We have wealthy governments around the world reducing their funding for both humanitarian aid and development, and walking away from supporting people in the most vulnerable situations. Yet, in the face of such need and dwindling external resources, we see churches at work in the world’s toughest places. We continue to strengthen capacity within our church networks and partners, to build resilience, respond to multiple crises and alleviate need.

My time at Tearfund has shown me that God is a multiplier. He takes what we freely offer him – money, time, resources and abilities – and multiplies them for his kingdom. Poverty destroys, but empowering people through the power of the gospel releases physical and spiritual resources, creates identity and agency, and changes mindsets.

Let me finish by thanking all of you who support our work so generously, our amazing teams around the world who serve with such commitment and faithfulness, and the partners, churches and communities we work with. As I step down from this role, it has been such a privilege to be part of the worldwide body of Christ with you all, to share relationships all around the world and to work together in supporting the church to bring transformation. Above all, I give glory to God and thank him for his faithfulness to Tearfund and to me.

Nigel Harris, CEO

Celebrating a year of global impact and hope

This past year, we have witnessed God's extraordinary faithfulness as we partnered with local churches and passionate supporters to bring tangible transformation and enduring hope to communities facing immense challenges. Even amid global instability and conflicts, the resilience and impact of the local church have shone brightly.

Through our supporters unwavering commitment and God's abundant grace, we are thrilled to celebrate significant milestones in our mission to see people freed from poverty, living transformed lives, and reaching their God-given potential:

£80.2 million raised to transform lives around the world

Compared with £82.6 million in 2023/24

243 partners across 46 countries collaborating with us

Compared with 190 partners across 56 countries in 2023/24

3.3 million people reached directly through our projects

Compared with 2.9 million people in 2023/24

57,000 churches mobilised as transformation centres impacting 9.4 million individuals

Compared with 30,000 mobilised churches, impacting 6.1 million individuals in 2023/24

60 public policies and practices changed through our influence

Compared with 41 in 2023/24

2.3 million people reached in humanitarian responses funded by Tearfund

Compared with 1.3 million people in 2023/24

These achievements are not merely statistics; they are stories of lives transformed, communities restored, and the church rising as a beacon of light in the darkness.

In Mali, the installation of a solar-powered borehole has significantly improved water access. Photo: Jonas Yameogo/Jonas Photography

Trustees' strategic report

The Board of Trustees present their strategic report, including the audited, consolidated financial statements, for the year ended 31 March 2025.

Charitable purpose

Tearfund is a registered charity in England and Wales, established to support other charities/voluntary bodies and the general public/humankind.

The charitable purposes of the organisation are summarised as follows:

- the prevention or relief of poverty
- overseas aid/famine relief
- Christian education and religious activities

The Trustees confirm that due consideration has been given to the Charity Commission's guidance on public benefit, including 'public benefit: running a charity (PB2)' and 'public benefit: reporting (PB3)'. They are confident that all activities undertaken by Tearfund this year contribute to the charity's aims and objectives and have been delivered in accordance with the charitable purposes. Therefore, they believe Tearfund meets the public benefit requirements of the Charity Commission in our reporting.

Principal activity

Tearfund is a Christian relief and development agency committed to eradicating poverty. Tearfund's call for more than 50 years has remained constant: to follow our biblical mandate to see people lifted out of material and spiritual poverty.

Our vision is to see people freed from poverty, living transformed lives and reaching their God-given potential. Our mission is to follow Jesus where the need is greatest, responding to crises and partnering with local churches to bring restoration to people living in poverty.

Our values mean that we seek to be Christ-centred, compassionate, courageous, truthful and servant-hearted. Our approach is to invest in mobilising the church for integral mission, bringing transformation to every area of life and eradicating extreme poverty. We inspire and equip churches and individuals to transform their communities, respond to disasters and influence people in power to lead fairly. Our ambition is to see 250,000 churches becoming centres of transformation by 2030.

Partnerships and principles

Our partners are local churches, denominations and Christian national and international non-government organisations who agree with our Statement of Faith and meet our partnership criteria.

We undertake our institutionally funded operational programmes, which are directly implemented and overseen by Tearfund staff, in countries affected by protracted and/or recurrent crises, where the availability and capacity of partners are limited.

Tearfund is a member of various alliances and networks. These include: the Disasters Emergency Committee, BOND (a network of organisations working in international development), Micah Global Network, Integral Alliance, Start Network, Joint Learning Initiative and World Evangelical Alliance.

Tearfund upholds a set of corporate Quality Standards which reflect the organisational characteristics we aspire to and the relevant external and internal accountabilities, standards, codes, guidelines and principles we're committed to. Please visit **tearfund.org/qualitystandards**

With a shared Christian identity and common goal to reduce poverty and injustice, the immediate Tearfund Family brings together agencies in the UK, Ireland, Belgium, France, Germany, the Netherlands, Canada, USA, Australia and New Zealand. They collaborate with a wide range of other organisations and agencies globally, all committed to bringing lasting transformation. Tearfund and our partners work with people in the greatest need around the world, regardless of their race, religion, ethnicity, ability, age, sex and gender or nationality.

Our corporate priorities

As an organisation, we've chosen to focus on four areas of intervention – our corporate priorities – where we bring specific expertise and experience as we partner with the church, locally, regionally and globally. These are complementary, strategic areas of focus which help the church achieve holistic transformation and the restoration of four broken relationships: people's relationship with God, themselves, each other and creation.

Church and Community Transformation (CCT) is the foundation of our work, supported and complemented by the other three priorities:

- Environmental and Economic Sustainability (EES)
- Reconciled Peace-filled Societies (RPS)
- Crisis to Resilience (C2R)

These are the priorities that we have agreed for the medium term, that we consider we are uniquely placed to deliver and that will enable us to contribute to transformational change in the countries in which we work. The corporate priorities are applied according to contextual needs, bringing together different thematic areas, but the church remains central to all four of our priorities.

Together, the corporate priorities contribute to our movement towards 250,000 churches becoming centres of transformation by 2030.

In 2025/26, we will continue to scale up our impact through the delivery of integrated outcomes that work across our four corporate priorities, with Church and Community Transformation being the foundation and the glue that holds it all together. This will enable us to deliver a truly Tearfund-shaped contribution towards transformational change in the communities we serve.

In the pages that follow, this strategic report details progress made against our key objectives set last year and our aims for 2025/26.

Church and Community Transformation

Hope FM presenter Joseph Longa at the Diocese of Kajo Keji's HQ, where CCT messages are transmitted across the county.
Photo: Tom Price/Tearfund

Church and Community Transformation (CCT)

We want to see local churches and communities transformed. We inspire and support the church to be a catalyst for change: to be active, vibrant and living out a theology of integral mission so that entire communities experience whole-life transformation.

Core statistics

This year, we've supported:

27,814
local churches actively engaging in transforming their community

802
denominations and church networks mobilised in CCT

694
theological training organisations integrating CCT into their curriculum

Strategic update

CCT – or 'Transforming Communities' as we describe it to our supporters – is central to Tearfund's mission to end extreme poverty. Our vision is to activate 250,000 churches as centres of transformation by 2030, a tenfold increase on 2023. Amid serious global challenges, we need innovative strategies to realise this ambitious goal.

We focus on mobilising local churches to drive sustainable change using local solutions. This means that we facilitate, encourage, resource, train and challenge churches, denominations, networks and theological colleges to fulfil their integral mission. There is already strong evidence that CCT processes are having a profound and lasting impact. Consequently, many denominations and networks are adopting CCT and expanding it with their own resources.

Growing demand for CCT needs highly skilled individuals. To address this, Tearfund has launched a 'Master Trainer' programme and regional 'Training of Trainers' programmes, and has integrated CCT into theological education. A full-time Head of CCT in Africa role has been appointed to coordinate CCT work and support movement building across the continent, working with the African Christian Transformation (ACT) Forum. As we continue to integrate further our thematic expertise and four corporate priorities, we are confident that we can support more churches and communities to address the root causes of poverty and achieve holistic transformation.

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Increase capacity to serve new partnerships to mobilise more churches, denominations, networks and peer organisations

This year, we launched a two-year Master Trainer programme through which an initial cohort of 17 trainees are being equipped to provide leadership, training and mentoring to churches and denominations globally. In addition, Asia and all three African regions held 'Training of Trainers' gatherings, resulting in 77 new regional trainer of trainers and 411 new trainers. We trained 4,921 new facilitators, including new CCT training programmes launched for the first time in Bolivia, Colombia and Syria. An online CCT training for facilitators which was piloted with Eagles, a Tearfund partner in Malawi, will be available later in 2025.

National steering groups of the ACT Forum have now been established in 29 African countries. The West African region held two conferences this year, one for francophone church leaders and another for anglophone ones. More than 100 delegates from 12 countries committed to implementing CCT and establishing ACT Forums nationally. They are committed to fundraising in Africa, and to building capacity, particularly in integrating advocacy into CCT approaches. The importance of this was underlined in December 2024 when the ACT Forum supported churches in Mozambique to advocate for peace during post-electoral unrest.

2 See 10,000 new local churches active as transformation centres through CCT

This year, Tearfund has actively engaged 29,346 churches globally through mobilising denominations, networks and theological training organisations in CCT. Expanding the international pool of trainers and facilitators is expected to galvanise further church involvement in the coming year.

The CCT movement-building programme has launched in 29 African countries, leading to the scaling up of involvement of local churches. Notably, the first CCT training in the Middle East brought together 26 facilitators from diverse denominations, representing 95 per cent of Christians in the area. This initiative aims to scale up and integrate integral mission into theological institutions.

Tearfund in Nigeria is launching ‘The Great Reset 2030’, coinciding with the 70th anniversary of the country’s independence. This initiative aims to build on the 2,500 local churches already involved in CCT, to mobilise the largest church population in Africa for socio-cultural transformation. The Nigerian ACT Forum has already made a presentation to the Christian Association of Nigeria.

In Latin America, alliances with three organisations have mobilised 100 new churches. A new, Latin America-adapted CCT course has launched in Bolivia, Colombia and Central America, with plans for expansion into El Salvador and Guatemala.

3 Focus on churches integrating RPS, EES and C2R into CCT processes

Amid rising insecurity, integrating our corporate priorities into CCT approaches is increasingly important. Mounting conflict in the DRC and Middle East makes Reconciled Peace-filled Societies (RPS) and Crisis to Resilience (C2R) vital.

It will be a focus for our new Master Trainers to encourage this integration, to improve the quality and effectiveness of CCT approaches, and to address through them key issues such as sexual and gender-based violence (SGBV), disaster resilience and environmental sustainability.

In the East and Central Africa region, savings groups, livelihoods, SGBV and peacebuilding are already integrated into CCT approaches. In Mozambique, a peace initiative led to a ‘Gilgal’ movement-building camp, supported by our RPS Team. Twenty-five participants learnt about best practice for this kind of integration at a regional meeting in January.

In Asia, our Transforming Masculinities programme tackling gender violence was expanded this year and integrated into CCT in Nepal. Creation care training, part of our Environmental and Economic Sustainability (EES) work, is also beginning in Nepal and India.

Meanwhile, C2R principles are also being integrated into CCT. Our new Church and Disasters Specialist (CDS) is supporting countries and regions as they implement CCT to address disaster risks that keep people in poverty. Training has taken place in Ethiopia and a new guide is being produced.

We also launched new social accountability tools, such as budget tracking and citizen journalism, to help churches undertake strategic, local-level advocacy and hold local leaders to account. Training on these tools has taken place in Kenya and Latin

America, and the Anglican Church of Kenya has committed to mobilise leaders to roll this out further.

4 Increase savings groups, such as self-help groups, established and integrated into CCT

Several evaluations highlight the role of savings groups, or other types of income-generating support, in complementing CCT approaches and creating a strong foundation for individuals and communities to improve their incomes. We continue to scale up this work, particularly in West Africa where Restore Savings Groups are already set up in Burkina Faso, Côte D'Ivoire and Chad, and where we are starting to establish groups in Mali, Sierra Leone and Togo.

So far, an estimated 3,152 savings groups globally have been established through CCT. We realise that this is not a complete number as there have been difficulties for churches in reporting new groups.

To get a more accurate picture, we are introducing the DreamSave savings group app for use in our CCT work globally, starting with a pilot in 2025/26 in Ethiopia, Nigeria and Rwanda. The app is specially designed for savings groups, to help them become more efficient and transparent in their reporting, while also providing members with support, greater financial literacy and access to financial services.

What we learnt

Our updated **CCT impact study**, now incorporating responses from more than 15,000 individuals across eight countries, confirmed that CCT brings positive whole-life transformation to communities. This impact is sustained and far-reaching, including in Christian-minority and urban contexts and in CCT processes of different lengths. It also provides great value: every £1 invested in CCT by Tearfund and partners unlocks £7 of community resources and creates over £150 of social value. We also found CCT strengthens the local church. As the success of CCT is more widely known, the demand from churches for CCT training, translated materials and wider support is growing exponentially, and we are looking at how to build capacity internally and with partners to meet this demand.

Going forward in 2025/26

We aim to:

- Build capacity with 20,000 new CCT facilitators and 350 new trainers, to support CCT partnerships with 30,000 new local churches, 500 new denominations and networks, 300 new theological institutions and five new peer organisations globally.
- Support 1,000 new local churches to integrate advocacy, campaigning, social accountability and movement building into CCT.
- Pilot new e-learning/virtual CCT training in three countries.

Environmental and Economic Sustainability

In Uganda, a church member waters tomatoes using organically made insecticides.
Photo: Kabanda Samuel/Infomercial Media Agency/Tearfund

Environmental and Economic Sustainability (EES)

We work with local churches and communities to tackle environmental and climate challenges while creating jobs that help protect the environment, improving livelihoods and ensuring sustainable economic development. We advocate to governments and companies too, to ensure economic development and environmental protection go hand in hand.

Core statistics

This year, we've seen:

12
national movements advocating on EES issues involving **14,000** people

3,152
new savings groups established and engaged in movement building and influencing policy

30
policies and practices changed bringing positive change to tens of millions of people

Strategic update

Our strategic focus for our EES work in this and the coming years reflects a slight shift in emphasis from previous years. In addition to our longstanding work on advocacy and movement building around EES, we are also now prioritising more tangible, measurable outcomes.

Since 2023/24, our approach has had a strong focus on advocating for systemic policy changes, alongside mobilising and developing projects that promoted circular economies, renewable energy and climate resilience across the countries where we work.

Our strategy for 2025–27 builds on these foundations and places a growing emphasis on large-scale integrated programmes that address environmental, livelihood and economic sustainability. We are focused on community-led financial empowerment, including a significant scale-up of savings groups where EES is embedded, and the creation of long-term sustainable employment opportunities is encouraged.

Climate adaptation, too, is now a central goal: we want to see 75 per cent of countries where we work implementing localised strategies.

We also want to see many more people engaging directly with Bible teaching on EES within their own cultures and globally. This year, we have produced a podcast series in Latin America designed to connect Christian faith with socio-environmental challenges and to promote care for creation. We have also actively engaged in theological dialogue through EES theology consultations in Kenya, and a presentation at the Britain and Ireland Association for Political Thought conference in Oxford.

More broadly, we continue to drive systemic change towards a restorative economy through advocacy, movements and policy change.

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Embed EES church movement activities through self-help groups in Africa

The Care for Creation movement is key to our promotion of EES principles to churches and this year we extended this work to all regions of Africa. Our goal now is to see the churches setting up self-help groups that reflect these same principles and promote them within their communities, creating closer connections between CCT and EES approaches.

Savings groups, which are one form of self-help group, have proved to be particularly powerful agents of behaviour change within communities, and hold great potential for holistic transformation more broadly.

From April to June, Tearfund organised an EES Boot Camp for the DRC team where they were trained in how to promote new savings groups aligned with the broader EES movement. There was also a strong focus on promoting social accountability: the aim is that self-help groups will become part of wider policy-influencing work by CCT and EES movements across Africa.

2 Establish new savings groups, aligned to movement building, that are able to engage in policy-influencing initiatives

Savings groups have already proved their ability to influence local and national policy on issues such as financial inclusion, banking practices and employment. The aim is to multiply this potential by aligning groups with EES movements.

In Kenya, we collaborated with the Kileleshwa Covenant Community Church (K3C) Youth Summit, equipping young people with theological and community development skills to empower them as agents of social transformation. Further emphasising the importance of youth engagement, the Amplify Gathering in Kenya brought together young theologians and movement leaders to discuss theology's role in social change, fostering networking and movement-building efforts. This gathering aimed to equip and inspire young theologians to amplify their impact in areas such as social justice, climate action and peacebuilding.

Tearfund is also committed to supporting diverse voices and developing theological resources. This is evidenced by initiatives such as training to enhance the capacity of women theologians in francophone Africa to engage with environmental issues, and workshops updating theological curriculum materials in francophone Africa to integrate EES principles into them. These resources and training have directly informed and strengthened the advocacy efforts of self-help groups, enabling them to engage more confidently and theologically in addressing community challenges.

3 Align national EES movements with existing CCT movements

By partnering with local theological institutions and advocacy groups, we aim to build national EES movements that resonate with the goals of CCT movements. Simultaneously, we are prioritising the integration of EES principles into existing regional CCT strategies to ensure long-term impact. A key focus for EES movements, such as Care for Creation, is social justice and policies that benefit people living in vulnerable situations.

Movement integration brings shared insights leading to improved strategies, innovation and capabilities, and consequently greater impact. Tearfund-supported EES movements have played crucial, active roles in driving significant policy and practice changes. In Zambia, the Zambia Youth Environmental Network (ZYEN) successfully lobbied Chipata City Council for regular rubbish collection and the Ministry of Education for a large-scale school tree-planting programme. Persistent

advocacy directly contributed to revisions to Zambia's Environmental Management Act 2024.

Similarly, the Malawi Creation Care Network successfully advocated for upholding the ban on thin plastics, securing a high court judgement in January which empowered environmental authorities to enforce regulations on plastic-producing companies.

Tearfund, with some movement allies, attended two rounds of the UN global plastics treaty negotiations (in April and November) to lobby for waste pickers' rights and environmentally sound waste management for communities living in poverty. We continued to play a pivotal role in the **Fair Circularity Initiative**, driving forward corporate action in respecting the human rights of waste pickers, and we developed a '**Waste picker rights due diligence toolkit**', for global brands and NGOs.

We also began developing a global advocacy strategy focused on climate change and small-scale agriculture. Revisions to our movement-training manual reflected this, linking CCT, EES and peacebuilding in the broader policy-influencing agenda.

What we learnt

We increasingly recognise the importance of integrating EES into local community development. A key way to do this is through theological education that shapes the training of Christian leaders, influencing how churches understand mission and integrate creation care into their practice and priorities. We need to deepen this work by partnering with more theological training institutions, equipping leaders to embed EES within the priorities of local churches, denominations and church networks.

Going forward in 2025/26

We aim to:

- Reach 600 people with EES theology through events and speaking engagements.
- Set up or support 5,000 self-help groups to carry out EES activities.
- Create 2,000 jobs annually that support sustainable livelihoods and help protect the environment through CCT initiatives and specific projects.
- Achieve 15 changes in EES policy, practice or systems.

Reconciled Peace-filled Societies

Chuchu was supported by a self-help group in Ethiopia.
Photo: Mahad Usman (Ayaana)/Tearfund

Reconciled Peace-filled Societies (RPS)

We equip communities to work together across divides to resolve conflict peacefully. We support churches, faith groups and local communities to play a pivotal role in addressing the effects and systemic causes of violent conflict and bring lasting peace for their society and everyone in it.

Core statistics

This year, we've supported:

5,073
churches and faith leaders mobilised to pursue peace, justice and gender equality

1,552
peacebuilders and gender champions equipped and supported

12
new countries working on peacebuilding and gender approaches

Strategic update

We remain committed to mobilising churches, equipping local changemakers and addressing structural injustices to advance peace, justice and gender equality. This year, we worked on expanding survivor-led movements, applying faith-based approaches to healing, advocacy and community transformation.

Recognising the vital role of young people, women and faith leaders in peacebuilding, we strengthened theological and leadership training to support their impact. We also worked closely with churches involved in peacebuilding and reconciliation, forming networks to address violence and injustice, and strengthen social cohesion.

We also engaged in national and global advocacy, challenging harmful security narratives, promoting gender justice and interfaith engagement, and influencing policies for just and peaceful societies.

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Mobilise churches and faith leaders for RPS

We know that churches can be centres of transformation, fostering resilience, reducing violence, promoting reconciliation and building sustainable peace. In Latin America, Tearfund brought together leaders from 110 churches from Colombia, Ecuador, El Salvador, Guatemala, Honduras and Peru in a regional network committed to mutual support and advocacy, and working towards peace and transformation in conflict zones.

In Mozambique, amid post-elections violence, Tearfund supported church-led peace and reconciliation initiatives, including dialogues with political leaders, public statements, prayer gatherings and roundtable discussions to promote accountability and prioritise the needs of communities.

In Syria, the Week of Light in Aleppo aims to rebuild community spirit in a shattered city, bringing together young people and families from both Christian and Muslim communities, to foster peace, unity and resilience, and to support groups in vulnerable situations.

In Burkina Faso, Chad, Mali and Nigeria, about 400 church and faith leaders were mobilised and trained to lead efforts to challenge harmful gender norms and promote peace in their communities.

2 Equip and support peacebuilders and gender champions

This year, we continued supporting local changemakers in their efforts to drive positive transformation. We collaborated with survivor-led movements addressing sexual and gender-based violence (SGBV) in eight countries across Africa and Asia. These movements use our Journey to Healing approach, focusing on mutual support, advocacy and breaking cycles of violence. A key milestone was establishing the Solidarity in Action for Justice Global Network.

In Nepal, the Journey to Healing process has helped communities address trauma and support healing. This work built on a Transforming Masculinities pilot with 48 groups across six districts. The initiative is now scaling up to reach more than 100

groups in other districts.

Meanwhile, 215 gender champions were trained in Transforming Masculinities in Southeast Asia. Facilitators were also equipped in the Jesus 4th Way approach, which addresses violence and injustice through non-violent, scripture-based principles, spiritual practices and peacebuilding strategies.

In Burundi, peace champions have led 27,485 community members through Community Conflict Transformation Dialogues, strengthening local capacity in conflict transformation. SEMERERA, an SGBV survivor-led movement with 6,254 members, has engaged more than 500 faith leaders.

And in Pakistan, we are collaborating with others to foster gender justice, social cohesion and interfaith understanding. On International Women's Day 2025, we convened more than 120 government officials, legal experts and community leaders to influence people in power for women empowerment.

3 Expand peacebuilding approaches, as well as gender-based violence reduction approaches into new countries

We are strategically scaling up our peacebuilding and gender-based violence (GBV) reduction initiatives to expand impact in new contexts.

With support from our partner, the Imago Dei Fund, Tearfund Asia is expanding its GBV work across the region through the Transforming Masculinities approach. The programme has been adapted and scaled in Bangladesh, Central Asia, India, and Nepal by engaging with local partners, communities and leaders. It is now being launched in Cambodia and Sri Lanka, beginning with formative research and the envisioning of key leaders. GBV scale-up is a priority in our 2024–27 strategy for Asia.

More broadly, our 'shifting security narratives' work is challenging fear-based discourse that justifies violence and creates insecurity. Internationally and within the UK, we are exploring attitudes towards security to inform our advocacy. In West Africa, for example, faith leaders and traditional leaders from 12 countries gathered to explore peacebuilding theology and the role of faith communities and traditional institutions as centres of conflict transformation and reconciliation. Surveys on security narratives and related theology are ongoing in the UK, Nigeria and South Sudan, with plans to expand them into Chad, Ethiopia, Iraq, Mali and Zimbabwe.

What we learnt

We have seen that responding to interconnected needs, including through emergency support, strengthens peacebuilding. We also recognise that collaborating with partners, government and local stakeholders enhances our impact, and have seen the importance of interfaith dialogue in addressing SGBV. For lasting impact, we know that integrating advocacy, Journey to Health and Transforming Masculinities approaches into RPS programmes is vital, as is integrating RPS into CCT approaches. We know that expanding reach, scale and scope is a crucial next step, requiring collaboration across countries and regions.

Going forward in 2025/26

We aim to:

- Mobilise 2,400 churches and faith leaders for RPS.
- Equip and support 1,200 sexual and gender-based violence (SGBV) champions.
- Equip and support 800 peacebuilders.

Crisis to Resilience

Rosalie at church in Chad where resilience-building projects have improved living conditions. Photo Peter Caton/Tearfund

Crisis to Resilience (C2R)

We equip churches and local communities in disaster preparedness, help them respond to emergencies, and invest in building resilience and hope for people in the long term.

Core statistics

This year, we've supported:

2,780
local churches equipped to understand the risks their communities face, prepared and mobilised to respond

28
local partners' capacity to strengthen their disaster preparedness, response and resilience building

2.28 million
people in humanitarian responses funded by Tearfund

Strategic update

This year, we and our partners have continued to support communities affected by crises. As in previous years, we have seen disasters becoming more frequent and severe around the world, driven by climate change and conflict, and we have seen the devastating impact these crises can have on people's lives and livelihoods. As ever, those living in poverty suffer the most.

At the same time, the humanitarian sector is increasingly stretched, especially because of the decline in humanitarian funding in the past year. This highlights the need for greater investment in disaster preparedness, acting before a crisis to reduce its impacts, and in long-term resilience, in addition to different forms of risk financing for disasters. Crucially, it underlines the need for us to work alongside local communities and churches to mitigate risks and help people prepare for future challenges.

Tearfund is supporting communities in more than 30 countries in three key ways to reduce the risk of and respond to crises. In the most acute cases, and in the absence of local partners with sufficient capacity, we implement life-saving projects directly, ensuring immediate assistance reaches those who need it most. We also work alongside local partners, working to strengthen their capacity to prepare for and respond effectively to crises in their communities. Finally, we work closely with churches, believing that they have an important role to play as a source of hope and practical support to their communities both in times of crisis and in building long-term resilience.

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Equip churches and church networks to take on their role in inclusive disaster preparedness, response and resilience building

In 2024/25, we increased our focus on equipping churches to prepare for and respond to disasters within their communities. We have created a new Church and Disasters Specialist role to lead our work in integrating disaster management into our CCT work.

We are refreshing our training for church leaders on how local churches can take an active role in disaster risk management, rolling this training out in countries including Colombia, Ethiopia, Lebanon and Uganda. In a recent training with leaders in Ethiopia, participants learnt how their churches can strengthen community preparedness, respond effectively to hazards, and integrate disaster risk management into their ministry. We are capturing key findings, recommendations and lessons learnt so that training can be rolled out more widely.

In Lebanon, our partner, Middle East Council of Churches (MECC), is responding to the emergency needs of people displaced by conflict, collaborating with a diverse group of local churches. MECC has led local training and initiatives to share knowledge and best practice relating to crisis response, which has proved vital during the Israel–Gaza conflict.

2 Increase capacity for local partners for disaster preparedness, response and resilience building

This year, we supported 22 partners across 12 countries, through our Disaster Management Capacity Assessment (DMCA) programme. This two-year, partner-led initiative is designed to strengthen capacity at both structural and programmatic levels, supporting partners to better assess, influence and deliver high-quality and effective humanitarian preparedness and response.

Partners report that they are better prepared for disasters, with emergency response plans now in place. Advocacy training has helped raise their visibility, while developing and implementing strategic plans has led to them submitting more proposals to donors and increased funding opportunities. Stakeholder mapping has

improved coordination, fostering stronger collaboration with other organisations on emergency preparedness and response.

Following disaster management training in Bangladesh, our partner, Shalom, reported an increase in its ability to support communities in preparing for and responding to disasters.

3 Reach people through high-quality and timely humanitarian responses that go beyond immediate needs to strengthen resilience and preserve hope

We continued to respond to urgent crises around the world this year, both directly and through the work of our local partners, ensuring that the emergency needs of people and communities are met. For example, during the ongoing humanitarian crisis in Gaza, Tearfund and our partner, International Health Partners, have responded to urgent healthcare needs, delivering medicine and other medical supplies in order to support local healthcare systems.

We are exploring new ways to support communities as they build their resilience to crises. One innovative example is drought risk financing – a way to provide financial relief to farmers facing extreme weather by using parametric insurance that pays out automatically when conditions, such as low soil moisture, reach a critical level.

This means that money reaches those in need quickly, preventing disasters from becoming crises and allowing people to manage climate shocks. In Malawi, 1,200 households have benefitted from such insurance payouts this year, preventing a hunger crisis before it took hold. We have also introduced this financing into Ethiopia, Nepal and Pakistan and plan to extend it further in 2025/26. Similar financing for communities at risk of excess rainfall is also being considered.

What we learnt

We recognise the need to continue to strengthen our evidence about the unique part churches play in supporting their communities to move from crisis to resilience. As we equip more churches for this role, we want to improve our ability to track and measure the difference that our equipping makes. In 2025/26, we will conduct a review of our work with churches in building resilience to crises, and do more with that evidence to advocate to others in the humanitarian sector about the importance of involving churches and other faith actors.

Going forward in 2025/26

We aim to:

- Train and equip an additional 3,000 churches in inclusive disaster preparedness, response and resilience building, including those responding to emergencies.
- Build the capacity of 46 of our local partners in disaster preparedness, response and resilience building.
- Provide high-quality and timely humanitarian responses that go beyond immediate needs, to strengthen resilience and preserve hope.
- Advocate for the role of faith actors in the humanitarian sector.

Our supporters

Bryony walked 17 miles over two days in the British countryside, in aid of Tearfund's work.
Photo: Tearfund supporter

Our supporters

Our supporters are the very heart of who we are and what we do. We work hard to nurture strong relationships and connect them with all that God makes possible through their generosity, actions and prayers.

Core statistics

This year, we're celebrating:

£80.2 million
raised through generous giving

24,000
supporters regularly praying for Tearfund's work

1 million+
estimated readers of *The Times* aware of our work in South Sudan

Strategic update

We continue to be humbled and grateful for our amazing supporters and the many ways they partner with us. It is because of them that we are able to touch and transform millions of lives every year, and we never take them for granted. Close, transparent relationships with our supporters remain our priority.

Even with a challenging fundraising landscape, we are always finding new and innovative ways to connect and share the Christian distinctiveness that underpins our work. While we have made great strides in engaging with supporters through digital channels, we know that in-person connections have declined since the pandemic. That's why a key focus this year has been creating more opportunities to speak at and engage with churches.

While it has taken a bit longer than we had hoped to grow income from some areas, we have taken decisive steps this year to boost engagement in others. We are strategically planning how we can best position ourselves to maximise our global fundraising potential in the years to come.

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Maintain a healthy balance of income streams

Thanks to our compassionate supporters, we raised an inspiring £35.3 million in unrestricted income this year. This flexible funding is absolutely vital, allowing us to respond quickly to urgent needs and seize new opportunities. We have seen a fantastic response to our appeals, and it is truly humbling to know that 421 supporters made the wonderful decision to leave a gift in their will, securing a brighter future for those we serve.

We are always looking for new ways to connect with more people who share our passion. While bringing new regular givers on board has been a challenge this year, we are taking action. We have strengthened our Church and Supporter Engagement Team and reviewed our church speaking programme, so we can reach more communities and share the stories of lives transformed.

We are incredibly grateful for the significant contributions from our key investors and trusts. Their generous gifts grew this year. While we did not quite hit our ambitious target, we are building strong, lasting partnerships. We are strategically recruiting talented new people and working across our teams to streamline our efforts, to ensure we can maximise the impact of every donation.

Our global work continues to thrive thanks to strong partnerships and institutional grants. Despite big changes in the international development sector, we secured £26.5 million in institutional grant income this past year. This includes significant funding from partners such as USAID, Tearfund Netherlands and the Dutch Government, alongside gifts in kind. These collaborations allow us to reach vulnerable communities around the world, bringing hope and real change where it is needed most. The unpredictability of future United States Government funding and expected reductions in overseas aid budgets from many governments will increase the challenge in securing institutional income going forward.

2 Focus our fundraising on key objectives

We know that building awareness of our work is key to helping even more communities. We've increased the number of churches we've spoken at, bringing stories of transformation to churches across the UK. And thanks to our supporters' enthusiasm, the *Big Quiz Night* in the autumn raised over £200,000 – a fantastic achievement. It is truly inspiring to know that more than 24,000 supporters have prayed regularly for our work this year, and 3,000 supporters joined us in campaigning against UK aid cuts. Their collective voice is powerful.

Bringing new supporters into the Tearfund Family remains a priority. We are actively re-evaluating our strategy to find new and effective ways to connect with people who share our passion for making a difference.

We are thrilled that Tearfund's work continues to gain significant media attention. A major highlight this year was a six-page article in *The Times*' print magazine and online, which focused on our vital work in South Sudan. This powerful coverage had an estimated reach of more than a million readers, spreading awareness far and wide of the change our supporters make possible.

What we learnt

In our communications this year, we emphasised our CCT work under the strapline 'Transforming Communities' to demonstrate our Christian distinctiveness and to show what faith in action looks like in practice. While this resonates with longstanding supporters, we need to refine our messaging to attract new supporters. We will articulate more clearly the connection between our faith-driven work and tangible community impact, in a way that inspires and motivates.

Going forward in 2025/26

We aim to:

- Raise £36.4m in unrestricted and lightly restricted income and £28.0m in highly restricted income (including institutional funding). This is compared to the 2024/25 figures of £38.4m in unrestricted and lightly restricted income and £41.9m in highly restricted income.
- Raise £23.6m through church and supporter engagement (excluding Gift Aid and legacies), and £10.6m from key investors and trusts.

We are passionate about seeing lives transformed, and that is why we are committed to some key areas:

- We want to attract more Christians to engage with Tearfund in order to end extreme poverty through the local church.
- We are dedicated to providing an exceptional experience for every supporter. Our focus is on making sure they feel truly connected, engaged and committed to our shared mission of empowering churches and communities to lift themselves out of poverty.
- We want to help supporters get involved in even more ways – praying, giving, acting and volunteering with Tearfund.

Volunteer serving in the Tearfund Tea Tent at Big Church Festival, UK. Photo: Chris Hoskins/Tearfund

Risk management

including principal risks and uncertainties

At Tearfund, we recognise that good risk management is a key part of effective governance. The management of risk is woven into many of our formal policies, procedures and responses, and risk awareness forms part of our everyday decision-making. Our formal risk management activity enables us to avoid or mitigate difficulties, and to make the most of opportunities.

The Trustees are responsible for the overall governance of risk at Tearfund. They have given consideration to the major risks to which the charity is exposed and have satisfied themselves that formal risk management and controls systems or procedures are in place in order to manage those risks.

The Trustees have delegated responsibility to the Board's Audit, Risk and Finance Committee for ensuring that the key risks faced by Tearfund are adequately managed.

The Executive Team and the Trustees work together to identify the uppermost risks and uncertainties that may affect the performance, future prospects or reputation of Tearfund, or impede the achievement of our objectives. They monitor these risks and report them to the Audit, Risk and Finance Committee quarterly.

In the next year, the Trustees and Executive Team will review Tearfund's risk management architecture. The intention is to simplify and consolidate various elements of the current framework, focusing on the key risks that might hinder us from achieving our objectives, leading to better overall management of risk.

The principal risks and uncertainties that Tearfund faces, and some of the control systems and strategies that are in place to manage them, are set out in the table below:

Identified risk	Management and mitigation
Christian distinctiveness: Actual or perceived loss of our core Christian identity or ways of working.	• Distinctively Christian guiding documents: vision, mission, values, characteristics, brand identity, theory of poverty and Statement of Faith. • Priority is given to working through local church partners wherever possible. • Prayer, worship, Bible study, listening to God and theological reflection are central to working practice.
Funding: A significant financial shock in the form of a large, unexpected shortfall in unrestricted income, or an unexpected cost.	• Three-year income and expenditure modelling. • Monthly reviews of planned versus actual financial results, alongside latest estimated full-year results. • Reserves Policy reviewed annually.
Safety and security: Injury or harm to staff or representatives.	• Policies and procedures for Safety and Security. • Security training for all international staff and those who travel. • Country Safety and Security Plans. • Open communication in regard to safety concerns, including involving staff and representatives in safety planning (which helps build ownership and improve the safety culture). • Risk assessments conducted within areas of operation to target possible hazards/risks, impacts and likelihood, from which tailored mitigation can be developed.
Safeguarding: Abuse or other harm of a child or adult at risk.	• Policies, procedures and mandatory annual staff training on Safeguarding and Whistleblowing. • Independent reporting hotline publicised to staff, partners and communities, and a network of trained safeguarding focal points, alongside an internal incident management system specifically for Tearfund staff. • Board Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice.

Major programmes: Failure to deliver key outcomes of a high-profile, donor-funded project.	• Programme Development Team advises on the management of relationships with institutional donors. • Programme design approval process and associated sign-off levels. • Partner capacity assessments used to identify suitable partners to collaborate with in delivering programmes.
Sanctions and terrorism: Our funds are used by a sanctioned party, or for the purposes of terrorism.	• Policies and procedures on Financial Sanctions, Controls, Anti-money Laundering and Anti-terrorism including enhanced due diligence procedures for high-risk countries. • Partner capacity assessments cover policies and training on countering terrorism. • Membership of the UK Tri-Sector Group, a forum for UK Government, financial institutions and NGOs to address the challenges of delivering humanitarian aid while ensuring compliance with counter-terrorism and sanctions legislation.
People: Not developing and retaining suitably experienced and qualified global talent to achieve our objectives.	• Line manager induction takes place quarterly to ensure all new managers understand the expectations of their management role at Tearfund. The Leading and Managing People (LAMP) hub is kept up to date, providing guidance on all aspects of line management. • Agile Performance Management (APM) allows managers and employees to regularly adjust priorities in line with corporate goals and a changing context, and to flag risks to both staff retention and talent, highlighting areas needing development and support.
IT security: Loss of critical data, or substantial loss of operational functionality.	• Policies and mandatory training on Data Protection and Information Security. • Dual systems and locations for core network. Strong security protocols implemented throughout. • Real-time back-ups of all core systems are held in a secure off-site data centre, including cold storage of core databases.

Financial wrongdoing: Fraud, bribery, corruption or conflict of interest involving our staff or partners.	• Policies on Fraud, Bribery, Corruption and Conflicts of Interest. • Mandatory regular staff training on Fraud Awareness, Anti-bribery and Corruption, Conflicts of Interest, and Whistleblowing. • Financial Wrongdoing Review Team coordinates response to all incidents. The Executive Team and the Audit, Risk and Finance Committee review all cases before closure.
Environmental performance: Negative environmental impacts or insufficient resilience to environmental change.	• Environmental and Economic Sustainability (EES) as a corporate priority with associated objectives. • Quality Standards include commitments on environmental impact, risks, resilience and adaptation to climate change. • Signatory to the Climate and Environment Charter for Humanitarian Organisations.

Structure, governance and management

Organisation

Tearfund is a private limited company, limited by guarantee without share capital, which was incorporated on 13 November 1970.

Tearfund's Board of Trustees is ultimately responsible for strategic decisions, having taken advice from the Chief Executive (CEO) and Executive Team. The Board of Trustees holds formal, all-day meetings four times a year, as well as other ad hoc meetings and events. The Board holds half of its formal Board meetings in person, and it also plans once every two years to hold a Board meeting overseas, in a country where Tearfund operates, to give Trustees a wider appreciation of the work of the charity. The Board is supported by seven committees, each with a remit to focus on a core element of the charity's operations.

The Articles of Association serves as Tearfund's main governing document. During 2024/25, a wholesale review of the Articles was undertaken. As a result, changes were made to various administrative provisions, which included the removal of the requirement to hold an Annual General Meeting, given that the Trustees are the only members of the company.

Under the Articles of Association, Trustees are ultimately responsible for the management and administration of the charity, though due to the scale of Tearfund's work, the Charity Commission recognises that decision-making on day-to-day management is delegated to the Chief Executive and through to the employees.

Procedures for the appointment and induction of Trustees are set out in the Articles of Association and the Governance Manual. Trustees' recruitment is undertaken by the Board, in consultation with the Chief Executive and Executive Team, and an induction programme for them is in place.

Trustees are appointed as and when it is deemed necessary, either to fill a vacant position or by way of addition to the Board. They are initially appointed for a term of three years. The Board can reappoint a Trustee for a second three-year term, with the option of a third term of one, two or three years by exception. As permitted by the Articles of Association, the Trustees have the benefit of a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and remains in force. The company also purchases Directors' and Officers' Liability Insurance.

In November 2024, the Board Development Committee carried out a re-evaluation of the skills and experience required by the Trustees. Where key gaps were identified, steps have been put in place to fill them. Non-Board members are also appointed to committees in order to broaden the range of knowledge and expertise.

The Board has also set targets for diversity within its membership, which continued to be met during 2024/25. The targets for Board membership, which the current Board satisfies, include:

- Not to fall below one-third for either men or women.
- For at least one-third of members to be Black, Asian or Minority Ethnic.
- To have at least one Trustee based in Africa, Asia or Latin America.

The current composition of the Board and the committees is set out on pages 48–50.

Upon appointment, Trustees are expected to complete a number of mandatory training modules to ensure that they understand key responsibilities and compliance requirements. All of these modules require regular refresher training. Non-mandatory training is also carried out as required, with recent internal training offered to Trustees in relation to the duties of serving as a charity trustee.

Trustees receive no remuneration for acting in this capacity. A review of the governance practices and arrangements of the Board compared to the Charity Governance Code was recently undertaken. The review found that most of the recommended practices in the Code were in place. Where recommendations for improvements were made, the Board is agreeing an action plan to address them.

The Board has delegated approval for day-to-day operational decisions up to certain financial thresholds to the CEO and other Executive Team members under an approved delegation policy to enable them to coordinate and direct Tearfund's work worldwide. All decisions above specified thresholds must be approved by the Board. The Board has also reserved to itself certain important decisions, such as major initiatives, appointment of the CEO and approval of the long-term objectives and strategy. Decision-making primarily takes place at Board meetings, though in exceptional circumstances business is transacted between Board meetings via e-business, which is formally ratified and minuted at the subsequent Board meeting.

Members

The Trustees are the only members of the company.

Employees

The work of Tearfund overseas and in the UK relies on the commitment and hard work of its valued staff.

Communication links are maintained through team briefings and other internal channels such as specific communications on particular matters of concern and fortnightly Tearfund Connect emails to all staff. Tearfund holds regular meetings with staff representation bodies to consider and act on the views and concerns of employees, and to consult on relevant issues.

The CEO, Chair of Trustees and the Executive Team frequently engage with staff, sharing information about the work of Tearfund and about operational, financial and other factors impacting our work. We also hold regular question-and-answer sessions for staff with the CEO and the Executive Team, to ensure that employees have the opportunity to hear about and ask questions on matters affecting them. When reaching key decisions, the Executive Directors are always careful to consider employee interests and the impact that their decisions will have on our staff and the communities we serve.

During 2024/25, the CEO Nigel Harris, gave notice that he would be retiring on 30 June 2025 after nearly ten years of service. The Board has initiated the process to appoint a new Chief Executive.

Volunteers

The financial statements in this report do not reflect the considerable and vital support of more than 1,200 Tearfund volunteers in the UK and those who volunteer globally.

Their help is at the heart of Tearfund's work: they bring life to the organisation and help us to operate effectively. The many roles they undertake include encouraging prayer,

campaigning, acting within their local churches and communities, enthusing others, engaging with local media and championing lifestyle changes.

We celebrate the enormous contribution made by so many of our volunteers in organising or participating in fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund's approach and the Board is very grateful for their commitment and contribution.

Internal control and risk management

The Trustees have overall responsibility for Tearfund's system of internal control. Such a system can provide only reasonable, and not absolute, assurance against errors or fraud. There is a clear delegation of the Trustees' authority through the CEO to the rest of the organisation.

The Audit, Risk and Finance Committee receives regular reports from the Head of Internal Audit, whose team works in accordance with an agreed plan based on an assessment of areas of greatest risk. The external auditor meets with that committee once a year.

Tearfund operates a rolling, three-year planning process with an annual budget approved by the Board of Trustees. Significant changes are subject to specific approval. A two-year reforecast of expected results is undertaken midway through the year, with additional forecasts prepared as required. The financial reporting systems provide monthly comparison of actual results against budget and forecast.

The Trustees are responsible for the overall governance of risk at Tearfund. The Trustees continue to oversee the implementation of an organisation-wide risk management system to integrate risk management into Tearfund's main corporate activities and into decision-making in the pursuit of the organisation's objectives.

The system includes a comprehensive Risk Management Policy, Risk Appetite Statement and Risk Management Procedure, which provide clear accountabilities, structures, guidance, training and processes for managing risks to stakeholders' and the organisation's objectives. Work is underway to review and simplify Tearfund's risk management architecture; to ensure that risk management better reflects the organisational structure and focuses on key risks that might impede us from achieving our objectives in a constantly changing environment.

Tearfund maintains a comprehensive corporate risk register which identifies the major strategic and operational corporate-level risks and how they are being managed. Further detail on Tearfund's management of risk can be found on pages 37–40. The key risks are reviewed quarterly by the Executive Team and by the Audit, Risk and Finance Committee, who report key considerations to the Board. The Head of Legal and Risk works with the Executive Team to compile an Annual Review of Corporate Risks and Risk Appetite, which is presented to the Board.

The Trustees have considered the major risks to which Tearfund is exposed and are satisfied that systems are in place to monitor, manage and mitigate Tearfund's exposure to those risks. They recognise that the nature of some of Tearfund's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity.

The Trustees consider that maintaining Tearfund's general reserves within the range stated on page 59, and reviewing internal

controls and risks through an internal audit programme, will provide Tearfund with adequate risk assurance and sufficient resources in the event of adverse conditions.

Fraud is prevalent in many of the countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential fraud or other actual or alleged financial wrongdoing is required to be reported to the Financial Wrongdoing Review Team, chaired by the Finance Director.

A quarterly report is provided to the Audit, Risk and Finance Committee. All frauds are reported to the Charity Commission. Tearfund engages an Investigations Manager to advise and coordinate prevention and response to fraud and other types of wrongdoing.

Our approach to safeguarding is set out in detail on pages 53–55. Tearfund is a member of the Disasters Emergency Committee (DEC) and is also a fully certified member of the Core Humanitarian Standard (CHS) Alliance. Tearfund's Emergency Response Procedures, Quality Standards and wider operations and assurance processes and procedures are led by a Safeguarding Manager and have been designed and/or adapted to ensure alignment with our commitments to the networks of which we are a part.

Remuneration

Tearfund's pay policy seeks to balance our Christian values with the ability to attract and retain the best people in our sector. We do this by market reviews of our salary scales each year. We draw data from a number of charity sector-specific pay surveys, including Birches Group and MSF for our regions, and Reward Connected International Aid Charities Pay Club and XpertHR for the UK.

For the countries in which we operate, benchmark data is obtained for each country. In the UK, this data is based on the following criteria:

- location
- organisations with an income of about £80 million
- organisations of between 200 and 499 employees
- median pay levels

Health and safety

Tearfund has a Health and Safety Policy in place in respect of both UK and international operations, and the Board reviews Tearfund's performance annually. A Health, Safety and Wellbeing Risk Register is maintained and reviewed every six months by a management committee.

Tearfund Scotland

We are required by the Office of the Scottish Charity Regulator to report separately on the activities that Tearfund has undertaken in Scotland. These activities are led by a team based in Glasgow. We receive funding from the Scottish Government and Scottish trusts. We raise funds from individuals and other organisations throughout Scotland, and raise other support including campaigning and prayer. Tearfund does not have grantmaking activity in Scotland.

Tearfund Trading Limited

Tearfund's subsidiary, Tearfund Trading Limited, is dormant, with no plans for any future activity.

Stakeholder engagement

S172 statement

Trustees are required to explain how they consider the interests of key stakeholders and the broader matters set out in Section 172 of the Companies Act 2006 in promoting the success of the company for the achievement of its charitable purposes.

General confirmation of Trustees' duties

When making decisions, each Trustee ensures that they act in good faith to best promote the company's success for the achievement of its charitable purposes, and in doing so will have regard (among other matters) to their responsibilities under Section 172. In order to assist Trustees with these duties, all papers submitted to the Board identify the areas of Section 172 to which they relate.

S172(1) (a) 'The likely consequences of any decision in the long term'

To ensure that Trustees are fully informed and understand the potential long-term consequences of decisions, we ensure that all reports clearly articulate the implications and potential impact of each decision. Additionally, Trustees receive comprehensive training and focused presentations to enhance their understanding. Furthermore, the Board Chair and Committee Chairs have access to relevant resources and personnel to support their decision-making processes. The role of committees in scrutinising details and monitoring progress updates also contributes to robust decision-making.

S172(1) (b) 'The interests of the company's employees'

The Board recognises that Tearfund employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are located in the world. We remain focused on prioritising our staff as our most valuable assets. A representative from the Tearfund Staff Council also attends Board meetings to ensure that the Board is fully informed of the employee perspective and is mindful of the impact of decisions on employees.

S172(1) (c) 'The need to foster the company's business relationships with suppliers, customers and others'

To deliver our mission and strategy, and to create impact at scale, we need to work with others. The Board consults with stakeholders where appropriate in advance of making key decisions. This includes the wider Tearfund family. In order to help them meet this responsibility, the Board receives regular updates on stakeholder engagement, ranging from aspects of our corporate priorities work to supporter surveys which underline our global fundraising strategy.

S172(1) (d) ‘The impact of the company’s operations on the community and the environment’

Maximising the positive impact we have on communities and the environment is core to our corporate priorities and therefore integral to our Board decision-making. As environments and community characteristics are ever-changing, the Board must remain informed of these changes to make effective decisions. Briefings and reports are provided to the committees and Board, with the International Impact Committee having a particularly focused role to play, as defined in our Governance Manual.

S172(1) (e) ‘The desirability of the company maintaining a reputation for high standards of business conduct’

It is crucial that Tearfund maintains its reputation for high standards of conduct, not least because local churches around the world are affected by our work and reputation. Reputation is one of the key areas of impact that we use to evaluate all corporate risks, to ensure it informs all key decision-making. We remain committed to financial and risk management, compliance, safeguarding and good governance. We undertake an annual evaluation against the Charity Governance Code and have recently established a Board Development Committee to advise the Board on succession planning to ensure we recruit Trustees with the most applicable skills for our needs. Each Board committee evaluates its effectiveness in meeting its terms of reference annually. We continue to improve our corporate reporting mechanisms to ensure the Board has the information it needs to make decisions.

S172(1) (f) ‘The need to act fairly as between members of the company’

This is not relevant to Tearfund’s organisational structure, as the charity is run in the interests of its charitable objects rather than in the interests of its members.

Hang Sokha, an assistant pastor in Cambodia. Photo: Roun Ry/Tearfund

Who's who

Board of Trustees

The Board of Trustees is responsible for ultimate strategic decisions. Individual appointments follow robust recruitment processes. The Board of Trustees who were in office during the year and up to the date of signing were:

Anna Laszlo (Chair)
Stanley Arumugam
Stephanie Biden
Alfred Biehler (from 23 May 2025)
Jayakumar Christian
Tracy Cotterell (from 10 June 2025)
Helen Cowing (until 30 September 2024. Treasurer from 1 May to 30 September 2024)
John Davidson (Interim Treasurer from 2 October 2024. Also a director of Tearfund USA)
Rev Catherine De Souza
Sally Jones-Evans (until 30 September 2024)
Andrew Mackie (from 23 May 2025. Treasurer designate)
Jean Paul Ndagijimana
Yemi Odusolu
Lisa Pearce (from 31 October 2024 to 1 March 2025)
Harry Phinda (until 4 December 2024)
John Shaw (until 30 April 2024. Interim Treasurer until 30 April 2024)
David Wesson (Deputy Chair)

Committee members

Details up to 10 July 2025. The Board recruits people with specific expertise to sit on sub-committees of the Board:

Audit, Risk and Finance Committee

Helen Cowing (Chair and Treasurer from 1 May to 30 September 2024)
John Davidson (Chair and Interim Treasurer from 2 October 2024)
Anna Beck
Robert Hardy
Joseph Kariuki
Andrew Mackie (from 23 May 2025. Treasurer designate)
Yemi Odusolu (from 17 December 2024)
Mike Parikh (from 17 February 2025)
John Shaw (until 30 April 2024)
Rosie Slater-Carr (until 9 September 2024)

People and Culture Committee
Stanley Arumugam (Chair)
Ayo Afolabi
Doyin Atewologun
Sally Jones-Evans (until 30 September 2024)
Anna Laszlo

Supporter Engagement and Fundraising Committee
David Wesson (Chair)
John Davidson
Sarah Douglas
Yemi Odusolu
Lisa Pearce (from 31 October 2024 to 1 March 2025)
Simon Poole

International Impact Committee
Jean Paul Ndagijimana (Chair)
Adelaide Addo-Fening
Joanna de Berry
Jayakumar Christian
Lisa Pearce (from 31 October 2024 to 1 March 2025)

Safeguarding Committee
Stephanie Biden (Chair)
Stanley Arumugam
Rev Catherine De Souza (from 10 June 2024)
Nishani Ford (from 17 February 2025)

Theology Committee
Rev Catherine De Souza (Chair)
Jayakumar Christian
Right Rev Dr Emma Ineson
Esther Mombo
Jean Paul Ndagijimana
Rev Dr Israel Olofinjana
Jocabed Solano Miselis

The Well Committee (closed in October 2024)
Yemi Odusolu (Chair)
Ayo Afolabi
Lotwina Farodoye
Theo Mathias-Nwaulune
Ladun Omideyi
Pam Thompson
David Wesson

Board Development Committee

Sally Jones-Evans (Chair until 30 September 2024)
Anna Laszlo (Chair from 1 October 2024)
Stephanie Biden
David Wesson

National Advisory Committee members

The Wales Committee closed in June 2024, following a review of the various national committees and the Chair of the Wales Committee stepping down from that role.

Northern Ireland
Helen Mills (Chair)
Ian Long
Naomi McClelland
Peter McClelland
Robin McCormick
Laura McFarland

Scotland
Jenny Honey (Chair)
Chris Gbenle
Dez Johnston
Stephen Prem

Wales
Rev Dominic De Souza (Chair)
Bethan Day
Owain Edwards
Edwin Egede
Lois Franks
Cadi Gwyn
Iwan Robb

Ambassadors

Rev Celia Apeagyei-Collins
Guvna B
Anne Coles
Rev John Coles
Martha Collison
Liz Earle
Karen Gibson (from 11 May 2024)
Pete Greig
Tamsin Greig
Lord Michael Hastings
Rev Siew-Huat Ong
Lord Marvin Rees
Daniel Rowden
Nissy Tee
Right Rev Ric Thorpe
Will Torrent
Laura Young

Executive Team

The Board has delegated day-to-day operational decisions to the Executive Team:

Nigel Harris, **Chief Executive** (until 25 June 2025)
Tim Pilkington, **Chief Operating Officer** (Interim CEO from 26 June 2025)
Olutayo Bankole-Bolawole, **Director of People and Culture**
Stuart Lee, **Global Fundraising Director**
Veena O'Sullivan, **International Director**

Independent auditors	Crowe UK LLP, 4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR
Solicitors	Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES
Bankers	Barclays Bank UK plc, 1 Churchill Place, London, E14 5HP
Registered office	100 Church Road, Teddington, TW11 8QE

People and culture

It was a challenging year for our employees, with several change processes taking place across the organisation. The People and Culture Group led on these processes, working hard to ensure that the change was managed well and people were supported throughout with dignity and professionalism.

This year, we developed and approved a new People and Culture Strategy for 2024–28.

It aims to:

- **Embed trust and engagement at Tearfund** by instilling a sense of purpose and emphasising how central our staff are to achieving Tearfund's vision and mission.
- **Ensure talent management and reward schemes** attract, develop and retain high-performing staff.
- **Strengthen organisational vitality** through a focus on wellbeing, agility, innovation across the organisation; finalise and implement the equity, diversity and inclusion (EDI) strategy; and continue to demonstrate our dependence on God in every area of our work and personal lives.
- **Advance globalisation/localisation** by being intentional about becoming a global organisation that reflects the communities we serve, and ensuring decisions that affect them are made by and in collaboration with them wherever possible.

To serve these aims, we have merged UK and regional HR teams into one HR unit supported by a new People Services Team, in the hope of creating a uniform experience for all our staff and working more cohesively globally.

Key objectives and achievements

- **Strengthening organisational vitality**
  Prayer and a vibrant spiritual life are at the heart of our organisational identity, so nurturing them is a priority across groups and teams. Role changes within the Prayer and Spiritual Vitality Team increased its collaboration with the Theology Team. This gave a strong theological foundation to our spiritual theme for 2025, 'Be transformed'. Supporting individuals' and teams' wellbeing both contribute to organisational vitality.

  Our commitment to EDI work remains a core value embedded in every aspect of our organisation. Our Board has an ethnically diverse range of Trustees and we have experts in EDI as members of the People and Culture Committee to ensure informed decision-making. We aim to ensure that Board membership meets our targets of at least one-third representation for both sexes and for Black, Asian or Minority Ethnicity. We are committed to addressing staff needs in all the regions where we work, including the UK, by using EDI data to inform interventions and encourage staff to engage in EDI dialogues internally. Existing policies and processes have been reviewed to identify and address barriers to equity and inclusion, and this review will continue. This commitment has strengthened our

organisational culture, ensuring a more supportive working environment for staff.

- **Revitalising trust and engagement**
  We've seen a positive shift in staff engagement, with survey scores rising from 67 per cent in 2023/24 to 73 per cent in 2024/25. Engagement levels in the UK still trail behind other countries though, highlighting the need to help all staff clearly see how their work connects to Tearfund's mission. An in-depth review of our 'UK Ways of Working' gave us valuable insights and laid the groundwork for future efforts to boost staff engagement. In parallel, we also reviewed our People and Culture systems to make sure they are fit for purpose and support strong, globally inclusive decision-making. For example, a new induction programme designed for line managers equips them to create more inclusive team cultures and foster open, honest two-way communication.

- **Improve talent and reward**
  Our 18-month Agile Performance Management (APM) pilot demonstrated its potential to promote retention, maximise staff competencies and ensure staff are enabled to reach their full potential. Over 75 per cent of participants said they preferred it to traditional appraisals. A dedicated talent specialist, recruited this year, will lead on improving talent and reward, alongside the senior management team.

Going forward

In the coming year, the People and Culture Group will continue to take a people-centred approach in meeting Tearfund's HR, learning and development needs, and in strengthening our commitment to staff wellbeing and EDI. Our focus will be on equipping leaders and staff to consistently model the Tearfund characteristics.

To strengthen organisational vitality we will increase effective and transparent two-way communication, providing clarity on Tearfund's ambition and enhancing collaboration.

To revitalise talent and reward, we will work to attract diverse, adaptable, high-quality talent. We will work to retain staff through refreshed onboarding, effective performance management, career and succession plans, and appropriate staffing to deliver our work. We will review reward so that we design and embed a fair, consistent and affordable reward approach to attract and retain the talent we need.

To strengthen organisational vitality, we will deepen our prayer and spiritual vitality including valuing the diversity of expressions of faith among colleagues, refresh and simplify organisational structures, systems, policies and processes to support health and wellbeing and to promote EDI. We will refresh the organisational change processes to ensure they are adaptable and to maintain staff engagement. A Change Management Office will improve how change processes impact and involve people at Tearfund before, during and after each transition.

Safeguarding

We are deeply committed to following Jesus' example in treating everyone with care and respect. It is of paramount importance to us that we safeguard and protect all our partners, representatives, staff, supporters and, above all, the communities we serve: people living in the most vulnerable of situations.

Policies and procedures

Preventing abuse and harm remains a top priority for Tearfund and we have continued to ensure that the safeguarding policies and procedures we have in place are sufficiently robust. Where we did encounter cases, we worked hard to ensure that learning arising from them informs the training of our staff and partners, and is reflected in any necessary updates to our policies and procedures.

This year, we strengthened our commitment to protecting our staff, communities and volunteers by signing up to the Common Approach to Sexual Exploitation, Abuse and Harassment (CAPSEAH), an initiative supporting humanitarian, development and peace organisations to take robust action in this area. Our policies have been updated to reflect this, with strengthened definitions of terminology and more explicit language to make clearer exactly what 'safeguarding' means across the global organisation.

The Safeguarding and Whistleblowing Review Team (SWRT) continues to report quarterly to the Safeguarding Committee, which provides Board oversight of Tearfund's safeguarding culture, how cases are handled and how learning is embedded.

Tearfund's Incident Management System (TIMS), our in-house reporting system, continues to grow in effectiveness and staff are increasingly confident in using it. TIMS is also used to report concerns unrelated to safeguarding, so we have a triage team who ensure that incidents are referred to and handled by the correct teams. We have continued to strengthen the SWRT this year, and some impressive collaborative work has been achieved, always using a survivor-centred approach to ensure complex incidents are handled carefully.

All information is treated confidentially and only shared with those who need to know. Reports can be submitted anonymously but, where contact information can be shared, follow-up and support are much easier.

Mitigating risk continues to be the principle undergirding all our policies and procedures, especially in relation to safer recruitment. We remain committed to being effective and thorough in this, using the tools available to us. We use the Disclosure and Barring Service within the UK to help ensure all staff and representatives are securely vetted. We also use robust checks for non-UK citizens, using a third-party service provider. As a member of the Misconduct Disclosure Scheme, we are able to ask previous employers about potential recruits and

request detailed statements about any sexual abuse, harassment or misconduct in previous posts, and we are committed to providing such information about our staff if they move from Tearfund to another member of the scheme.

Handling complaints and concerns

We continued to encourage reporting of safeguarding and whistleblowing cases and to raise awareness of our feedback mechanisms across the organisation, and among our partners and the communities where we work. The reporting tools we have available are: Safecall, a whistleblowing mechanism provided by an external company; the Ombudsperson email, through which concerns about members of the Board or Executive Team can be reported; and our own reporting system, TIMS.

Refreshed posters and adverts in all Tearfund and partner offices are proving to be an engaging and effective way to keep people up to date with our reporting processes, and people are increasingly assured about using TIMS especially. Safeguarding focal points say they are increasingly confident in the reporting process, which is more robust, clear and explicit thanks to our commitment to CAPSEAH.

Assessment of safeguarding risks

We continue to monitor safeguarding risks and improve our response to them, in all the different contexts and ways in which Tearfund works. This includes ensuring that the SWRT includes two members with relevant regional and programmatic experience. Before cases are formally closed, we gather learnings from them, reflecting on the investigation process and areas that need improvement or increased protection, which allows us to implement further preventative measures.

The chief safeguarding risks we face include:

- **Non-funded partners with poor safeguarding policies.** When working with partners that are not funded by Tearfund, it becomes more difficult to enforce our safeguarding policies. Our network of focal points, however, provides regional and country-level safeguarding support for partners. We also made good progress this year towards producing a template our partners can access to aid their safeguarding processes, with the guidance of our focal points where applicable.
- **Third-party/partner-led cases.** These are cases which are reported to Tearfund but in which we are unable to control the process because another agency or authority is responsible for their investigation. In these instances, we work as closely as we can to provide support where we are invited to do so.

Review of cases 2024/25

Number of safeguarding incidents received quarterly					Total	Safeguarding cases referred to the Charity Commission
	Q1	Q2	Q3	Q4		
2024/25	3	6	6	3	18	5

Table: Breakdown of reported cases by quarter of the 2024/25 financial year

During the reporting period, a total of 18 incidents were recorded: eight pertaining to Tearfund staff, two involving partner staff, and eight originating from localised community reports. One incident directly concerned a minor. Where warranted, formal investigations were executed in accordance with established internal policies and procedures, and for serious cases, learning reviews and action plans were duly developed.

Number of whistleblowing incidents received quarterly					Total
	Q1	Q2	Q3	Q4	
2024/25	3	6	7	4	20

Table: Breakdown of reported cases by quarter of the 2024/25 financial year

The number of whistleblowing reports received has increased during the 2024/25 reporting period. This increase is primarily due to the whistleblowing channel being used for other grievances and additional reports coming in that relate to incidents already under investigation.

Definitions

Child safeguarding: a child is anyone under the age of 18.

Adult safeguarding: we acknowledge that anyone we support may be 'at risk' due to the unequal power relationship between Tearfund or partner staff and volunteers, and the people in vulnerable situations whom we work with. Furthermore, Tearfund has identified that any adults who are in a relationship where there is unequal authority or power dynamics may be at risk of abuse.

Environmental performance

Climate change disproportionately affects people living in poverty, and we remain committed to reducing our own carbon footprint. Our Environmental Policy continues to guide our actions as we seek to improve our environmental performance.

In 2024/25, we have:

- Replaced generators in countries to lower energy consumption.
- Revised the flight-tracking system, assigning team members to monitor travel impact and improve reporting.
- Offset all flight emissions while reviewing our long-term offsetting strategy in response to evolving voluntary carbon market regulations.
- Identified challenges in integrating environmental data across different reporting systems and provided training to improve data accuracy.
- Enhanced emission tracking by integrating various IT systems across countries.

We continue to explore ways to strengthen our environmental reporting and make better use of technology to minimise travel while maintaining strong relationships and delivering our strategy.

Greenhouse gas emissions and energy-use data for Tearfund UK

for the period of 1 April 2024 to 31 March 2025

We have followed the 'Environmental reporting guidelines, including Streamlined Energy and Carbon Reporting guidance' (2019) and 'UK Government greenhouse gas conversion factors for company reporting' (2024), to produce the following three figures relating to our carbon footprint in the UK.

In 2024/25, Tearfund continued its efforts to reduce emissions, building on the progress made in previous years. Energy consumption decreased significantly to **193,174 kWh**, reflecting ongoing efficiency measures. Notably, emissions from purchased electricity (Scope 2) dropped to **40.0 tCO_2e**, down from 50.0 tCO_2e in 2023/24. However, business travel emissions in rental cars or employee-owned vehicles (Scope 3) increased to **16.45 tCO_2e,** compared to 7.5 tCO_2e in the previous year. We are trying to understand our travel patterns better in order to decrease our Scope 3 emissions.

Tearfund took key steps to manage and mitigate its environmental impact. A flight-tracking system was revised after the period of organisational change. Despite reductions in certain emission categories, challenges with data integration persist, affecting reporting accuracy. The organisation remains committed to carbon offsetting, having renewed its partnership with Climate Stewards until March 2026 while exploring future offsetting strategies in light of evolving regulations.

Looking ahead, Tearfund will refine its sustainability approach, ensuring strategic decisions on offsetting and climate contributions align with its broader environmental commitment.

		Unit	2024/25	2023/24	2022/23	2021/22
Energy consumption	Used to calculate the emissions below	kWh	193,174	241,241	337,877	346,000
Emission sources						
Scope 1	Combustion of gas	tCO_2e	10.35	9.9	9.5	10.3
Scope 1	Combustion of fuel for transport purposes	tCO_2e	1.33	2.1	0.63	0.03
Scope 2	Purchased electricity	tCO_2e	40.0	50.0	59.9	60.7
Scope 3	Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	tCO_2e	16.45	7.5	18.25	9.7
Total gross based on above		**tCO_2e**	**68.13**	**69.5**	**88.28**	**80.73**
Intensity ratio	Tonnes of CO_2e per full-time equivalents	tCO_2e	0.23	0.17	0.2	0.2

Table: Greenhouse gas emissions and energy-use data for the period of 1 April 2024 to 31 March 2025

In the DRC, Tearfund is working with local partners to provide cash and water distributions in temporary camps, schools and churches for those who have had to flee their homes because of escalating conflict. Photo: Gad Muweza/Tearfund

Financial review

In 2024/25, Tearfund raised £80.2m to fund its vision to see people freed from poverty, living transformed lives and reaching their God-given potential.

Our proactive structural realignment during 2023/24 led to a decrease in our unrestricted cost base. This strategic move, along with other targeted interventions, has provided greater resilience as we navigate the complexities of the upcoming global landscape.

Income and expenditure

In 2024/25 we saw a total income of £80.2m down by 2.9 per cent against the 2023/24 figure of £82.6m. Year on year, unrestricted income remained relatively stable at £35.3m (an increase of 0.5 per cent) while restricted income at £44.9m decreased by 5.4 per cent, primarily driven by a reduction in grants from institutional donors. We are incredibly grateful to all who have supported so generously during the year to help bring an end to extreme poverty.

Total expenditure of £77.7m was £5.0m (6 per cent) lower than the 2023/24 level of £82.7m, with a decrease of £6.1m (17 per cent) in unrestricted expenditure offset by an increase of £1.0m (2 per cent) in restricted expenditure. The fall in unrestricted expenditure was largely as a result of the proactive structural realignment carried out in 2023/24.

The net result for the year is £2.6m (2023/24: -£0.1m), made up of an increase of £5.8m in unrestricted funds offset by a decrease of £3.2m in restricted funds.

Grants

A significant proportion of Tearfund's work to address poverty is undertaken through making grants to partner organisations. These grants are aligned with our country strategies. Project proposals received from partner organisations undergo a formal approval process, encompassing both a technical assessment of the project and a review of the partner's capacity and compliance policies. An agreed monitoring process is undertaken during the life cycle of all projects. In addition, financial evaluations are carried out on all large projects and on a sample of smaller projects. A list of the top 50 partner organisations we made grants to are on our website at **tearfund.org/top50**

Reserves

Total funds at the end of the year were £29.8m, comprising unrestricted funds of £13.4m and restricted funds of £16.4m.

Our general funds, defined as our unrestricted funds less any designated funds, are essential to:

- Provide necessary working capital.
- Allow flexibility to respond to unexpected opportunities and challenges.
- Act as a buffer against fluctuations in income and expenditure, whether seasonal or event-driven.
- Provide contingency against unexpected costs.
- Provide contingency to respond to changes in Tearfund's operating environment.
- Finance strategic initiatives outside of Tearfund's normal operations.

Our reserves policy allows up to £2.0m of the value of the freehold office building owned by Tearfund to count towards operating

reserves. This is considered appropriate given current market conditions as Tearfund continues to explore the possibility of selling the building during 2025/26.
The Board of Trustees annually reviews the required level of operating reserves to ensure that an appropriate level is held. This review assesses the main financial risks inherent in our operating model and external environment, considering all income streams and expenditure categories. For 2025/26, the target range for operating reserves to cover these risks is set at between £7.0m and £11.0m.

At the end of 2024/25, our general fund balance stands at £11.8m (2023/24: £6.1m). Taking the additional £2.0m of the building value into account, our operating reserve balance is above the target range. The Trustees are comfortable with this position as we are entering a volatile year with significant uncertainties in the external environment and a rapidly evolving funding landscape.

Designated funds

Designated funds are part of the unrestricted funds which the Trustees have earmarked for a particular use. This designation does not represent a legal restriction. At the close of 2024/25, the only designated fund was the Fixed Asset Fund. This fund represents the net book value of Tearfund's fixed assets, indicating that these resources are not available for other purposes. At the end of the year, the Fixed Asset Fund stood at £1.5m (2023/24: £1.5m).

Restricted funds

Restricted funds are subject to specific conditions imposed by donors. The year-end balances represent income which has been recorded but where the related expenditure has not yet been incurred. The majority of these funds are either institutional awards, or funds generated during emergencies or as a result of other specific appeals.

In many cases these appeals generate income over a short timeframe, which is then planned to be spent over a period of up to three years in line with the purpose of the appeal. At the end of the year, total restricted funds had decreased to £16.4m (2023/24: £19.6m) due to decreases in both the appeals and emergency funds (£1.7m) and the institutions and trust funds (£1.3m). For each restricted fund, Tearfund's assets are available and adequate to fulfill its obligations.

Financial risk management

Tearfund continues to navigate an increasingly volatile and uncertain global landscape, impacting both the communities we serve and our dedicated supporters. In response to high inflation and a sector-wide decline in unrestricted income, Tearfund took action in 2023/24 to reduce the structural cost base of the organisation. This has provided Tearfund with the capacity to absorb future shocks and the time to react to changes in the external environment.

The broader funding landscape continues to present considerable risks and challenges. Economic uncertainties and the rising cost of living continue to affect our supporters' ability to give. Additionally, the unpredictability of future restricted United States Government funding (2024/25: 8.8 per cent of total income) and reductions in overseas aid budgets from many governments increase the challenge in securing institutional income. To mitigate these risks, Tearfund has implemented enhanced three-year forecasting and robust financial monitoring, alongside short-term cost control measures as well as sadly needing to reduce the size of our programmes in the Democratic Republic of Congo (DRC) and South Sudan in 2025/26.

Cash flow and liquidity risks are effectively minimised by a conservative investment policy. As of 31 March 2025, Tearfund held cash balances of £21.0m (£20.7m at 31 March 2024). Tearfund continues to explore the possibility of selling the Teddington office building during 2025/26, since occupancy rates remain significantly below pre-pandemic levels.

Our receivables primarily consist of contributions from major governmental and institutional donors, as well as legacy income. We assess the associated credit risk as low, and similarly, the risk of material disallowances from donor audits is considered minimal. This area remains under continuous active monitoring.

Tearfund's income is predominantly received in sterling pounds and US dollars. Foreign exchange risk affects Tearfund mainly by impacting the purchasing power of donor funds in the countries where most of our charitable expenditure is incurred. Tearfund does not enter into foreign exchange contracts for speculative reasons.

As part of our work supporting communities to prepare for disasters, Tearfund entered into a swap contract in 2024/25 which expires in 2025/26. This is an innovative approach for Tearfund and provides an insurance mechanism for communities at risk of drought in four countries. Payouts will be used for anticipatory action and early response. Tearfund's risk is limited to the original fixed payment.

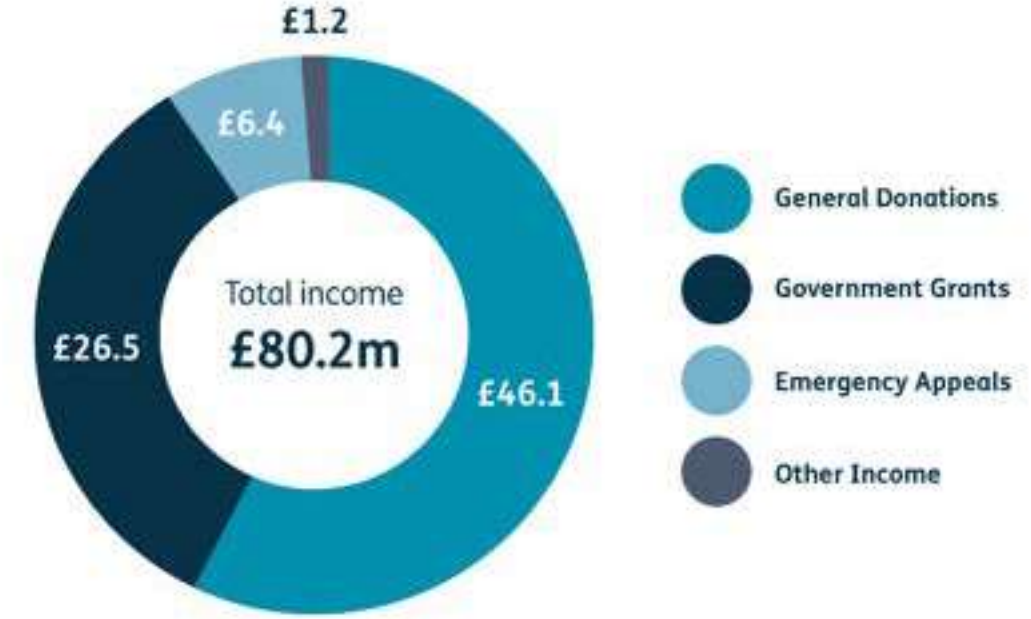
Investment policy and performance

Tearfund's investment policy is reviewed annually by the Audit, Risk and Finance Committee. Our objective is to maintain high liquidity, obtain the maximum optimal yield consistent with agreed risk levels, while ensuring maximum security. To achieve this, Tearfund invests with institutions with a high security rating in fixed-term or call deposits.

Tearfund focuses engagement with companies or organisations whose activities significantly align with our own environmental policy. As far as possible, Tearfund will take a positive approach by seeking to invest cash resources in organisations which act ethically in accordance with Tearfund's core values. Where this is not possible, Tearfund will find acceptable ways to fulfil our ethical and environmental commitments without damaging our core operational capacity.

During the year, Tearfund's sterling deposits achieved an average rate of interest of 4.54 per cent (2023/24: 4.77 per cent) compared with an average bank base rate for the same period of 4.95 per cent (2023/24: 5.05 per cent).

Income for financial year 2024/25



Expenditure for financial year 2024/25

Fundraising practices

Tearfund deeply values the trust of our supporters and is committed to ethical fundraising and transparent communication.

We are registered with the Fundraising Regulator and maintained full compliance with its standards throughout the year. Our internal Compliance and Data Protection teams ensure rigorous adherence to best practices in all communications. Staff interacting with supporters receive specialised training on safeguarding and supporting vulnerable individuals, in line with our established policies.

We proactively track and address supporter feedback. In the 2024/25 financial year, we received 342 fundraising-related complaints, representing 26 per cent of our total complaint volume. We have no record of complaints being escalated to the Fundraising Regulator.

Our fundraising efforts are primarily managed by our dedicated staff. For outsourced telephone fundraising, we implement strict quality control through call monitoring and targeted training to ensure adherence to our standards and to maintain the integrity of our supporter relationships.

We report all supporter complaints quarterly to our Executive Team and the Board's Global Fundraising and Communications Committee, demonstrating our commitment to accountability.

Trustees' responsibility statement

The Trustees are responsible for preparing the strategic report, the Trustees' report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

In the case of each person who is a Trustee of the company at the date when this report was approved:

- So far as each of the Trustees is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and
- each of the Trustees has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Anna Laszlo, **Chair of the Board**

Date: 09 July 2025

Independent auditor's report to the members and Trustees of Tearfund

Opinion

We have audited the financial statements of Tearfund ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the consolidated Statement of Financial Activities (incorporating an income and expenditure account), the Group and Tearfund balances sheets, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2025 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report,

other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 64, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:
www.frc.org.uk/auditorsresponsibilities
This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments as well as compliance with international sanctions regimes.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal

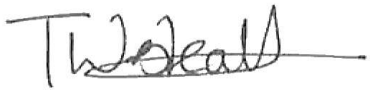
correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and legacy income, going concern and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit, Finance and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, detailed review of budgets and forecasts, detailed reviews of a sample of legacy notifications and receipts, detailed reviews of a sample of funding agreements for grant income, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westocott
Senior Statutory Auditor

For and on behalf of
Crowe UK LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
Gloucester
GL50 3PR

Date: 10 July 2025

Students at the Developing Functional Adult Literacy Centre in South Sudan. Photo: Tom Price/Tearfund

Consolidated statements of financial activities

(incorporating an income and expenditure account)

Year ended 31 March 2025

	Note	Unrestricted funds £'000	Restricted funds £'000	2025 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2024 Total funds £'000
Income from:							
Donations and legacies	2	34,424	44,605	79,029	34,236	47,162	81,398
Charitable activities	3a	164	291	455	326	287	613
Other trading activities		-	-	-	1	1	2
Investment income	3b	754	-	754	574	-	574
Total income		35,342	44,896	80,238	35,137	47,450	82,587
Expenditure on:							
Raising funds	4	10,733	421	11,154	12,771	506	13,277
Charitable activities	4	18,844	47,669	66,513	22,927	46,523	69,450
Total expenditure		29,577	48,090	77,667	35,698	47,029	82,727
Net income/(expenditure) for the year	6	5,765	(3,194)	2,571	(561)	421	(140)
Transfer between funds	16	-	-	-	21	(21)	-
Net movement in funds		**5,765**	**(3,194)**	**2,571**	**(540)**	**400**	**(140)**
Reconciliation of funds:							
Total funds brought forward at 1 April	16b	7,588	19,591	27,179	8,128	19,191	27,319
Total funds carried forward at 31 March	16a	**13,353**	**16,397**	**29,750**	**7,588**	**19,591**	**27,179**

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated Statement of Financial Activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated Statement of Financial Activities above. All amounts derive from continuing operations. There is no material difference between the net expenditure for the financial year stated above and its historical cost equivalent. The turnover of the charitable company for the year was £80,238,000 (2023/24: £82,587,000). There is no material difference between the entity and the group Statement of Financial Activities.

Balance sheets as at 31 March 2025

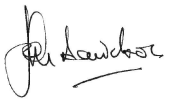
Company number: 00994339

		Tearfund Group		Tearfund	
	Note	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed assets:					
Tangible assets	9	1,546	1,465	1,546	1,465
Long-term investments	10	-	-	5	5
Total fixed assets		1,546	1,465	1,551	1,470
Current assets:					
Stocks	11	802	551	802	551
Debtors	12	11,625	10,077	11,625	10,077
Short-term deposits		17,478	17,297	17,478	17,297
Cash at bank and in hand		3,510	3,425	3,510	3,425
Total current assets		33,415	31,350	33,415	31,350
Creditors:					
Amounts falling due within one year	14	(4,755)	(4,626)	(4,760)	(4,631)
Net current assets		28,660	26,724	28,655	26,719
Provisions for liabilities	15	(456)	(1,010)	(456)	(1,010)
Net assets		**29,750**	**27,179**	**29,750**	**27,179**
Funds					
Unrestricted funds:					
General fund	16a	11,807	6,117	11,807	6,117
Designated funds	16a	1,546	1,471	1,546	1,471
		13,353	7,588	13,353	7,588
Restricted funds	16a	16,397	19,591	16,397	19,591
Total funds		**29,750**	**27,179**	**29,750**	**27,179**

The net result of the charitable company for the year was a surplus of £2,571,000 (2023/24: deficit of £140,000).

The financial statements on pages 72–96 were approved by the Board of Directors on 9 July 2025 and signed on its behalf by:

Anna Laszlo, **Chair of the Board**



John Davidson, **Treasurer**

Consolidated cash flow statement

Year ended 31 March 2025

	2025 £'000	2024 £'000
Net cash (used in)/provided by operating activities	**(193)**	**1,512**
Cash flow from investing activities:		
Investment income received	754	574
Purchase of property, plant, equipment and intangibles	(309)	(148)
Proceeds from the sale of property, plant and equipment	14	1
Net cash used in investing activities	**459**	**427**
Change in cash and cash equivalents in the reporting period	**266**	**1,939**
Cash and cash equivalents at the beginning of the reporting period	**20,372**	**18,433**
Cash and cash equivalents at the end of the reporting period	**20,638**	**20,372**
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**2,571**	**(140)**
Adjustments for:		
Depreciation charges	223	251
Investment income receivable	(754)	(574)
(Profit)/Loss on sale of tangible fixed assets	(9)	1
(Increase)/Decrease in stocks	(251)	324
(Increase)/Decrease in debtors	(1,548)	1,946
Increase/(Decrease) in creditors	129	(538)
(Decrease)/Increase in provisions	(554)	242
Net cash (used in)/provided by operating activities	**(193)**	**1,512**

Analysis of changes in net funds	1 April 2024 £'000	Cash flows £'000	31 March 2025 £'000
Cash at bank and in hand	3,425	85	3,510
Bank deposits	17,297	181	17,478
Interest-free loans	(350)	-	(350)
	20,372	**266**	**20,638**

There is no material difference between the entity and the group cash flow statement.

Notes to the financial statements

31 March 2025

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, Charities Act 2011, Charities Accounts (Scotland) Regulations 2006, Charities and Trustee Investment (Scotland) Act 2005, Statement of Recommended Practice (SORP) on Accounting and Reporting by Charities effective from 1 January 2019, FRS102, and applicable United Kingdom accounting standards. The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

Consolidation
The Statement of Financial Activities (SOFA) and Group Balance Sheet consolidate the financial statements of the Charity and its wholly-owned subsidiary undertaking, Tearfund Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006. The Consolidated Cash Flow Statement has been prepared for the group only, as permitted under FRS102.

Accounting estimates and key judgements
Critical accounting estimates and judgements are based on historical experience and other relevant factors, including reasonable expectations of future events. The main areas which involve such estimates and judgements include the accrual of legacy income; entitlement to grant and contract income; useful lives of fixed assets; and provisions.

Company status
Tearfund is a registered charity in England and Wales (number 265464) and Scotland (number SC037624) and is constituted as a company registered in England and Wales and limited by guarantee (company number 00994339). It is governed by its Memorandum and Articles of Association and at the year-end there were nine members (2023/24: 13) who were each liable to contribute £1 in the event of the company being wound up. In the application of the Charity's accounting policies, the particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Fund accounting
The company maintains three types of funds. General unrestricted funds are funds available for use at the discretion of the Board of Trustees in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Board from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. At the year-end any fund deficits are maintained only when the Trustees are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in note 16.

Going concern
The Financial Review on pages 59–63 sets out Tearfund's financial performance in 2024/25. We started the year with a general fund position of £6.1m. We planned for a general fund increase of £2.4m and we ran an increase of £5.7m, which led to a general fund position at year-end of £11.8m, just

above the top of the target range for operating reserves. Our proactive structural realignment during 2023/24 led to a decrease in our unrestricted cost base.

The global landscape is increasingly volatile and uncertain, impacting both the communities we serve and our dedicated supporters' ability to give. Tearfund's actions, in 2023/24, to reduce the structural cost base of the organisation have provided us with some capacity to absorb future shocks and the time to react to changes in the external environment. The Board has approved a budget for 2025/26, which we expect will maintain our reserves within the target range.

Key points in assessing Tearfund's going concern status include the following:

- The unrestricted income budget for 2025/26 is underpinned by committed regular giving, which represents 43 per cent of the total unrestricted income budget. We remain very grateful for the loyalty of our supporters and the ability and agility of our fundraising teams. Our income budgets continue to seek to balance caution with an appropriate level of ambition.
- We have appointed agents to market the Teddington office building with a view to sale. If a sale occurs, this would significantly increase financial liquidity.
- Experience of the past few years provides reassurance that, where required, we have the ability to adjust our cost base both in the short and long term as needed.

In support of the going concern assessment, we have prepared cash flow forecasts for the next 12 months. Analysing the challenges of the current economic climate, these show that Tearfund has adequate financial resources to continue operating for the foreseeable future. We review income in detail on a monthly basis to identify any downward trends as early as possible, keeping in mind the options of delaying expenditure or making cost reductions if necessary. Having considered these matters, the Trustees do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

Income
All income, including donations, legacies and investment income, is recognised in the SOFA when the Charity can demonstrate entitlement to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

The following specific policies apply to the categories of income:

Legacies
Legacies are recognised when evidence of entitlement exists, probate has been granted and the receipts are both probable and measurable. No value is included where the legacy is contentious or is subject to a life interest held by another party. The fair value of the legacy income receivable is based on the information available at the time and it is the expected cash amount to be distributed to Tearfund from the estate.

Grants and contracts
Grant and contract income is recognised when the Charity can demonstrate entitlement to the income. Where receipt of funding is conditional only on administrative requirements such as the submission of a claim, it has been accrued. Where there are restrictions on the time period in which funding received can be spent, or where the Charity is not yet in a position to meet the conditions of the funding, the related income has been deferred.

Gifts in kind
Donated gifts in kind for distribution to communities are included in income and stock at donors' valuation or market value

when received. Expenditure is recognised when gifts in kind are distributed. In line with the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in the financial statements. This is because it does not meet the definition of a transaction or event that gives rise to a financial asset or liability under FRS 102. More detail can be found on pages 77–78 of the Annual Report.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Like many charities, Tearfund is unable to recover some of the VAT that is incurred on the purchase of goods and services in the UK. The amount of VAT that cannot be recovered is added to the appropriate underlying cost.

The following specific policies apply to categories of expenditure:

Grants payable
Grants payable to Tearfund partner organisations are made in furtherance of the Charity's objects. Grants are recognised as expenditure when payment is due to the partner organisation, in accordance with Tearfund's project agreement, in line with phased payment schedules and when milestones are met by the grantee.

Support costs
Support costs include functions such as general management, financial management, information technology, human resources and the cost of premises and facilities. They are allocated across the categories of charitable expenditure and fundraising costs on the basis set out in note 4 to the financial statements.

Fundraising and publicity
Fundraising costs are those incurred in seeking donation income and do not include the costs of disseminating information in support of the charitable activities.

Foreign exchange
Transactions denominated in foreign currency are translated into sterling and recorded at the rates ruling at the date of the transactions. Balances denominated in a foreign currency are translated into sterling at the exchange rates at the balance sheet date. Foreign exchange gains and losses incurred in respect of overseas operations are included in the SOFA within the relevant activity expenditure.

Pensions
Tearfund operates two defined contribution pension schemes. Contributions are charged to the SOFA as they become payable and invested on behalf of the employees. An overseas staff member can have a percentage of the salary paid into a pension fund or a percentage of the salary is paid directly to the staff member, and they take responsibility for their own pension arrangements and investment. The percentage paid depends on the time when employees joined Tearfund and employees' age. In some countries the percentage is defined in the legislation.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing more than £1,000 with an expected useful life of more than one year are capitalised, except laptops which are capitalised regardless of value. Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful economic lives on a straight-line basis, as follows:

Freehold land	Nil
Freehold buildings	15–50 years

Fixtures, fittings and equipment including computers	3–20 years
Motor vehicles	3–10 years

All assets are tested annually for impairment. Assets including vehicles and equipment used in programmes overseas, except for laptops and buildings, are considered to have a useful economic life of one year or less. They are not capitalised but are charged in full to charitable expenditure when purchased. However, a register is maintained of these assets and reviewed regularly to ensure we retain strong control over the assets.

Financial instruments
Financial assets and financial liabilities are recognised when Tearfund becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Tearfund has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Derivatives are not basic financial instruments. When held, derivatives are initially recorded at fair value on the date a derivative contract is entered into and subsequently re-measured at fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities. Derivatives are derecognised when the contractual obligation is discharged, cancelled or expires.

Investments
The investment in the subsidiary is included in the Charity's financial statements at cost.

Stocks
Bought-in goods are valued at lower of costs and net realisable value. Humanitarian supplies donated to Tearfund are valued at cost, based on donor's valuation or deemed market value, with obsolete stock written off.

Cash and cash equivalents
Cash and cash equivalents include interest and non-interest bearing amounts held at banks and cash at hand. Short-term money deposits (seven–365 days) including deposits repayable on demand and fixed-term deposits are held under current assets as short-term deposits.

Other financial assets and liabilities
Debtors and creditors are stated at the settlement amount after any applicable discount.

Operating leases
Costs in respect of operating leases are charged to the SOFA on a straight-line basis over the lease term.

2a. DONATIONS

	Note	Unrestricted funds	Restricted funds	2025 Total funds	Unrestricted funds	Restricted funds	2024 Total funds
		£'000	£'000	£'000	£'000	£'000	£'000
Donations from:							
Individuals		25,311	8,337	33,648	26,424	6,361	32,785
Churches		1,419	1,394	2,813	1,368	1,408	2,776
Trusts, companies, schools and other		875	4,114	4,989	1,017	3,805	4,822
Legacies		6,819	284	7,103	5,427	175	5,602
Grants	2b	-	26,499	26,499	-	30,443	30,443
		34,424	**40,628**	**75,052**	**34,236**	**42,192**	**76,428**
Via Disasters Emergency Committee		-	3,977	3,977	-	4,970	4,970
Total donations and legacies		**34,424**	**44,605**	**79,029**	**34,236**	**47,162**	**81,398**

Included in restricted income above are the following donations and legacies relating to appeals and emergencies:

	Unrestricted funds	Restricted funds	2025 Total funds	Unrestricted funds	Restricted funds	2024 Total funds
	£'000	£'000	£'000	£'000	£'000	£'000
Donations from:						
Individuals	-	1,893	1,893	-	2,254	2,254
Churches	-	326	326	-	546	546
Trusts, companies, schools and other	-	250	250	-	197	197
Grants	-	-	-	-	7	7
	-	**2,469**	**2,469**	**-**	**3,004**	**3,004**
Via Disasters Emergency Committee	-	3,977	3,977	-	4,970	4,970
Total appeals and emergencies	**-**	**6,446**	**6,446**	**-**	**7,974**	**7,974**

Gifts in kind of £34,000 (2023/24: £30,000) of pro-bono legal and consultancy work are included in support cost expenditure. Of this, £nil (2023/24: £1,000) is included above in 'Churches' and £34,000 (2023/24: £29,000) is in 'Trusts, companies, schools and other' income.

As at 31 March 2025, Tearfund had been notified of a number of legacies which have not been recognised as income in the Statement of Financial Activities as they did not meet the charity's legacy income recognition criteria. These legacies are considered part of the charity's legacy pipeline and are expected to be realised in future periods. The estimated gross value of these legacies is £2,142,000 (2024: £1,748,000).

2b. GRANTS INCOME

	2025 £'000	2024 £'000
United States Government	7,098	8,308
United Nations	5,177	4,328
Dutch Government	4,056	3,853
United Kingdom Government	3,018	3,555
European Union	2,003	2,391
German Government	1,772	2,126
Canadian Foodgrains Bank (including Tearfund Canada)	825	1,404
Norwegian Government	278	573
Scottish Government	222	550
Swiss Government	199	-
States of Jersey	184	388
New Zealand Government	138	26
Other	138	89
Canadian Government	125	342
Danish Government	34	13
	25,267	**27,946**
Tearfund Netherlands	992	2,440
Other Tearfund Family/Integral Alliance members	240	57
	26,499	**30,443**

Included within the above grants income are gifts in kind of £1,836,000 (2023/24: £1,211,000), which are also included in either expenditure or stock. The whole amount for both years is restricted income. They consist mainly of water and sanitation products; food aid; nutrition inputs; and seeds and tools for planting and fishing.

The 2023/24 comparatives have been amended to align the income with the appropriate donors. The total grant income received in 2023/24 remains as originally reported.

3a. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2025 Total funds £'000	2024 Total funds £'000
Contract income contributed to the following programmes:				
ABT associates (CCT projects in Papua New Guinea)	-	-	-	43
Climate Justice Scottish Government (Zambia)	50	-	50	36
UCSD (DRC Effects of Gender Norms on Health and Livelihood Outcomes)	6	-	6	6
Climate Risk Financing Phase 2 (multi-country risk financing against extreme weather events)	-	12	12	-
Total contract income	**56**	**12**	**68**	**85**
Other income from charitable activities	108	279	387	528
Total income from charitable activities	**164**	**291**	**455**	**613**

The total income from charitable activities was £455,000 (2023/24: £613,000), of which £164,000 was unrestricted (2023/24: £326,000) and £291,000 was restricted (2023/24: £287,000).

3b. INVESTMENT INCOME

Investment income consists of interest from bank deposits.

4. TOTAL RESOURCES EXPENDED

	Grants £'000	Direct costs £'000	Support costs £'000	2025 Total costs £'000	2024 Total costs £'000
Unrestricted					
Costs of generating funds	**-**	**9,359**	**1,374**	**10,733**	**12,771**
Charitable activities:					
Church and Community Transformation	126	3,687	482	4,295	6,560
Reconciled Peace-filled Societies	73	2,575	448	3,096	3,688
Environmental and Economic Sustainability	47	4,964	649	5,660	7,014
Crisis to Resilience	197	4,194	1,402	5,793	5,665
	443	**15,420**	**2,981**	**18,844**	**22,927**
Total unrestricted	**443**	**24,779**	**4,355**	**29,577**	**35,698**
Restricted					
Costs of generating funds	**-**	**419**	**2**	**421**	**506**
Charitable activities:					
Church and Community Transformation	2,568	3,559	702	6,829	5,424
Reconciled Peace-filled Societies	3,053	3,577	652	7,282	6,809
Environmental and Economic Sustainability	5,492	3,741	875	10,108	8,279
Crisis to Resilience	8,384	13,196	1,870	23,450	26,011
	19,497	**24,073**	**4,099**	**47,669**	**46,523**
Total restricted	**19,497**	**24,492**	**4,101**	**48,090**	**47,029**
Total expenditure	**19,940**	**49,271**	**8,456**	**77,667**	**82,727**

Many programmes achieve benefits in a number of different areas and their costs are allocated on the basis of their principal aims. Cost allocation includes an element of judgement and Tearfund has had to consider the cost-benefit of detailed calculations and record-keeping in calculating a best estimate of the attributable costs.

4. TOTAL RESOURCES EXPENDED CONTINUED

	2025 £'000	2024 £'000
Grants to partner organisations by geographical region:		
Africa	9,542	8,343
Eurasia	7,922	7,920
Asia	2,271	2,186
Europe	195	248
Latin America and Caribbean	10	439
Total grants to partner organisations	**19,940**	**19,136**

The top 15 countries and regions where grants were made:	2025 £'000	2024 £'000
Syria	**3,147**	2,838
South Sudan	**2,215**	1,272
Ethiopia	**1,429**	815
Pakistan	**1,425**	1,896
Iraq	**1,404**	1,291
DRC	**1,212**	1,205
Rwanda	**884**	880
Lebanon	**759**	394
Burundi	**713**	748
Occupied Palestinian Territories	**706**	15
Malawi	**616**	512
Burkina Faso	**579**	367
Bangladesh	**436**	432
Nepal	**429**	288
Chad	**428**	140
Total grants made to top 15 countries and regions	**16,382**	**13,093**

Details of partner organisations included in the top 50 receiving grants can be found at: **tearfund.org/top50**

Grants totalling £1,661,000 in the year were made to Medair (2023/24: £2,055,000).

4. TOTAL RESOURCES EXPENDED CONTINUED

Support costs and the basis of their allocation are as follows:	Principal basis of allocation to activities	2025 £'000	2024 £'000
General management, risk and compliance	Headcount and expenditure	517	550
Financial management	Headcount and expenditure	1,571	1,683
Human resources	Headcount	2,364	2,442
Strategy and Impact	Expenditure	260	408
Information systems	Headcount and expenditure	2,775	3,441
Premises and facilities	Headcount	541	610
Governance	Headcount and expenditure	428	385
		8,456	**9,519**

5. SUBSIDIARY

Tearfund has a wholly owned trading subsidiary, Tearfund Trading Limited, which is registered in England and Wales, company registration number 03779450. The registered address is 100 Church Road, Teddington, TW11 8QE. Tearfund Trading Limited is now dormant. The company used to undertake various trading activities to raise funds for Tearfund and all its taxable profits were treated as qualifying distribution to Tearfund under Deed of Covenant. Tearfund Trading Limited's position as at 31 March 2025 is listed below.

	2025 £'000	2024 £'000
Total assets	5	5
Total liabilities	-	-
Funds	**5**	**5**

6. NET EXPENDITURE/(INCOME) FOR THE YEAR

Net expenditure/(income) for the year are stated after charging the following:	2025 £'000	2024 £'000
Depreciation of tangible fixed assets	223	251
Auditors' remuneration – Tearfund	74	79
Auditor's other services – taxation	1	1
Auditors' remuneration – Tearfund Trading	-	2
(Profit)/Loss on sale of tangible fixed assets	(9)	1
Operating leases: land and buildings – unrestricted	261	425
Operating leases: land and buildings – restricted	473	558

The above is all unrestricted expenditure/(income) unless otherwise indicated.

7. EMPLOYEES AND TRUSTEES

Employee costs	2025 UK £'000	2025 Overseas £'000	2025 Total £'000	2024 UK £'000	2024 Overseas £'000	2024 Total £'000
Salaries and wages	13,710	12,625	26,335	17,128	14,768	31,896
Employee benefits	10	731	741	31	1,024	1,055
Social security costs	1,428	101	1,529	1,663	61	1,724
Other pension costs	1,414	296	1,710	1,687	274	1,961
	16,562	**13,753**	**30,315**	**20,509**	**16,127**	**36,636**

Included in the above employee costs are redundancy and severance costs of £179,000 (2023/24: £1,611,000). Redundancy costs are provided for when the decision has been made and the employees have been informed, and the amounts could be calculated with reasonable accuracy and the settlement is probable in the next financial year.

Average number of persons employed during the year	2025 Number	2024 Number
UK-contracted employees based:		
In the UK	337	420
Overseas	72	83
	409	**503**
Staff based overseas on local contracts	484	575
	893	**1,078**

7. EMPLOYEES AND TRUSTEES CONTINUED

UK staff includes those personnel based in Tearfund's UK offices. Overseas staff on UK contracts includes UK nationals working overseas as well as non-UK nationals employed to work in various countries around the world. All staff were employed across the range of activities detailed in the SOFA. No employees are employed directly by Tearfund Trading Limited. The number of employees whose emoluments (including benefits in kind but excluding employer's pension) amounted to over £60,000 in the year was as follows:

	2025 Number	2024 Number
£60,001 – £70,000	28	36
£70,001 – £80,000	5	7
£80,001 – £90,000	4	4
£90,001 – £100,000	2	3
£100,001 – £110,000	2	2
£110,001 – £120,000	1	1

The total number of employees earning over £60,000 has decreased from the prior year due to the restructure carried out in 2023/24. There were some redundancy costs relating to the 2023/24 restructure that fell into 2024/25. In 2024/25, Tearfund paid redundancy to seven (2023/24: 12) members of staff included above, which resulted in gross earnings in the year for the individuals totalling £554,000 (2023/24: £997,000).

Pension payments of £228,000 (2023/24: £268,000) were made for these 42 (2023/24: 53) higher-paid employees. The total emoluments received by the Chief Executive in the year was £97,000 (2023/24: £97,000). Within the bands above, there are three employees with higher remuneration than the Chief Executive in the year. This is a result of redundancy payments made to two individuals in 2024/25 and one staff member receiving additional relocation allowances. In 2024/25, members of the Executive Team earned a total of £559,000 (2023/24: £717,000) including social security and pensions.

Trustees

As Charity Trustees, the Board of Directors and Committee Members, who are not employees, received no remuneration for their services. During the year, nine directors/committee members were reimbursed or had costs paid for by Tearfund for a total of £8,928 for UK travel, communication and subsistence expenses (2023/24: six for £2,884). Five directors/committee members had overseas travel of £8,398 paid for by Tearfund (2023/24: three for £5,711). Indemnity insurance is provided for the Directors at a cost of £22,000 (2023/24: £24,000).

For the purpose of prior year comparative information, from May to September 2023, having resigned from the Board of Trustees, Stanley Arumugam took up the role of Interim Director for People and Talent to provide much needed input into this part of the business while recruitment for a permanent Director was undertaken. During this time, Stanley received remuneration of £30,105. Having concluded his role of Interim Director for People and Talent, Stanley was reappointed to the Board in January 2024.

Pensions
Tearfund has a defined contribution pension plan for UK employees called the Tearfund Group Personal Pension Plan and a separate defined contribution pension plan for overseas employees called the Tearfund International Group Personal Pension Scheme. These plans operate on a non-contributory basis. Included within creditors falling due within one year is £170,000 (2023/24: £245,000) in respect of pension contributions due to be paid to the fund managers.

8. TAXATION

Tearfund is exempt from taxation on its income and gains under sections 466 to 493 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Capital Gains Act 1992, to the extent that they are applied for charitable purposes. No taxable profit arises on Tearfund Trading Limited as it is dormant.

9. TANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total Tangible £'000
Cost				
At 1 April 2024	3,086	6,579	109	9,774
Additions	-	309	-	309
Disposals	-	(223)	(49)	(272)
At 31 March 2025	**3,086**	**6,665**	**60**	**9,811**
Accumulated depreciation				
At 1 April 2024	2,016	6,196	97	8,309
Charge for the year	60	161	2	223
Disposals	-	(222)	(45)	(267)
At 31 March 2025	**2,076**	**6,135**	**54**	**8,265**
Net book value				
At 31 March 2025	**1,010**	**530**	**6**	**1,546**
At 31 March 2024	**1,070**	**383**	**12**	**1,465**

The book value of freehold land not depreciated is £368,000 (2023/24: £368,000). Tearfund's offices in Teddington have a book value of £642,000 (2023/24: £685,000) and are insured at a value of £12,500,000 (2023/24: £12,340,000).

The Board continues to explore the option to sell our premises in Teddington and what premises we may need in the future.

10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2025, Tearfund had one wholly owned subsidiary (now dormant) which is registered in England and Wales.

Organisation name	Class of share of capital held	Nature of business
Tearfund Trading Limited	Ordinary	Raising funds through trading activities

11. STOCKS

	Tearfund Group		Tearfund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Goods held for distribution to communities	802	547	802	547
Disaster management and IT stores	-	4	-	4
	802	**551**	**802**	**551**

12. DEBTORS

	Tearfund Group		Tearfund	
Due within one year:	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Tax recoverable	225	599	225	599
Other debtors	168	205	168	205
Accrued institutional grants	5,429	3,365	5,429	3,365
Accrued legacy income	4,784	4,716	4,784	4,716
Prepayments and other accrued income	1,019	1,192	1,019	1,192
	11,625	**10,077**	**11,625**	**10,077**

13. FINANCIAL INSTRUMENTS

Included in Other Debtors, measured at fair value, is a derivative financial instrument. Tearfund has entered into a swap contract, covering the period from November 2024 to August 2025, which provides an insurance mechanism for communities at risk of drought in four countries. Payouts of £80,000, in the year to 31 March 2025, have been used for anticipatory action and early response. Tearfund's risk is limited to the original fixed payment of £94,000. The fair value movement of £51,000 (2023/24: £nil) was charged to charitable activities within the Statement of Financial Activities. The fair value of the instrument at year end was £43,000 (2023/24: £nil).

14. CREDITORS

	Tearfund Group		Tearfund	
Amounts falling due within one year:	**2025 £'000**	**2024 £'000**	**2025 £'000**	**2024 £'000**
Interest-free loans	350	350	350	350
Amount owed to group undertaking	-	-	5	5
Other creditors	1,213	1,197	1,213	1,197
Taxation and social security	1,074	783	1,074	783
Accruals	2,118	2,296	2,118	2,296
	4,755	**4,626**	**4,760**	**4,631**

The interest-free loans, which have been made by supporters, are unsecured and have no set repayment dates.

Deferred income balance	**2025 £'000**	**2024 £'000**
Opening balance	-	7
Released income	-	(7)
Deferred income	-	-
Closing balance	**-**	**-**

15. PROVISIONS FOR LIABILITIES

	Tearfund Group		Tearfund	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Opening balance	1,010	768	1,010	768
Additions	250	842	250	842
Charged	(699)	(474)	(699)	(474)
Reversed	(105)	(126)	(105)	(126)
Closing balance	**456**	**1,010**	**456**	**1,010**

Provisions for liabilities comprise amounts relating to an overseas bank account, redundancies, tax liabilities and ongoing litigation.

Redundancies are expected to be charged in the next financial year. The timing of the other provisions is unknown.

16a. FUNDS MOVEMENT (2024/25)

Tearfund and Tearfund Group	1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2025 £'000
General fund	6,117	35,342	(29,571)	(81)	11,807
Designated funds:					
Fixed asset fund	1,465	-	-	81	1,546
Strategic priorities	6	-	(6)	-	-
	1,471	-	(6)	81	1,546
Total unrestricted funds	**7,588**	**35,342**	**(29,577)**	**-**	**13,353**
Restricted funds					
Appeals and emergencies:					
Afghanistan	937	4	(233)	-	708
Bangladesh	11	2	(13)	-	-
Crisis to Resilience	404	-	(237)	-	167
DRC	-	574	(210)	-	364
DRC and South Sudan	-	181	-	-	181
East Africa hunger crisis	72	21	(58)	-	35
Ethiopia	403	3	(321)	-	85
Indonesia	131	1	(125)	-	7
Middle East	1,073	2,217	(1,618)	-	1,672
Other	3	122	(27)	-	98
Pakistan	1,120	933	(1,441)	-	612
Sudan and South Sudan	9	39	(1)	-	47
Syria crisis	334	-	(2)	-	332
Turkey and Syria earthquake	3,918	2,277	(3,496)	-	2,699
Ukraine	867	60	(298)	-	629
Yemen	622	12	(107)	-	527
	9,904	**6,446**	**(8,187)**	**-**	**8,163**

16a. FUNDS MOVEMENT (2024/25) CONTINUED

Tearfund and Tearfund Group	1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2025 £'000
Restricted funds brought forward	**9,904**	**6,446**	**(8,187)**	**-**	**8,163**
Country funds	3	69	(72)	-	-
Project funds:					
Institutions and trusts	9,230	33,589	(34,860)	-	7,959
Other	457	1,832	(2,020)	-	269
Beneficiary funds:					
Children	-	6	-	-	6
Issue funds:					
Disaster management	-	796	(796)	-	-
Water and sanitation	3	918	(921)	-	-
Transforming communities	(6)	1,240	(1,234)	-	-
Total restricted funds	**19,591**	**44,896**	**(48,090)**	**-**	**16,397**
Total	**27,179**	**80,238**	**(77,667)**	**-**	**29,750**

Designated funds are set up for the following purposes:

- The fixed asset fund represents the net book value of Tearfund's tangible fixed assets to indicate that these resources are not available for other purposes.
- The strategic priorities fund represented monies set aside to fund a range of strategically important projects across multiple countries, together with investment in leadership and management development and new information systems.

Restricted funds are shown under the following main categories:

- Appeal and emergency funds comprise funds raised for specific appeals and emergencies.
- Country funds comprise funds given for specific countries.
- Project funds comprise funds given for specific projects mainly by institutional donors.
- Beneficiary funds comprise funds given for the benefit of specific beneficiary groups such as children.
- Issue funds comprise funds given for specific issues such as disaster management, water and sanitation and transforming communities.

At 31 March 2025, there were deficit fund balances sitting within the broader fund categories of Institutions and Trusts Project funds and Other Project funds. In total, deficit funds amounted to £282,133 (2023/24: £307,325). Restricted fund balances may be in deficit where expenditure is made in advance of anticipated income and it is expected that the negative balances will be cleared in future accounting periods, or due to partner underspends, or where there are unrealised foreign exchange losses as at the year-end date.

16a. FUNDS MOVEMENT (2024/25) CONTINUED

Transfers between funds represent:
(a) Movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund.
(b) Balance transfers or reallocation of funds in line with donors' wishes.

Included within restricted funds are the following amounts relating to money received from the following donors:

Foreign, Commonwealth and Development Office (FCDO) and Other:	1 April 2024 £'000	Income £'000	Expenditure £'000	31 March 2025 £'000
DRC Incubation Fund	-	7	(7)	-
Ethiopia GSMA Climate Resilience	-	229	(229)	-
Iraq CSSF	191	648	(838)	1
Nigeria Innovate UK	(25)	178	(158)	(5)
Rwanda REDAA Strengthening System	-	176	(180)	(4)
Start Network:				
Burundi Flooding and Landslide Response	-	120	(120)	-
Democratic Republic of Congo Disaster Risk Finance	-	150	(150)	-
Democratic Republic of Congo Social innovation for IDPs	1	73	(67)	7
Democratic Republic of Congo Start Fund	-	200	(200)	-
Pakistan Flood Response	-	85	(85)	-
Philippines Disaster Risk Finance	(5)	5	-	-
Rwanda Refugees Response	-	74	(74)	-
Rwanda START fund flooding	(3)	-	3	-
South Sudan Displacement due to conflict	(2)	-	2	-
Zimbabwe Drought Response	-	1,073	(1,073)	-
Total FCDO funds	**157**	**3,018**	**(3,176)**	**(1)**
Disasters Emergency Committee (DEC):				
Middle East response	-	772	(677)	95
Pakistan floods	197	933	(1,130)	-
Turkey and Syria earthquake	1,091	2,272	(3,296)	67
Total DEC funds	**1,288**	**3,977**	**(5,103)**	**162**

16b. FUNDS MOVEMENT (2023/24)

Tearfund and Tearfund Group	1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2024 £'000
General fund	6,523	35,137	(35,669)	126	6,117
Designated funds:					
Fixed asset fund	1,570	-	-	(105)	1,465
Strategic priorities	35	-	(29)	-	6
	1,605	-	(29)	(105)	1,471
Total unrestricted funds	**8,128**	**35,137**	**(35,698)**	**21**	**7,588**
Restricted funds					
Appeals and emergencies:					
Afghanistan	1,814	418	(1,295)	-	937
Bangladesh	98	2	(89)	-	11
Coronavirus emergency appeal	145	1	(146)	-	-
DRC	-	1	(1)	-	-
East Africa hunger crisis	289	99	(316)	-	72
Ethiopia	-	1,072	(669)	-	403
Haiti	17	-	(17)	-	-
Indonesia	276	1	(146)	-	131
Middle East	858	875	(660)	-	1,073
Mozambique	91	14	(106)	1	-
Other	589	332	(514)	-	407
Pakistan	1,592	1,510	(1,982)	-	1,120
Sudan and South Sudan	-	16	(7)	-	9
Syria crisis	400	-	(66)	-	334
Turkey and Syria earthquake	3,635	3,422	(3,139)	-	3,918
Ukraine	1,189	156	(478)	-	867
Yemen	1,607	55	(1,040)	-	622
	12,600	**7,974**	**(10,671)**	**1**	**9,904**

16b. FUNDS MOVEMENT (2023/24) CONTINUED

Tearfund and Tearfund Group	1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2024 £'000
Restricted funds brought forward	**12,600**	**7,974**	**(10,671)**	**1**	**9,904**
Country funds	-	143	(140)	-	3
Project funds:					
Institutions and trusts	6,029	36,150	(32,863)	(86)	9,230
Connected Church	2	38	(40)	-	-
Other	560	1,555	(1,728)	64	451
Issue funds:					
Disaster management	-	839	(839)	-	-
Water and sanitation	-	721	(718)	-	3
Waste management	-	30	(30)	-	-
Total restricted funds	**19,191**	**47,450**	**(47,029)**	**(21)**	**19,591**
Total	**27,319**	**82,587**	**(82,727)**	**-**	**27,179**

16b. FUNDS MOVEMENT (2023/24) CONTINUED

Included within restricted funds are the following amounts relating to money received from the following donors:

Foreign, Commonwealth and Development Office (FCDO):	1 April 2023 £'000	Income £'000	Expenditure £'000	31 March 2024 £'000
Haiti: AID Match	58	155	(213)	-
Pakistan: AID Match	(5)	393	(388)	-
FCDO and Other:				
Nigeria Innovate UK	-	164	(189)	(25)
Iraq CSSF	6	1,196	(1,011)	191
Ethiopia GSMA Climate Resilience	-	94	(94)	-
Start Network:				
Philippines Abra Earthquake Response	3	-	(3)	-
Mozambique Flood Response Projects	8	-	(8)	-
Democratic Republic of Congo Displacement due to conflict and Hub Incubation	16	79	(95)	-
South Sudan Displacement due to conflict	21	-	(23)	(2)
START India Displacement due to conflict	-	105	(105)	-
Rwanda START fund flooding	-	145	(148)	(3)
Nigeria START Displacement due to conflict	-	244	(244)	-
Burundi Flood Response	-	407	(407)	-
Philippines Disaster Risk Finance	-	91	(96)	(5)
Zimbabwe Anticipation of Electoral Tensions	-	98	(98)	-
Democratic Republic of Congo Social innovation for IDPs	-	234	(233)	1
Democratic Republic of Congo START Fund Alert Cholera	-	150	(150)	-
Total FCDO funds	**107**	**3,555**	**(3,505)**	**157**
Disasters Emergency Committee (DEC):				
Afghanistan crisis	128	372	(500)	-
Pakistan floods	150	1,507	(1,460)	197
Turkey and Syria earthquake	940	3,091	(2,940)	1,091
Total DEC funds	**1,218**	**4,970**	**(4,900)**	**1,288**

17a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2024/25)

Fund balances at 31 March 2025 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,546	-	1,546
Current assets	15,484	17,931	33,415
Current liabilities	(3,221)	(1,534)	(4,755)
Provisions	(456)	-	(456)
	13,353	**16,397**	**29,750**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,546	-	1,546
Current assets	15,484	17,931	33,415
Current liabilities	(3,226)	(1,534)	(4,760)
Provisions	(456)	-	(456)
	13,353	**16,397**	**29,750**

17b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2023/24)

Fund balances at 31 March 2024 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,465	-	1,465
Current assets	10,367	20,983	31,350
Current liabilities	(3,234)	(1,392)	(4,626)
Provisions	(1,010)	-	(1,010)
	7,588	**19,591**	**27,179**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,465	-	1,465
Current assets	10,367	20,983	31,350
Current liabilities	(3,239)	(1,392)	(4,631)
Provisions	(1,010)	-	(1,010)
	7,588	**19,591**	**27,179**

18. OPERATING LEASE COMMITMENTS

At 31 March 2025, Tearfund and the Tearfund Group were committed to making the following payments in total in respect of operating leases for land and buildings:

	Tearfund Group		Tearfund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Within one year	495	665	495	665
In the second to fifth years inclusive	380	832	380	832
	875	**1,497**	**875**	**1,497**

19. RELATED PARTY TRANSACTIONS

A number of the Trustees of Tearfund are directors and trustees of other charities and organisations with whom Tearfund has historic relationships.

In 2024/25, goods and services of £22,000 were provided by related parties (2023/24: £nil). These comprised professional services from Bates Wells and venue hire of Waverley Abbey. Stephanie Biden is a partner at Bates Wells and David Wesson is CEO of the Waverley Abbey Trust. There were no outstanding balances owed at 31 March 2025.

Total donations from related parties in the year were £448,000 (2023/24: £371,000).

There were no expenditure transfers to the subsidiary of Tearfund (2023/24: £nil) in the year ended 31 March 2025. The balance of £5,000 (2023/24: £5,000) owed by Tearfund to Tearfund Trading Limited at the end of the year is disclosed in Note 14. Tearfund Trading Limited is now dormant.

20. ULTIMATE PARENT

The Trustees consider that the ultimate parent and controlling party of the group is Tearfund.

21. CAPITAL COMMITMENTS

At 31 March 2025, there were contracted or authorised capital commitments of £nil (2023/24: £nil).

tearfund.org

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Registered office Tearfund, 100 Church Road, Teddington, TW11 8QE. Registered in England 994339. A company limited by guarantee. Registered Charity No. 265464 (England & Wales) Registered Charity No. SC037624 (Scotland)

tearfund

TEARFUND

England & Wales - Charity number 265464

Accounts

Annual Report 2023/24

Celebrating the past year

Report and Financial Statements 2023/24
Year ended 31 March 2024

tearfund

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Front cover: Valérie is a CCT facilitator in Côte D’Ivoire. Photo: Thiombiano Dioyadibi Emmanuel Benjamin / Tearfund

Where we work

We're working in more than 40 countries to bring an end to extreme poverty.

Asia

Bangladesh
Central Asian States
India
Indonesia
Myanmar
Nepal
Philippines

East and Central Africa

Burundi
Central African Republic (CAR)
Democratic Republic of Congo (DRC)
Ethiopia
Rwanda
South Sudan

Eurasia and North Africa

Afghanistan
Iraq
Lebanon
Pakistan
Syria
Ukraine
Yemen

Southern and East Africa

Malawi
Mozambique
Uganda
Zimbabwe
Kenya *
Tanzania *
Zambia *

West Africa

Burkina Faso
Chad
Mali
Nigeria
Benin *
Cameroon *
Côte D'Ivoire *
Ghana *
Guinea *
Liberia *
Niger *
Senegal *
Sierra Leone *
Togo *

Latin America and the Caribbean

As of March 2024, Tearfund does not maintain any country offices in Latin America and the Caribbean, but operates with a regional team focused on influencing churches, church networks and allied organisations for integral mission.

UK **

USA

* Regionally based teams who influence churches, church networks and allied organisations for integral mission

** Raising awareness and mobilising the church to act and speak out on justice and poverty

Chair’s introduction

Our close partnership with the local church is leading to extraordinary impact, as we see church after church becoming a centre of transformation, and communities changed forever. It defines who we are, and enables us to have far greater impact and reach than if we worked alone. Our impact study, *Local Church, Lasting Transformation*, shows that, for every £1 we invest in communities through the church, a ‘social value’ of £211 is created. Nine out of ten communities which receive our innovative training go on to improve or build facilities such as waterpoints, schools and health clinics. At both community and individual level, in economic, social, personal and spiritual spheres, hope is built and lives are changed. You can read this extraordinary success story on page 12. This is genuinely groundbreaking work, and growing numbers of churches and denominations worldwide are inviting Tearfund to support and resource them so they can use this approach.

As for so many others in the sector, the cost-of-living crisis has made our work far more expensive to carry out, and we have seen shifting patterns in our income. In response, we’ve had to take the immensely difficult decision to restructure Tearfund significantly this year. In doing so we reviewed our work carefully, looking at what we bring and what others bring, in a sector with many players. Our conclusion was that Tearfund’s distinctive contribution lies in its work to support and resource the local church, as the church responds to its calling to be an agent of transformation in this world. We see no one else doing quite what we do here, and we can see the impact is tremendous. To protect and continue to build this, in a constrained financial context, and seeing where others are now engaged, we have chosen to close our global-level policy work.

Our decision is no reflection on the extraordinary work that has been done by our Global Advocacy and Influencing Team. For more than 30 years, Tearfund has been a pioneering voice calling for action on the environment. We have helped amplify the voices of those most affected by climate change, supporting campaigns and movements around the world; challenged and shaped conversations in governments, businesses and churches; and seen policies and practices changed for the benefit of people living in poverty.

We are tremendously grateful for the lasting impact our amazing Global Advocacy and Influencing colleagues have had, at national and global levels. We pray that we will honour their legacy and build on their achievements as we now focus on supporting advocacy through local churches and church networks, and supporting them in becoming centres of transformation where they are.

I am continually grateful to the Board and Committee members who guide, oversee and pray for Tearfund's work. We were heartbroken when Antony Barnes, our Treasurer, unexpectedly passed away in the autumn. We are so grateful for Antony, a gentle, wise and faithful disciple of Christ, and for all he brought to our Board and organisation. Our prayers continue for his family. We are tremendously grateful to John Shaw, Antony's predecessor, for picking up the role again over some crucial months, while we recruited Helen Cowing.

Anna Laszlo, Chair of Board

CEO's Introduction

At Tearfund we are called to 'go where the need is greatest', and this last year has been particularly demanding as we followed God's call. We live and work in a world in which conflict, political instability, forced migration and the climate emergency continue to cause great distress and dislocation for those who already live in poverty. Yet, we passionately believe that God's church can continue to bring good news to those most affected, that change is possible, that relationships can be restored, and that transformation is happening.

It has not been an easy year for us at Tearfund. With less unrestricted income than we hoped for, we have had to restructure parts of our organisation and make some very tough decisions. I would like to thank all of my colleagues for their servant-hearted commitment during these testing times.

Yet, amid all this challenge, our commitment to our calling has not changed: we continue to serve the church and churches in the world's most demanding places, to bring the kingdom of God to those who live in poverty.

And as our *Local Church, Lasting Transformation* study proves, our work with and through the church has a huge multiplier effect in terms of its return on investment. We have seen church leaders, heads of denominations and heads of theological institutions embrace this work to transform communities, and commit to scaling it up. We hope and pray that our vision to see 250,000 churches around the world becoming 'centres of transformation' by 2030, can become a reality.

In 2024/25, we look forward to taking the next step on that journey, responding to the exciting demand that we are seeing from church leaders, heads of denominations and theological institutions to embed church and community transformation within their churches and communities. We are planning to work with another 10,000 churches this next year, and are embedding significant scale up plans to allow us to progress still further towards this vision of 250,000 churches as centres of transformation. As detailed below, we are also carrying out a second detailed impact study as we seek to quantify and analyse the extraordinary transformation we continue to see at community level.

Let me take this opportunity to thank you – whether you're a donor, supporter or church – for giving so generously to support this work. We see change happening across all four of our focus areas: Church and Community Transformation, Environmental and Economic Sustainability, Reconciled Peace-filled Societies and Crisis to Resilience. We continue to believe and see evidence that poverty is not God's plan. Instead, we believe that you are his plan because, like us, you believe that change is possible for those who live in poverty.

Nigel Harris, CEO

This year

£82.6m
raised to transform lives around the world

Worked with
190 partners,
1,272 denominations
(of which 188 were new)
across a total of
695 projects

2.9 million
people reached directly through our projects

Over 30,000 local churches mobilised as transformation centres around the world..

…that have indirectly reached over
6.1 million
individuals

741,000
people supported through our crisis to resilience work

Working through local churches and using the Church and Community Transformation (CCT) methodology offers a great opportunity to achieve considerable scale (as evidenced by our *Local Church, Lasting Transformation* study). Though the 6.1 million figure is an estimate, we include it as we believe they are a good indication of the reach of our work.

Unlike a traditional development programme where the NGO has a list of beneficiaries/people involved, in CCT this varies. We ask countries to estimate based on their experience and knowledge of the process. As Tearfund mainly plays the role of training trainers and facilitators, once facilitators are mobilising a church, it can be difficult to get exact numbers of participants from them. In some cases, participants may register for a Bible study group or other activities, however this information is hard to get back from the many thousands of churches involved who have varying numbers of participants meeting for various activities, potentially many times a month. Therefore, using those country estimates and based on the total number of local churches active as transformation centres, we have been able to calculate the estimated number of CCT participants last year.

Next page: Merci, 10, prays in the home she shares with her brother in Chad. Photo: Peter Caton/Tearfund

Trustee Directors' strategic report

The Board of Trustee Directors present their Annual Report, together with the audited, consolidated financial statements, for the year ended 31 March 2024.

Charitable purpose

Tearfund is a registered charity in England and Wales, established to support other charities/voluntary bodies and the general public/humankind.

The charitable purposes of the organisation are:

- the prevention or relief of poverty
- overseas aid/famine relief
- religious activities

The Trustee Directors confirm that due consideration has been given to the Charity Commission's guidance on public benefit, including 'public benefit: running a charity (PB2)' and 'public benefit: reporting (PB3)'. They are confident that all activities undertaken by Tearfund this year contribute to the charity's aims and objectives and have been delivered in accordance to the charitable purposes above and therefore, Tearfund meets the public benefit requirements of the Charity Commission in our reporting.

Principal activity

Tearfund is a Christian relief and development agency committed to eradicating poverty. Tearfund's call over the past 56 years has remained constant: to follow our biblical mandate to see people lifted out of material and spiritual poverty.

Our vision is to see people freed from poverty, living transformed lives and reaching their God-given potential.

Our mission is to follow Jesus where the need is greatest, responding to crises and partnering with local churches to bring restoration to people living in poverty.

Our values mean that we seek to be Christ-centred, compassionate, courageous, truthful and servant-hearted.

Our approach is to invest in mobilising the church for integral mission, bringing transformation to every area of life and eradicating extreme poverty. We inspire and equip churches and individuals to transform their communities, respond to disasters and influence people in power to lead fairly.

Our ambition is to see 250,000 churches becoming centres of transformation by 2030.

Partnerships and principles

Our partners are local churches, denominations and Christian national and international non-government organisations who agree with our Statement of Faith and meet our partnership criteria. We undertake our operational programmes, which are directly implemented and overseen by Tearfund staff, in countries affected by protracted and/or recurrent crises, where the availability and capacity of partners are limited.

Tearfund is a member of various alliances and networks. These include: the Disasters Emergency Committee, BOND (a network of organsiations working in international development) Micah Global Network, Integral Alliance, Start Network, Joint

Learning Initiative and World Evangelical Alliance.

Tearfund upholds a set of corporate Quality Standards which reflect the organisational characteristics we aspire to and the relevant external and internal accountabilities, standards, codes, guidelines and principles we're committed to. Please visit **tearfund.org/qualitystandards**

With a shared Christian identity and common goal to reduce poverty and injustice, the immediate Tearfund Family brings together agencies in the UK, Ireland, Belgium, France, Germany, the Netherlands, Canada, USA, Australia and New Zealand. They collaborate with a wide range of other organisations and agencies globally, all committed to bringing lasting transformation.

Tearfund and our partners work with people in the greatest need around the world, regardless of their race, religion, ethnicity, ability, age, sex and gender or nationality.

Our corporate priorities

As an organisation, we've chosen to focus on four areas of intervention — our corporate priorities — where we bring specific expertise and experience as we partner with the church, locally, regionally and globally. These are complementary, strategic areas of focus which help the church achieve holistic transformation and the restoration of four broken relationships: people's relationship with God, themselves, each other and creation.

Church and Community Transformation (CCT) is the foundation of our work, supported and complemented by the other three priorities:

- Environmental and Economic Sustainability (EES)
- Reconciled Peace-filled Societies (RPS)
- Crisis to Resilience (C2R)

These are the key priorities that we have agreed for the medium term, that we consider we are uniquely placed to deliver and that will enable us to contribute to transformational change in the countries in which we work.

The corporate priorities are applied according to contextual needs, working across multiple, different thematic areas, but the church remains central to all four of our priorities. Together, they all contribute to our goal of seeing 250,000 churches become centres of transformation by 2030.
Each corporate priority is working towards a vision and set of outcomes and together they lead to holistic transformation and reduction of poverty.

These are the key priorities that we have agreed for the medium term, that we consider we are uniquely placed to deliver, and that will enable us to contribute to transformational change in the countries in which we work.

To achieve our outcomes, we will continue to scale up our work to see continued impact across our four corporate priorities with Church and Community Transformation connecting and interacting with the other corporate property areas.

In the pages that follow, the Trustee Directors present the strategic report which details progress made against our key objectives set last year and our aims for 2024/24

Next page: Rebecca, partner staff member, praying at her church in Chad. Photo:Peter Canton/Tearfund

Church and Community Transformation

Church and Community Transformation (CCT)

Our purpose is to equip local churches which are strategically placed to serve their community's needs: to drive long-term change, restore families, reawaken hope and reinvigorate communities, leading to sustainable economic growth.

Core statistics

In just the first six months of this year,[1] we've supported:

4,131
local churches actively engaged in transforming their community

412
denominations and church networks mobilised in CCT

39
theological training organisations with CCT integrated into their curriculum

Strategic update

Church and Community Transformation is the cornerstone of our work to tackle extreme poverty and we have an ambitious plan in place to scale up this exciting programme.

We are passionate about mobilising local churches to lead lasting change in their communities with local solutions. To see even more local churches embarking on this journey, we encourage and equip denominations, parachurch/peer organisations, theological colleges and networks to become agents of transformation. Right now, there are more than 30,000 local churches actively transforming their communities through CCT. Overall, Tearfund and our partners have engaged almost 5,000 denominations and church networks.

[1] With the renewing of all country strategies in early 2024, we have not collected the total data for the year 23/24 but will have an update in September 2024. The numbers shown here are for March 2023 to October 2023.

We have worked hard to provide relevant, effective technical support for churches to help them bring transformation, and are constantly looking at how to adapt CCT for use in new settings, including fragile and urban contexts. For example, we are piloting new CCT processes to improve inclusion, such as promoting orality training (learning through speech) and adapting resources for children and young people. We recognise the unique contribution local churches can make in addressing deep-rooted sensitive issues such as sexual and gender-based violence and interfaith cohesion, and are committed to helping them realise their potential.

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Continue the large-scale study of our work to measure the impact of CCT in four further countries in different contexts

Our research into the difference that our CCT work makes is our largest ever impact study, and its findings are striking. We began in 2022/23 by surveying 8,000 people across Rwanda, Sierra Leone, Tanzania and Zimbabwe. The study found credible, consistent and compelling evidence for the hypothesis that the CCT process leads to improved wellbeing and reduced poverty for people who take part and their wider communities. Every £1 invested in CCT unlocks £7 worth of resources mobilised by communities, which together create up to £211 worth of social value in terms of increased wellbeing. Our findings include the fact that, through our bespoke community training, people are 46 per cent more likely to speak up and raise issues with decision-makers, and CCT develops self-sufficiency by helping people stabilise or grow their income year on year.[2]

This year, we have surveyed 6,000 more people in Nigeria, Malawi and Bangladesh, with further data collection in Burundi planned for June 2024. We are testing again the hypothesis that the CCT process leads to improved wellbeing and reduced poverty, but surveying in different settings. These include a Christian-minority context (Bangladesh), urban megacities (in Lagos and Dhaka) and where the CCT process is a shorter length (Burundi). We are also testing a new hypothesis that the CCT process leads to healthier local churches: churches that are committed to living our integral mission and that are well equipped and resourced to do so sustainably. A report on this second phase of the study will be published later in 2024.

[2] For more information about the impact of CCT, visit: tearfund.org/impactstatements

2 Launch an online CCT training curriculum

Reaching and training more CCT facilitators is key to scaling up our CCT work, so this year we have focused on developing new, accessible resources and programmes to support these important catalysts for growth.

In 2022, Eagles, a Tearfund partner in Malawi, developed a two-part online course designed to train facilitators in their version of the CCT process, known as Mapiko. This year, Tearfund worked with Eagles to develop this content to provide online training with the potential to reach more CCT facilitators in all the countries where we are running CCT programmes.

Through a process of co-creation, with our partners and CCT trainers, we completed the development of the new training course which will be piloted in three countries in Southern Africa in the financial year 2024/25.

3 Mobilise 100 new denominations

We have started new relationships with 188 denominations and 224 networks in 21 countries this year, inspiring them to start their CCT journey. More than half of these denominations committed to scaling up CCT with their own resources, so the process will be sustainable.

We have also created new networks and partnerships. One important partnership we forged was with five senior church leaders from Syria: we took them to Kenya to see first hand the impact of CCT in the predominantly Muslim slums of Mombasa and with African Brotherhood churches around Nairobi. Unusually, this Syrian delegation was made up of Catholic, Orthodox and Protestant clergy, and their collaboration has led to renewed partnerships across denominations in Syria. One of these church leaders has already started to apply what he learnt.

In Kigali in September, we convened a three-day Pan-African meeting known as The Church and Community Transformation Africa Summit, bringing together 50 influential senior church leaders from 23 countries, representing about 80 million Christians across Africa. The result was a new Africa Christian Transformation Forum with the purpose of scaling up CCT models, and engaging African political leaders to drive transformative change at the national, regional and Pan-African levels. Immediately after the Kigali meeting, church leaders from Chad set up a national platform for CCT, while the Archbishop of the Anglican Church in Zambia influenced

the entire denomination to adopt CCT at the centre of all ministry work. At a follow-up meeting in Zambia in March, senior church leaders discussed strategies to scale up CCT with their churches in partnership with Tearfund.

Another exciting development in March 2024 was an 'envisioning workshop' in Blantyre for 72 key church leaders from ten denominations, organised by our in-country and regional teams. The meeting was hosted by Blantyre Synod, which is part of the Church of Central Africa Presbyterian, one of the most influential churches in Malawi. Delegates agreed to form a committee promoting CCT to potentially 1,800 more local churches.

What we learnt

We are committed to assessing the impact of our CCT work through evaluations and research, and to learning from our findings. Evaluations during the last year highlighted that the greatest impact on people's wellbeing from involvement in CCT is seen in rising levels of faith and of material assets and resources. Improvements in these two areas are also closely linked to stronger social connections and improved capabilities respectively. Also, an internal evaluation of our CCT work found that most successful CCT processes are based around small-group structures, such as Bible study groups, savings groups or livelihoods cooperatives. With this in mind, we aim to encourage more churches to use such structures.

Going forward in 2024/25

We aim to:

- increase capacity to serve new partnerships to mobilise more churches, denominations, networks and peer organisations.
- see 10,000 new local churches active as transformation centres through Church and Community Mobilisation (CCM).
- focus on churches integrating RPS, EES and C2R into Church and Community Mobilisation processes.
- increase saving groups, such as self-help groups, established and integrated into CCM.

Environmental and Economic Sustainability

Environmental and Economic Sustainability (EES)

We want environmental protection and economic development to go hand in hand. We work with local churches and communities to tackle environmental and climate challenges while creating green jobs to improve people's livelihoods and build sustainable economic development.

Core statistics

This year, we've seen

10
EES theology research papers and resources produced

33
changes in policy and practice related to EES

46
countries working on EES-related projects and programmes

Strategic update

Our belief that we need to live differently, in relation to others and to creation, lies at the heart of our work on Environmental and Economic Sustainability (EES). Our aim is to build a robust EES movement, based on our theology, and engage decision-makers with an alternative vision for sustainable development.

Our core focus is to increase public awareness, and to build stronger partnerships and movements for measurable policy gains. We achieve this by using the primary approach of advocacy and influencing.

We continue to develop and implement projects and programmes built on EES principles that promote green jobs, ecosystem restoration, circular economies, policy influence, renewable energy, community empowerment and widespread adoption of sustainable practices.

Previous page: In Burundi, self-help groups have found new ways to protect the environment against plastic bags by making bags and containers from banana and plant leaves. Photo:Paul Mbonankira/Tearfund

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Introduce our abundant community theology into more theological colleges and other influential church spaces

Our 'abundant community' theology (ACT) explores how communities can live sustainably and justly, and we work closely with theology schools and church networks to inspire and mobilise people around this vision.

We worked closely with theological institutions to integrate ACT into their teaching. To embed this theology more widely, we shared it with our partners in Africa, Asia, Latin America and the Caribbean, and organised workshops and consultations about adapting it to local contexts.

This year, we developed a number of resources setting out this theology. These included a set of papers which were launched in November and discussed at several conferences and events, as well as a Bible study series and an animated video launched in March. The key themes of ACT formed the basis of a number of resources for Christians and church communities, including our *Restorative Revolution* project and a guide for our Rubbish Campaign, *Less Plastic, More Life*.

2 Seek to influence the UN Plastics Treaty negotiations through our Rubbish Campaign

The UN negotiations on a global Plastics Treaty are a unique opportunity to tackle plastic pollution which threatens the lives of so many people living in poverty. Lobbying for an ambitious treaty has been the key focus of our Rubbish Campaign this year.

We attended the second round of treaty talks (INC-2) in Paris and met with UK Government officials to discuss progress. We also lobbied UK parliamentarians on plastic pollution through a Rubbish Campaign drop-in in Westminster and a backbench debate in Parliament, and engaged supporters through events such as a Week of Prayer and Action and Plastic Free July.

Alongside this, we have continued our campaigning and advocacy on the climate crisis. This has included organising and participating in protests against fossil fuels (including the No Faith in Fossil Fuels event). We have also attended international

climate and sustainability summits, including COP28 in Dubai, with strong representation from our international partners. We continued to collaborate with movements such as the Climate Action Network, and achieved strong media coverage for our advocacy.

3 Deliver projects in 20 countries to build restorative economies and resilience in the face of future climate and environmental crises

We have continued to expand this work in helping communities develop sustainable economies and build their resilience to climate and environment related pressures. We have expanded our EES programme and projects into 46 countries: they have included everything from solar-energy projects in Yemen and Nigeria to climate-smart agriculture in Pakistan. We have also provided technical assistance to projects wanting to improve their sustainability, and support for integrated programmes and projects focusing on gender, environment and the climate crisis. Often, these projects are integrated with our work on self-help groups and CCT, to help ensure they are sustainable.

We have also engaged in advocacy on environmental and climate justice. For example, we have supported communities in Nepal, India and Bangladesh in calling for better access to resources, and contributed to a green jobs policy brief for the Nepalese Government. We have also explored collaboration with new partners such as SEED, a global coalition promoting entrepreneurship for sustainable development, to expand our CCT work.

What we learnt

A five-year review of our EES work found that it is having a positive impact on people's social, environmental and economic conditions. Its most significant impact is on people's material assets and resources, while also contributing considerably to developing their capabilities and skills. While our EES work is helping communities care for the environment, we recognise we need to do more in this area. We also learnt from our review that integrating EES with CCT processes magnifies the impact of our EES work.

Going forward in 2024/25

We aim to:

- embed EES church movement activities through self-help groups in Africa.
- establish new saving groups, aligned to movement building that are able to engage in policy-influencing initiatives.
- envision aligned national EES movements with existing CCT movements.
- reduce carbon emissions for all operations.

Reconciled Peace-filled Societies

Reconciled Peace-filled Societies (RPS)

We hope to see communities working together across divides to resolve conflict peacefully. We support churches, faith groups and local communities to address the effects and systemic causes of violent conflict and bring lasting peace for themselves, their neighbours and their society.

Core statistics

This year, we've supported:

3,836
local churches to help build resilient peace-filled societies

280
active projects focused on peacebuilding and gender justice

594
communities reached through RPS projects

Strategic update

We are committed to enabling and mobilising churches so they can play a pivotal role in strengthening community resilience, reducing violence, promoting reconciliation and building sustainable peace.

We are passionate about recognising and promoting young people and women in leading peacebuilding and gender justice initiatives, and providing theological and leadership training to support them in this. We continue to strengthen support systems for local peacebuilders, gender champions and advocates through collaborative networks and shared learning. These activities remain rooted in context-driven and participatory approaches that use digital technologies to enhance impact, efficiency, inclusive and sustainable practices.

As we look to the bigger picture, we are actively involved in addressing structural injustices, promoting interfaith dialogue and building strategic partnerships to help create environments of justice and security.

Previous page: Pastor Armando Hernández Puac with his wife, Concepción Mendoza Choché, at home in Guatemala. Pastor Armando is now a Gender Champion who volunteers in his community. Photo:Caroline Trutmann/Tearfund

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Support 300 communities to experience greater trust and reduced levels of violent conflict

This year, our work has built trust and mitigated violent conflicts in 594 communities. These efforts have strengthened relationships within communities and put in place lasting foundations and frameworks to help them move away from conflict towards sustainable peace.

In Pakistan, particularly in Peshawar, the *Flourishing Together* project promotes peaceful coexistence and tolerance between diverse faith groups, including Muslims, Hindus, Christians, Sikhs and other minorities. This initiative has focused on building mutual understanding and respect through community activities such as peacebuilding and conflict-resolution training.

And in Lebanon, where religious and political tensions often lead to unrest, a Tearfund partner runs programmes where young people from across ethnic and religious divides form friendships and learn from one another, contributing to peace and healing between their communities.

Meanwhile, in Burundi, community conflict-transformation dialogues have helped reduce significantly the number of grievances brought before local authorities. These dialogues are facilitated by peace champions trained by our partner Help Channel Burundi. They are proving highly effective in building community cohesion and trust, and are credited with a marked decrease in violent conflicts.

2 Contribute to reduced levels of gender-based violence and increased participation of women and young people in 300 communities

Our work has contributed significantly to reducing gender-based violence in 511 communities while enabling women and young people to play a more significant role in society. Our *Transforming Masculinities* approach, for instance, has addressed harmful beliefs and practices and equipped both women and men to champion gender equality.

In Zimbabwe, our Prevention of Sexual Exploitation and Abuse (PSEA) project used the peer-to-peer model *Journey to Healing* to respond to and highlight the needs of

survivors of sexual and gender-based violence (SGBV). A major achievement is the RISE UP network, where survivors advocate for policy changes to prevent SGBV, share their experiences and support one another.

Meanwhile, in Mali, our work supporting survivors of female genital mutilation/cutting (FGM/C) has had profound impacts. Mounina, whose mother survived FGM/C, won a national beauty contest and used her platform to oppose the practice publicly. Enabling Mounina's mother to speak openly about FGM/C has broken the cycle of violence and empowered the next generation to stand up to such practices.

A project in Makwanpur and Sindhupalchok districts in Nepal addressed SGBV and human trafficking. In the course of the three year project, which ended this year, 65 self-help groups (SHGs), 15 adolescents' groups and eight children's clubs were formed and played a crucial role in prevention and response efforts. In addition, 33 SHGs were trained on referral pathways and services and supported 338 survivors through these mechanisms.

3 Support 300 churches and faith communities to model and drive structural change in support of sustainable peace

This year, we have supported 1,246 churches and 324 faith groups to play a crucial role in driving structural changes that promote sustainable peace. These groups have used their positions of influence to initiate important dialogues and actions addressing social injustices and advocating for reconciliation and peace. They have had some profound impacts on society, not least in influencing eight different policies and practices.

For example, the Latin American and Caribbean (LAC) Youth Network is supporting young leaders to drive political, social and environmental change across the region. Together, they are tackling key issues such as gender-based violence, corruption and climate change. The network is currently engaging 133 young people and has influenced 144 faith communities across several countries this year, initiating 45 campaigns and other initiatives to address these critical challenges.

What we learnt

Evaluations of our work on Reconciled Peace-filled Societies highlight the need for systemic change that extends beyond individual impacts. They also underline the importance of strategic links between community initiatives and higher-level policymakers. It is crucial to engage and effectively support faith leaders and others who can influence change at community level, to ensure they promote positive social norms and address broader systemic challenges.

Going forward in 2024/25

We aim to:

- mobilise churches and faith leaders for RPS.
- equip and support peacebuilders and gender champions.
- expand peacebuilding and gender approaches into new countries.

Crisis to Resilience

Crisis to Resilience (C2R)

Our vision to see communities restored means we want to equip churches and local communities in disaster preparedness, help them respond to emergencies, and invest in building resilience and hope in the long term.

Core statistics

This year, we've supported

923
local churches to understand disaster risks, prepare for crisis and mobilise in response

27
partners through our capacity-strengthening programme

119
humanitarian responses in 28 countries

Strategic update

To have the greatest impact and to bring about meaningful change, we are focused on strengthening local churches and our partners in disaster risk reduction, preparedness and response. We want to see local churches and communities prepared for crises and enabled to deliver swift, high quality, integrated responses. We also want to see increasing recognition for the vital role and distinctive strengths that faith actors demonstrate in the humanitarian space that strengthen resilience and hope.

Our commitment to localisation remains central to our work: we will continue to support and build the capacity of our local partners in preparing for and responding to crises.

Previous page: Psychological support session taking place in Syria. Photo:Raymond Salloum/Tearfund

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Strengthen local churches and communities so they are prepared for crises and can demonstrate their ability to be inclusive first responders

Equipping churches to take up their role in disaster preparedness, response and resilience has been a central focus of our work across our regions this year. In Colombia, for example, we accompanied 30 church leaders in a training programme which helped them identify specific local hazards and vulnerabilities and gave them tools to manage disaster risk alongside their community.

Similarly, in Lebanon we worked with the Middle East Council of Churches to train local church members and seminarians on disaster preparedness, response, recovery and mitigation, through our *Disasters and the Local Church* curriculum. The result will be an ecumenical network trained and well prepared to act as first responders when crises arise.

During the Start Network's response to flooding in Burundi's Bubanza province in January to March, churches and communities participated in a rapid needs assessment to identify the priorities of the affected population. Our church partner, Help Channel Burundi, provided shelter, multi-purpose cash assistance and hygiene materials to 15,100 people as a result. Through a community feedback mechanism, community members were able to influence the list of participants suggested by local leaders, to ensure those in greatest need received help.

2 Deliver holistic responses which go beyond meeting immediate needs, to strengthen resilience and nurture hope

When responding to emergencies, we continue to emphasise the importance of building longer-term resilience, increasing communities' capacity to cope with future shocks and stresses.

For example, with our Kenyan partner ADSMKE, we initiated a project in Marsabit county where drought had caused significant loss of livestock among pastoralist communities. The project helps people explore viable alternative livelihoods, such as agriculture and chicken farming, alongside restocking livestock for about 400 households. By diversifying livelihood opportunities we hope to build community resilience by reducing vulnerability to future climate-related hazards.

In 20 flood-damaged villages in southern Punjab, Pakistan, our partner Rural Education and Economic Development Society restored water infrastructure, essential for crop irrigation, and provided livestock in a project reaching 14,000 people, including many female-led households.

We also facilitated community dialogues which led to the creation of 28 self-help groups in 17 agro-pastoralist communities in Ethiopia facing prolonged drought. Meanwhile, in Lobaye, Central African Republic, and Pochalla, South Sudan, we blended emergency response with projects to diversify livelihoods and address conflict at source. For example, in Lobaye, young people were paid to rehabilitate and construct water sources, keeping them away from crime.

3 Build the participation of faith actors in disaster response and preparedness, to increase their capacity in coordination and decision-making, as well as wider recognition of the distinctive and important role they play

Supporting and equipping faith actors is central to our Crisis to Resilience work. Our 2023 report, *With You in the Storm*, highlighted the significant impact they can have, through case studies from Zimbabwe and the Philippines. Here, faith actors mobilised their local communities to support each other in coping with shocks and stresses.

We are putting this learning into practice in Asia, where we are supporting a network of 16 faith organisations involved in disaster management by facilitating a platform for shared learning. This year, we also worked with 27 partners through our ongoing capacity-strengthening programme: many report that they have joined at least one new network or coordination forum since participating in this programme.

In Pochalla, South Sudan, we have worked with religious and community leaders to establish structures such as disaster management committees, to support inclusive, community-led responses to future crises.

What we learnt

An evaluation of our partner capacity-strengthening programme found that we have more to do in communicating the benefits of locally-led approaches. We also need to make better use of the experiences and voices of partners engaged in the programme. We want to go further in using our evidence to advocate for more localisation and greater recognition and support for faith actors working in the humanitarian system.

Going forward in 2024/25

We aim to:

- equip churches and church networks to take on their role in inclusive disaster preparedness, response, and resilience building.
- reach people through high-quality and timely humanitarian responses that go beyond immediate needs to strengthen resilience and preserve hope.
- increase capacity for local partners for disaster preparedness, response, and resilience building.

Our Supporters

Our supporters

Our amazing supporters are at the heart of who we are and all we do, so we work hard to connect them with all that God makes possible through their partnership, generosity and prayers.

Core statistics

This year, we're celebrating:

31,000+
supporters praying regularly for an end to poverty and injustice

£82.6m
raised to transform lives around the world

74,168
people making a gift to enable our work

Strategic update

Our supporters are absolutely central to our work, vital partners in our mission. We are humbled and grateful for their continued commitment to praying, fundraising, regular giving, donating to emergency appeals, and campaigning. It is because of them that we are able to reach millions of people each year.

It is vital, then, that our Christian values are evident in how we interact and communicate with our supporters, build relationships with them, express our gratitude and prioritise accountability and transparency.

Our supporters have always been incredibly generous in donating to our emergency appeals and have continued to respond faithfully to our summer, harvest, Christmas and Lent appeals. Last year, however, our unrestricted income was below our forecast. Therefore, our focus for this year has been to raise unrestricted funds, which we can spend anywhere in the world.

Previous page: Tearfund volunteer serving at Big Church Festival, England. Photo:Chris Hoskins/Tearfund

Key objectives and achievements

These are the key objectives we set ourselves last year, with examples of how we met them and what we learnt.

1 Connect with a millennial audience deepening their engagement with Tearfund through giving and prayer

At the start of this year, we launched an innovative and bold campaign called *Practise What You Pray*, aimed at a younger demographic than our current core supporter base. At the heart of the campaign was a film shot on location at one of our CCT programmes in Burundi. It challenged charity giving stereotypes by shifting the focus from what the donor has made possible to what a community has achieved for themselves through CCT.

Another initiative, this one specifically targeting 'Gen Z', was a leadership development programme run by our Youth and Emerging Generation Team. This interactive, part-time programme for 17-23-year-olds provided an online and in-person experience to equip them, engage hearts for justice and help participants develop a theological understanding of social justice issues.

The group of 22 students involved in this programme raised £7,716 for our work. One participant said: 'I am so glad I took the step and did *Justice in Action* this past year. I learnt so much. I especially loved the in-person workshops which were so immersive and fun... I am so proud looking back at what the team and I raised to help people living in poverty.'

2 Draw in new individual and church supporters to be part of our mission to see an end to poverty and injustice

This year, we have been excited to see new relationships developing with the Diocese of Oxford, who are exploring ways they can be involved in supporting our work. We have also reached new supporters through face-to-face conversations at events, through radio and publication inserts, and through digital adverts.

We have seen a deepening of our relationships with Black Majority Churches: reconnecting with some key denominations and church leaders. Our sponsorship of key events such as the Ministers' Appreciation Ball, the StepFWD Christian and gospel music awards, and the New Testament Church of God (NTCG) 70th Anniversary Convention has facilitated relationship building, increased awareness of our work within the Black Majority Church and assisted in the development of new partnership opportunities. In 2024/25 we will be building relationships with a number of congregations within NTCG and we were also hugely encouraged to receive a substantial gift at the end of 2023 from an up-and-coming Black Majority Church based in London, who had heard about our work through social media.

3 Work closely with our international group to be able to share with supporters better evidence of the transformative impact their generosity is having

We have used helpful impact reports from our partners to better show supporters the difference their giving is making. Together, we have developed a tool which shows specific things that an individual supporter has contributed to. This can include the number of projects they have supported, the number of people who have been directly impacted, and the particular sustainable development goals that they have contributed to. This data is then entered into software which produces a beautiful infographic, so supporters can see the impact of their generosity at a glance.

Going forward in 2024/25

We aim to:

- Maintain a healthy balance of income streams including:
  - **Long term vs short term income:** We will continue to raise income from new and currently engaged churches and individuals, as well as seeking longer term income through legacy marketing (target of 283 new pledges) and regular giving recruitment (target of 2,597 new regular givers).
  - **Individuals and churches vs high value income:** Our 'individuals and churches',income of £29.4m (excluding Gift Aid and Emergency funds), and £12.9m from Key Churches, Key Investors and Trusts.
  - **Unrestricted vs restricted:** £36m unrestricted, and £48.49m restricted income (including institutional).

- Focus our fundraising on 8 sub-objectives:
  - **Awareness** - Increase in spontaneous brand awareness among active UK Christians from 5 per cent to 9 per cent by the end of 2024/25
  - **Engage churches** - Increase income from and through churches from £2.6m in 2023/24 to £3.5m in 2024/25
  - **Acquire individuals** - Recruit over 10,000 new and reactivated donors in 2024/25
  - **Retain** - Increase the number of active individual donors who have given in the last two years from 98k to 105k by March 2025.
  - **Grow value** - Achieve £36m for unrestricted and lightly restricted income
  - **Legacy** - Generate 283 legacy pledgers in 2024/25
  - **Prayer** - Achieve 1.9m individual engagements with prayer in 2024/25
  - **Campaign** - Maintain the number of individuals in the UK have taken action in the last 2 years to 8,985

Structure, governance and management

Organisation

Tearfund is a private limited company, limited by guarantee without share capital that was incorporated on 13 November 1970. The governing document is the Articles of Association filed with Companies House.

The Board of Directors holds formal, all-day meetings four times a year, as well as other ad hoc meetings and events. The Board is ultimately responsible for strategic decisions, having taken advice from the Chief Executive (CEO) and Executive Team. Trustee Directors are appointed by the Members at the Annual General Meeting. The Trustee Directors may also appoint a Trustee Director to serve until the next Annual General Meeting, at which time they cease to hold office but are eligible for election. The procedures for appointment and induction of Trustee Directors are set out in the Tearfund Board manual.

Trustee Directors' recruitment is undertaken by the Board in consultation with the Chief Executive and Executive Team. An induction programme is run for new Trustee Directors. The Board meeting in March 2025 is planned to take place in Rwanda where Trustee Directors will be given the opportunity to gain a wider appreciation of Tearfund's work.

In March 2019, the Board carried out a re-evaluation of the skills and experience required by the Trustee Directors. Where key gaps were identified, these have now been filled. The Board also set targets for diversity within its membership, which continued to be met during 2023/24. The targets for Board membership include:

- not to fall below one third for either sex
- to be at least one third Black, Asian or Minority Ethnic

The current composition of the Board of Trustee Directors satisfies the targets above. The composition of the Board and the committees is set out on pages 39-41. Trustee Directors are appointed for three years and serve a maximum of three terms unless exceptional circumstances apply. As permitted by the Articles of Association, the Trustee Directors have the benefit of a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and remains in force. The company also purchases Directors' and Officers' liability insurance in respect of itself and its Trustee Directors. Trustee Directors receive no remuneration for acting in this capacity.

During 2023/24, a review was undertaken of the governance practices and arrangements of the Board compared to the Charity Governance Code. The review found that most of the recommended practices in the Code are in place. Where recommendations for improvements were made, the Board is agreeing an action plan to address them.

The Board has delegated approval for day-to-day operational decisions up to certain financial thresholds to the Chief Executive and other Executive Team members under a Scheme of Delegation, to enable them to coordinate and direct Tearfund's work worldwide. All decisions above these thresholds must be approved by the Board. The Board has also reserved to itself certain important decisions, such as major initiatives, appointment of the Chief

Executive and approval of the long-term objectives and strategy.

Members

The Trustee Directors are the only company law members.

Employees

The work of Tearfund overseas and in the UK relies on the commitment and hard work of its valued staff. Communication links are maintained through team briefings and other internal channels such as specific communications on particular matters of concern and our now fortnightly Tearfund Connect emails to all staff. Tearfund holds regular meetings with staff representation bodies to consider and act on the views and concerns of employees, and to consult on relevant issues.

The CEO and other directors frequently engage with staff, sharing information about the work of Tearfund and about operational, financial and other factors impacting our work. We also hold regular question-and-answer sessions for staff with the CEO and Executive Directors, to ensure that employees have the opportunity to hear about and ask questions on matters affecting them. When reaching key decisions, the directors are always careful to consider employee interests and the impact that their decisions will have on our staff and the communities we serve.

Volunteers

The financial statements do not reflect the considerable and vital support given to Tearfund by more than 1,300 volunteers in the UK and countless more overseas. Their help is at the heart of Tearfund's work: they bring life to the organisation and help us to operate effectively. The many roles they undertake include encouraging prayer, campaigning, acting within their local churches and communities, enthusing others, engaging with local media and championing lifestyle changes. We celebrate the enormous contribution made by so many of our volunteers in organising or participating in fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund's approach and the Board is very grateful for their commitment and contribution.

Internal control and risk management

The Trustee Directors have overall responsibility for Tearfund's system of internal control. Such a system can provide only reasonable, and not absolute, assurance against errors or fraud. There is a clear delegation of the Trustee Directors' authority through the Chief Executive to the rest of the organisation.

The Audit, Risk and Finance Committee receives regular reports from the Head of Internal Audit, whose team works in accordance with an agreed plan based on an assessment of areas of greatest risk. The external auditor meets with the Committee once a year.

Tearfund operates a rolling, three-year planning process with an annual budget approved by the Board of Trustee Directors. Significant changes are subject to specific approval. A two year-reforecast of the expected results is undertaken midway through the year, with additional forecasts prepared as required. The financial reporting systems provide monthly comparison of actual results against budget and forecast.

The Trustee Directors are responsible for the overall governance of risk at Tearfund. The Trustee Directors continue to oversee the implementation of an organisation-wide risk management system to integrate risk

management into Tearfund's main corporate activities and in decision-making in the pursuit of the organisation's objectives.

The system includes a comprehensive Risk Management Policy, Risk Appetite Statement and Risk Management Procedure, which provide clear accountabilities, structures, guidance, training and processes for managing risks to stakeholders' and the organisation's objectives. The focus in 2024/25 will be on updating the risk management approaches to reflect the revised organisational structure, and to better reflect some of the specific challenges Tearfund faces in operating in a constantly changing environment.

Tearfund maintains a comprehensive corporate risk register which identifies the major strategic and operational corporate-level risks and how they are being managed. Further detail on Tearfund's management of risk can be found on pages 57-59. The key risks are reviewed quarterly by the Executive Team and by the Audit, Risk and Finance Committee, who report key considerations to the Board.

The Head of Risk and Compliance works with the Executive Team to compile an Annual Review of Corporate Risks and Risk Appetite, which is presented to the Board. The Trustee Directors have given consideration to the major risks to which Tearfund is exposed and are satisfied that systems are in place to monitor, manage and mitigate Tearfund's exposure to those risks. They recognise that the nature of some of Tearfund's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity.

The Trustee Directors consider that maintaining Tearfund's general reserves within the range stated on page 75, and reviewing internal controls and risks through an internal audit programme, will provide Tearfund with adequate risk assurance and sufficient resources in the event of adverse conditions.

In the year 2023/24 some of those reserves have been needed to absorb unforeseen changes to our fundraising income, and higher costs. During this period, the Board has put in place more regular reviews of the mitigating actions to prevent further decline, and plans to rebuild reserves over time.

Fraud is prevalent in many of the countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential fraud or other actual or alleged financial wrongdoing are required to be reported to the Chief Operating Officer, who chairs the Financial Wrongdoing Review Team and maintains a register of the irregularities, actions taken and results. A quarterly report on this register is provided to the Audit, Risk and Finance Committee. All frauds are reported to the Charity Commission. Tearfund engages an Investigations and Safeguarding Manager to advise and coordinate prevention and response to fraud and other types of wrongdoing. Our approach to safeguarding is set out in detail on pages 50-52.

Tearfund is a member of the Disasters Emergency Committee (DEC) and is also a fully certified member of the Core Humanitarian Standard Alliance (CHS). Tearfund's Emergency Response Procedures, Quality Standards and our wider operations and assurance processes and procedures have been designed and/or adapted to ensure alignment with our commitments to the networks of which we are a part.

Remuneration

Tearfund's pay policy seeks to balance our Christian values with the ability to attract and retain the best people in our sector. We do

this by market reviews of our salary scales each year. We draw data from a number of charity sector-specific pay surveys, including Birches Group for our regions, and Croner Reward and XpertHR for the UK. For the countries in which we operate, benchmark data is obtained for each country. In the UK this data is based on the following criteria:

- location
- organisations with an income of around £80 million
- organisations of between 200 and 499 employees
- median pay levels

Under our current pay policy we aim to pay staff working outside the UK at the mid-point of market benchmark data. For staff working in the UK, we aim to pay between the 37.5th percentile and mid-point of the market benchmark data.

We take inflation into account by considering yearly increases based on available finances, although we acknowledge that it is not possible for us to keep up with the very high current levels of global inflation. We also consult with the Staff Council and carry out a survey of similar organisations in the sector. Tearfund's Executive Team is in the top grade of the Tearfund grading salary structure. The Board sets the salary for the Chief Executive. Details regarding employees with emoluments above £60,000 can be found on page 86.

Health and safety

Tearfund has a Health and Safety Policy in place in respect of both UK and international operations, and the Board reviews Tearfund's performance annually. A Health, Safety and Wellbeing Risk Register is maintained and reviewed every six months by a management committee.

Tearfund Scotland

We are required by the Office of the Scottish Charity Regulator to report separately on the activities that Tearfund has undertaken in Scotland. These activities are led by a team which has been based in Tearfund's Glasgow office. We receive funding from the Scottish Government and Scottish trusts. We raise funds from individuals and other organisations throughout Scotland, and raise other support including campaigning and prayer. Tearfund does not have grantmaking activity in Scotland.

Tearfund Trading Ltd

The net assets and activities in Tearfund Trading Limited were transferred to the parent charitable company, Tearfund, on 31 March 2023 following a reduction in sales, including the trading element of Toilet Twinning branded products. There are no plans for any future activity in Tearfund Trading Limited.

Who's who

Board of Trustee Directors

The Board of Trustee Directors is responsible for ultimate strategic decisions. Individual appointments follow robust recruitment processes and are confirmed at the Annual General Meeting (AGM). The Board of Trustee Directors who were in office during the year and up to the date of signing were:

Anna Laszlo (Chair)
Stanley Arumugam *(until April 2023. Director from May to September 2023. Rejoined January 2024.)*
Antony Barnes *(Treasurer until October 2023)*
Stephanie Biden *(Deputy Chair until September 2023 and remains Trustee Director)*
Jayakumar Christian
Helen Cowing *(from March 2024.Treasurer from 1 May 2024)*
John Davidson *(also a director of Tearfund USA)*
Rev Catherine De Souza
Sally Jones-Evans
Jean Paul Ndagijimana
Rosemary Nuamah Williams *(until February 2024)*
Yemi Odusolu
Harry Phinda
John Shaw *(interim Treasurer from November 2023 until April 2024)*
David Wesson *(also Deputy Chair from September 2023)*

Committee members

Details up to 31 March 2024. The Board recruits people with specific expertise to sit on sub-committees of the Board:

Audit, Risk and Finance Committee
Antony Barnes *(Chair until October 2023)*
Anna Beck
Helen Cowing *(from March 2024.Committee Chair and Treasurer from May 2024)*
John Davidson *(Chair from November 2023 until April 2024)*
Steve Foster *(until November 2023)*
Robert Hardy
Joseph Kariuki
John Shaw *(Treasurer from November 2023 until April 2024)*
Rosie Slater-Carr

People and Culture Committee
(encompassing the former Diversity and Inclusion Committee)

Stanley Arumugam *(Chair from January 2024)*
Ayo Afolabi *(was on Diversity and Inclusion (D&I) Committee, continues on People and Culture (P&C) Committee)*
Doyin Atewologun *(was on D&I Committee, continues on P&C Committee)*
Stephanie Biden *(until November 2023)*
Sally Jones-Evans *(from January 2024)*
Anna Laszlo *(Chair of D&I Committee until December 2023, remains on P&C Committee)*
Harry Phinda *(until November 2023)*

Supporter Engagement and Fundraising Committee
(formerly Global Fundraising and Communications Committee)

David Wesson (Chair)
John Davidson
Sarah Douglas
Yemi Odusolu
Harry Phinda *(until November 2023)*
Simon Poole

International Impact Committee

Jean Paul Ndagijimana (Chair)
Adelaide Addo-Fening
Joanna de Berry
Sally Jones-Evans *(until November 2023)*
Fi McLachlan *(until November 2023)*
Adam Taylor *(until November 2023)*
Fletcher Tembo *(until February 2024)*

Safeguarding Committee

Stephanie Biden (Chair)
Stanley Arumugam *(from January 2024)*
Rev Catherine De Souza *(from June 2024)*
Sally Jones-Evans *(from May to November 2023)*
Rosemary Nuamah Williams *(until February 2024)*

Theology Committee

Rev Catherine De Souza (Chair)
Jayakumar Christian
Right Rev Dr Emma Ineson
Jocabed Solano Miselis
Esther Mombo
Jean Paul Ndagijimana
Rev Dr Israel Olofinjana

The Well Committee

Yemi Odusolu (Chair)
Ayo Afolabi
Lotwina Farodoye
Theo Mathias-Nwaulune
Ladun Omideyi
Harry Phinda *(from November 2023)*
Claudine Reid *(until February 2024)*
Pam Thompson
David Wesson

Board Development Committee (formed in January 2024)

Sally Jones-Evans (Chair)
Stephanie Biden
Anna Laszlo
David Wesson

National Advisory Committee members

Northern Ireland

Helen Mills (Chair)
Johnny Currie
Denise Hayward *(until April 2023)*
Naomi McClelland
Susie McCollough *(until April 2023)*
Robin McCormick
Laura McFarland

Scotland

Jenny Honey (Chair)
Richard Atkinson *(until September 2023)*
Chris Gbenle
Dez Johnston
Fiona Morrison *(until September 2023)*
Ellyn Oliver *(until January 2024)*
Stephen Prem

Wales

Rev Dominic De Souza (Chair)
Bethan Day (née Sharpe)
Owain Edwards
Edwin Egede
Lois Franks
Cadi Gwyn
Iwan Robb

Ambassadors

Rev Celia Apeagyei-Collins
Guvna B
Peter Chambers
Anne Coles
Rev John Coles
Martha Collison
Liz Earle
Pete Greig
Tamsin Greig
Lord Michael Hastings
Tom Herbert
Rev Siew-Huat Ong
Ruan Pienaar
Marvin Rees
Daniel Rowden
Nissy Tee *(from February 2024)*
Derek Thomas MP *(from May 2023)*
Right Rev Ric Thorpe
Right Hon Sir Stephen Timms MP
Will Torrent
Laura Young

Executive Team

The Board has delegated day-to-day operational decisions to the Executive Team:

Nigel Harris, **Chief Executive**
Stanley Arumugam, **Interim Director of People and Talent** *(from May to September 2023)*
Olutayo Bankole-Bolawole, **Director of People and Culture** *(from October 2023)*
Catriona Dejean, **Director of Strategy and Impact** *(until April 2024)*
Nigel Gavin, **Director of Finance and IT** *(until October 2023)*
Stuart Lee, **Global Fundraising Director** *(Interim, March to May 2024. Fully in post from end May 2024)*
Tim Morris, **Interim Director of Finance and IT** *(October 2023 to February 2024)*
Veena O'Sullivan, **International Director**
Tim Pilkington, **Chief Operating Officer** *(from March 2024)*
Jane Pleace, **Global Fundraising Director** *(until February 2024)*
Dr Ruth Valerio, **Global Advocacy and Influencing Director** *(until April 2024)*

Independent auditors	Crowe UK LLP, 4th Floor, St James House, St James Square, Cheltenham, Gloucester GL50 3PR
Solicitors	Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham B3 2ES
Bankers	Barclays Bank UK plc, 1 Churchill Place, London E14 5HP
Registered office	100 Church Road, Teddington TW11 8QE

Stakeholder engagement

S172 Statement

Trustee Directors are required to explain how they consider the interests of key stakeholders and the broader matters set out in Section 172 of the Companies Act 2006 in promoting the success of the company for the achievement of its charitable purposes.

In order to assist Trustee Directors with these duties, all papers submitted to the Board identify the areas of Section 172 to which they relate. This statement focuses on matters of strategic importance and the level of information disclosed in this statement is consistent with the size and complexity of the business.

General confirmation of Trustee Directors' duties

Tearfund's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its committees. This is set out in Section 4 of the *Governance Manual*, and Appendices 8-14. These sections explain the roles and responsibilities of the eight committees and highlight some of their principal areas of involvement and decisions taken during 2023/24. When making decisions, each Trustee Director ensures that they act in good faith to best promote the company's success for the achievement of its charitable purposes, and in doing so will have regard (among other matters) to the following.

S172(1) (a) 'The likely consequences of any decision in the long term'

Tackling deep-rooted challenges needs long-term vision and commitment. We have four outcome-focused corporate priorities:

- Church and Community Transformation (CCT)
- Environmental and Economic Sustainability (EES)
- Reconciled Peace-Filled Societies (RPS)
- Crisis to Resilience (C2R)

Over this past year, once again we've seen churches continuing to step up and respond to crises, conflicts, and climate change. The pressures of the cost-of-living crisis, exacerbated globally by the war in Ukraine, have meant increasing marginalisation and vulnerability for communities across the countries in which we are present. Churches have continued to focus their work on a range of areas and we've continued to see that CCT is a very valuable approach. We commissioned year two of the impact study, *Local Church, Lasting Transformation*, with four more countries across Africa and Asia. The data and insights from this study will be used, along with last year's study, to inform longer-term strategies and approaches for working with churches and communities, as well as our fundraising activities to engage supporters and donors.

S172(1) (b) 'The interests of the company's employees'

The Board recognises that Tearfund employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are located in the world.

We remain focused on prioritising our staff as our most valuable assets. In our last staff survey, results slipped in the areas of: trust in leadership; career progression and pay and benefits. The results in these areas are similar across the charity sector in the UK due to the financial challenges post-covid. We are aware that the significant cost-based redundancies announced in 2023/24 have inevitably led to lower levels of engagement in our staff survey results, including trust in leadership.

As a result, we have developed key actions that we hope will help improve our ratings moving forward. These include the creation of a People and Culture committee and a redesign of our People and Culture group to be better fit to support our staff in the financial year 2024/25.

S172(1) (c) 'The need to foster the company's business relationships with suppliers, customers and others'

To deliver our mission and strategy, and to create impact at scale, we need to work with others. Tearfund's key business relationships are with churches and other partners, the communities with whom we work, our suppliers and our donors and supporters. This is not an exhaustive list. Other key stakeholders include Tearfund Family members and the Charity Commission. Our engagement with these stakeholders is referenced in this report.

We will continue to work in our traditional way through in-country partners, and at the same time build our capacity to work through partnerships, alliances, networks and movements, both Christian and secular. We will continue to position Tearfund as a thought leader in faith and development through these relationships.

The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on page 31. We are strengthening relationships with our suppliers by entering into framework agreements and clear contractual terms and conditions. We have continued to roll out our global procurement system this year and it is fully embedded across the organisation, giving greatly enhanced visibility over our supply chain. The Board receives regular updates on stakeholder engagement, ranging from aspects of our corporate priorities work to supporter surveys which underline our global fundraising strategy.

S172(1) (d) 'The impact of the company's operations on the community and the environment'

There are overlaps and interconnections between our corporate priorities. It would not be unusual to see an EES project taking place in a fragile state using CCT methodology, or for communities to understand their environmental and economic responsibilities and opportunities as a consequence of our work on root causes in fragile states. Community transformation is at the heart of what we do to see communities that are resilient to shocks and stresses, working for peace and unity and

contributing to better futures for themselves and others (see pages 11-29).

Our EES work happens at community, national and global levels which we continue to report on in our environmental performance (see pages 56-57).

S172(1) (e) 'The desirability of the company maintaining a reputation for high standards of business conduct'

It is crucial that Tearfund maintains its reputation for high standards of conduct, not least because local churches around the world are affected by our work and reputation. Reputation is one of the six areas of impact that we use to evaluate all corporate risks, to ensure it informs all key decision-making. We remain committed to financial and risk management, compliance, safeguarding and good governance. We are committed to a focus on the charity's impact. During 2023/24 we have co-designed a global impact framework with teams around the world, to have a consistent structure and metrics for measuring the scale and depth of impact of our work.

In September 2023, the Board undertook an evaluation against the Charity Governance Code. No significant areas of concern were raised and the Board was rated as 'Effective' overall. One recommendation was the establishment of a Board Development Committee. This was formed in January 2024 and is advising the Board around succession planning

Each Board Committee evaluates its effectiveness in meeting its terms of reference annually. Following a review in March 2023, the Board established a new People and Culture Committee, which includes within it the work of the (now disestablished) Diversity and Inclusion Committee, and a new Board Development Committee. The latter initiates recruitment of new trustees, considers the outcome of Board evaluations and recommendations from them, and generally maintains oversight of the effectiveness of the Board as a whole.

We continue to improve our corporate reporting mechanisms, and collect data on our people, funding, operations and impact. Over 2023/24 we have been reviewing and updating our reporting in line with our strategic changes.

S172(1) (f) 'The need to act fairly as between members of the company' is not relevant to Tearfund's organisational structure, as the charity is run in the interests of its charitable objects rather than in the interests of its members.

Board and committee highlights

The Board committees are made up of people with specialist knowledge and expertise who meet four times a year. They report into the quarterly Board meetings.

Board highlights

As well as its regular business of reviewing impact and risk, the Board spent a considerable proportion of its time this year discussing and agreeing an appropriate response to a changing external context. Along with many other non-governmental organisations in the UK, Tearfund has experienced significant financial pressures. These have been due to a rise in costs because of increasing inflation and – perhaps consequently – a drop in unrestricted giving against what we budgeted for.

As a result, the Board agreed substantial cuts in expenditure across the organisation. The Board reviewed and agreed recommendations on how these cuts should be achieved, taking into account the likely impact on staff, and on Tearfund's work and achievements in both the short and longer term, and its own distinctive offering in a sector with many other players. In reviewing options, the Board agreed a significant strategic change to Tearfund's engagement, in closing its global-level advocacy and influencing work, to focus future advocacy at country and regional level. The Board noted and celebrated the tremendous achievements in this work over the years, including significant work on climate change, plastic pollution, movement and network-building, and increasing church awareness and engagement in these areas. It is the Board's prayer that those who go out from Tearfund into the wider sector will take their extraordinary skills and experience into new areas and bless others in the way they have blessed the communities and churches with whom Tearfund works. Their impact will continue for decades to come.

Audit, Risk and Finance Committee

Our Audit, Risk and Finance Committee promotes and ensures good governance, sound financial management and disciplined risk taking, working closely with Tearfund management, to make sure resources are stewarded well.

Achievements in 2023/24

The committee provided support and direction to the Finance Team, which has been invaluable in the current financial climate. They continued to review the highest risks the organisation faces and responded to them as they changed throughout the year. The Board appointed a new Chair to the Audit, Risk and Finance Committee, Helen Cowing, with effect from 1 May 2024, and selected a new external auditor, Crowe (UK) LLP, from a list of strong candidates following the retirement of BDO LLP after nine years as our external auditor.

Board Development Committee – formed in January 2024

This new committee has been formed in response to the findings of a Board committee effectiveness review undertaken in late 2023. Its primary purpose is to support the Chair to optimise the Board's effectiveness through activities such as recruiting trustees to meet the needs of the Board, and regular evaluations of trustees, committees, the Board and Chair. This is followed up by appropriate action plans, and recommending suitable training to ensure trustees can fulfil their duties.

International Impact Committee

Our **International Impact Committee** ensures a regular review of Tearfund's corporate priorities with a particular focus on the effectiveness, impact, distinctiveness and sustainability of our work. This means we will always be learning and improving how we work, and ensuring we are focusing our efforts where we can achieve the best outcomes.

Achievements in 2023/24

The committee continued to support the International Group, Strategy and Impact Group, and Global Advocacy and Influencing Group, and continued to challenge the Executive Team, encouraging robust discussion around priorities and strategies. Throughout the year, they oversaw the change in operating models within the International Group, including the implementation of three-year country strategies. The committee also celebrated the very successful launch of the CCT impact study produced by the Strategy and Impact Group. There was sadness with the closing of the Global Advocacy and Influencing Group but the committee felt encouraged that its main functions would continue, albeit at regional and local, rather than at global, level.

People and Culture Committee

Our People and Culture Committee (encompassing the former Diversity and Inclusion Committee) supports and holds to account the Executive Team on the delivery, implementation and effectiveness of its Equity, Diversity and Inclusion Strategy. The committee's key aim is to see measurable changes in Tearfund's organisational culture.

Achievements in 2023/24

This committee was established in response to an identified gap in the Board's committee structure, and held its inaugural meeting in February 2024, reviewing its Terms of Reference and agreeing its priorities for the first year. This Committee takes over responsibility for the matters previously dealt with by the Diversity and Inclusion Committee, which has therefore been disestablished.

Safeguarding Committee

Our **Safeguarding Committee** provides Board oversight of how Tearfund's safeguarding culture develops, how cases are handled and how learning is embedded. It supports the Board in overseeing how Tearfund's safeguarding policies and procedures are shaped and implemented.

Achievements in 2023/24

The committee worked to provide stability and continuity through a period of significant turnover among our staff responsible for safeguarding. We also considered the complexity of Tearfund's responsibility to encourage good safeguarding practice among partner organisations where we have little control or ability to investigate concerns (including where we do not provide funding).

Supporter Engagement and Fundraising Committee

Our **Supporter Engagement and Fundraising Committee** supports, prays and brings specific experience and insight into Tearfund's fundraising and communications. The Committee plays an oversight role, bringing its expertise to innovate, encourage and balance risk.

Achievements in 2023/24

The committee provided support and encouragement for the Global Fundraising Group, helping the group to navigate a highly volatile and challenging fundraising environment throughout 2023/24. This included overseeing the restructure of the group's mass marketing functions, and the reduction of costs throughout the group.

Theology Committee

Our **Theology Committee** ensures Tearfund maintains a robust Christian identity, provides guidance on key theological issues and ensures all aspects of Tearfund's work have strong theological foundations.

Achievements in 2023/24

The committee continued to input into and review the Theology and Network Engagement Strategy. They shaped the theological principles for Tearfund's integral mission approach in the context of Eurasia and North Africa and reviewed research which examined the impact of Tearfund's influencing work with theological training organisations in French-speaking Africa and East and South-East Asia.

The Well Committee

The Well Committee assists the Board in deepening its engagement with Black Majority Churches in the UK, bringing together experience, networks and technical expertise to enable the committee collectively to oversee the work of The Well@Tearfund.

Achievements in 2023/24

The committee encouraged a streamlined, more focused approach, working with a few missions, which led to some successes in fundraising. They continued to ensure the work of the African and Caribbean Engagement Team (ACE) leads to greater depth in our engagement with Black Majority Churches, despite the wider economic challenges.

Safeguarding

We are deeply committed to following Jesus' example in treating everyone with care and respect. It is of paramount importance to us that we safeguard and protect all our partners, representatives, staff, supporters and, above all, the communities we serve: some of the world's most vulnerable people.

Policies and procedures

In the year 2023/24, we continued to have a robust suite of policies and procedures in place to prevent abuse and harm. We also ensured that with every case we encountered, the reflections and learning continued to inform the training of our staff and partners, and informed any necessary updates in policies and procedures. Our Safeguarding and Whistleblowing Review Team (SWRT) oversaw that Tearfund's Safeguarding and Whistleblowing policies and procedures were developed and implemented, and ensured that every reported case received attention and was fully and fairly investigated. The SWRT reports to the Safeguarding Committee which provides Board oversight of Tearfund's safeguarding culture, how cases are handled and how learning is embedded.

We remained committed to the ongoing training of our staff, representatives and partners. Mandatory e-learning on safeguarding is expected to be completed regularly by all staff and Board members. We are currently working on another mandatory e-learning called *Dignity at Work.* The focus of this training is to create a safe working environment, ensuring colleagues can protect each other's dignity and peace of mind in the workplace.

Our commitment to safe recruitment continued to be one of the foundational pillars of our efforts to ensure that we mitigate risk. We carry out Disclosure Barring Service checks for the UK and ensure all staff and representatives are securely vetted. We use robust checks for non-UK citizens too, using a third-party service provider. As members of the Misconduct Disclosure Scheme, participating agencies are able to ask previous employers about potential recruits and request detailed statements about any sexual abuse, harassment or misconduct in previous posts.

We continue to take a 'survivor-centred' approach to safeguarding and will work sensitively with the survivor to ensure that, wherever possible, their wellbeing and interests are prioritised.

Handling complaints and concerns

We encouraged reporting of safeguarding and whistleblowing cases and continued to create awareness of our feedback mechanisms across the organisation, our partners and the communities where we work. We encouraged the use of our available reporting tools. These are: Safecall, a whistleblowing mechanism provided by an external company available to staff, partners and communities; the Ombudsperson email, through which concerns about members of the Board or Executive Team can be reported; and our new mechanism, Tearfund's Incident Management System (TIMS). TIMS is an in-house reporting system, introduced in

2023, where staff can report all types of incidents, for example financial wrongdoing, safeguarding, whistleblowing, safety and security, and any event that could result in injury or harm to a Tearfund staff member.

All information is treated confidentially and only shared with those who need to know. Reports can be submitted anonymously. However, where possible, if contact information can be shared, it makes follow-up and support much easier. In the last half of 2023/24, two reports came through TIMS. As this is a fairly new reporting mechanism, we continue to analyse its effectiveness and hope to see increased confidence and use of TIMS in the 2024/25 reporting period. All these mechanisms are advertised in our offices, at partner offices and Tearfund events.

Assessment of safeguarding risks

We continue to monitor safeguarding risks, ensuring that the SWRT includes two members with relevant regional and programmatic experience Before cases are formally closed, we gather learnings from them, reflecting on the investigation process and areas that need improvement or increased protection, which allows us to implement further preventative measures.

- **Non-funded partners with poor safeguarding policies**. When working with partners that are not funded by Tearfund, it becomes more difficult to enforce our safeguarding policies. Our network of focal points provides regional and country-level safeguarding support for partners.
- **Misunderstanding and lack of awareness of cultural norms** in places visited by our staff and representatives. We continue to emphasise the importance of pre-departure and on-arrival briefings and are in the process of discussing further improvements and upgrades to our current briefings, to emphasise the need for cultural sensitivity and awareness.
- **General awareness.** We continue to promote safeguarding awareness, good practice and reporting mechanisms among our staff and partners, and as they implement community activities.
- **Third party/partner-led.** These are cases which are reported to Tearfund but in which we are unable to control the process because another agency or authority is responsible for investigating. In these instances, we work as closely as we can to provide support where we're invited to do so

Review of cases 2023/24

Number of safeguarding incidents received quarterly					Total	Safeguarding cases referred to the Charity Commission
	Q1	Q2	Q3	Q4		
2023/24	3	2	0	8	13	2

Table: Breakdown of reported cases by quarter of the 2023/24 financial year

During the period 2023/24 we dealt with 13 safeguarding cases, in comparison to 12 cases in the period 2022/23

- Seven cases involved Tearfund staff or representatives compared to the previous period in which four cases were reported. This increase may reflect improved confidence in Tearfund's response – more reporting, but not necessarily more underlying incidents. This would be encouraging as we have sought to address suspected underreporting. Nevertheless, it is concerning, and highlights the need for continued awareness and training.
- Four cases involved partner staff or representatives, which is similar to the previous reporting period.
- Two cases were incidents within the community in which Tearfund or partners were working. We recorded four cases in the last reporting period. In these cases, we sought to influence the wider community and provide support and protection for those affected.
- We continue to monitor the uptake of TIMS as a reporting mechanism and hope that, with our drive towards greater awareness, reporting will improve in the next financial year.

The year in review: 2023/24

We noted that more whistleblowing cases were reported than safeguarding concerns compared to previous years. The SWRT continues to analyse the causes of this, considering whether it is a matter of increased misconduct in our staff and partners, more awareness of misconduct due to our mandatory e-learning courses *Anti-corruption and Bribery* and *Whistleblowing and Conflict of Interest,* or underreporting of safeguarding cases. We seek to continually improve our processes to ensure that all safeguarding cases are reported and survivors are heard and protected. Perpetrators face consequences in line with our survivor-centered approach, which puts the rights and dignity of survivors, including their wellbeing and safety, at the forefront of all efforts to prevent and respond to sexual exploitation, abuse and sexual harassment, regardless of the affiliation of the alleged perpetrator.

We have noted that more can be done to educate and raise awareness among staff and partners, and this will be a focus for the first half of 2024/25. Going forward, the SWRT intends to use our experiences and reflections to create training sessions based on real life case studies, that will better prepare our staff to handle situations on the ground, creating increased survivor sensitivity, better processing of information and better understanding of the protocols to follow in an incident.

We have safeguarding focal points – staff trained to deal with safeguarding risk assessments and reporting and to provide support to colleagues in their region. We continue recruiting more focal points and will be having a focal point training early in the financial year 2024/25. We need to continue to emphasise the importance of reporting and the protections in place for whistleblowers and safeguarding reporters. It is likely that underreporting remains an issue. We will continue to work with staff, partners, and all stakeholders to ensure that cases are reported and the vulnerable are protected.

Definitions

Child safeguarding: A child is anyone under the age of 18.

Adult safeguarding: We acknowledge that anyone we support may be 'at risk' due to the unequal power relationship between

Tearfund or partner staff and volunteers, and the vulnerable people we work with. Furthermore, Tearfund has identified that any adults who are in a relationship where there is unequal authority or power dynamics may be at risk of abuse.

People and culture

It was a difficult year for our staff, and several change processes we undertook needed the leadership and support of the People and Culture Group, to ensure staff were treated with respect and dignity and had clarity on the proposed change

These change processes affected not only what the group focused on but also group membership, due to staff turnover. There was also a transition in leadership of the group and a new People and Culture Director took office in October 2023. The group's ability to change its plans to support the organisational change process in a difficult period was invaluable.

The group played a key role in supporting Tearfund staff and their wellbeing throughout the change processes, including 78 staff members who were given psychosocial support. Chaplains were invited to two in-person Sabbath days to provide counselling services. The Internal Communications and Engagement Team provided space and numerous opportunities for staff to engage with leadership and with one another through different means. Across the organisation, deliberate efforts were made to destigmatise mental health issues.

The Organisation Development Team ran a pulse survey at the height of the change process, and the findings have led to an organisation-wide plan to address the issues that emerged in 2024. The People and Culture Group are working to scale up collaboration within this group and across our organisation. The aim is to build oneness across the organisation after the change processes.

The Human Resources Team worked closely with the Finance and Information Technology (FIT) Group to address the economic volatility across several countries where we work, to cushion the effect of high inflation. They also completed a pilot of a new induction process for new line managers at Tearfund.

Here is a summary of our key aims for 2023/24 and how we met them:

- **Strengthen our approach to attracting and developing talent.** We have piloted and reviewed a new appraisal system across all groups, which we aim to launch in 2024/25. It will provide a real-time picture of performance and is clear, simple and collaborative.
- **Deepen our spiritual vitality.** We have developed a new standalone, weekly prayer resource for supporters, based on the content of our previous CCT emails. We have had a number of more interactive prayer sessions for staff through *Tearfund Unplugged*.
- **Work better globally.** Our plan to create a more global Tearfund was finalised and signed off by the Executive Team and is now being applied across the organisation. As a result, we have seen an increase in the recruitment of more global roles outside the UK.
- **Fostering a diverse and inclusive culture.** Our *Unconscious Bias* e-learning was updated following feedback and is now a mandatory part of compliance training.

The group's work this year has provided a solid foundation for the year to come when its focus will be on:

- developing and implementing a new People and Culture Strategy
- implementing plans in response to our staff survey findings, including building trust across the organisation, communicating our ambitions, prayer and strategic intent
- identifying and nurturing talent
- finalising and implementing the Equity, Diversity and Inclusion Strategy.

Environmental performance

Climate change is hitting people living in poverty the hardest and preventing them from flourishing. We have a long history of working on environmental issues and our commitment to 'walk the talk' around the climate emergency means that we need to keep our carbon footprint as small as possible.

Our Environmental Policy guides our actions and decision-making as we continue to focus on ways to improve our environmental performance. We have:

- updated our Environmental Policy with the highest industry standards
- set ourselves a number of targets in accordance with the goals of the **Climate and Environmental Charter for Humanitarian Organisations** and reported on the progress made
- developed and implemented Country Action Plans which will be used to set targets for our international operations

We continue to explore ways within our current systems and processes to improve our environmental data collection. We have learnt to make better use of technology for things such as meetings, training and conferences, to maintain our relationships and deliver our strategy, and we will continue with some of these practices into the future.

Greenhouse gas emissions and energy-use data for Tearfund UK

for the period of 1 April 2023 to 31 March 2024

We have followed the 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting guidance' (2019), and 'UK Government greenhouse gas conversion factors for company reporting' (2023) to produce these [3]figures relating to our carbon footprint in the UK.

In the past year, we have been using less energy and reduced pollution from electricity. Staff have also travelled a lot less. We need to continue to find ways to reduce the pollution caused by vehicle use, and seek to reduce business travel.

		Unit	2023-24	2022-23	2021–22	2020–21
Energy consumption	Used to calculate the emissions below	kWh	330258	337,877	346,000	357,000
Emission sources						
Scope 1	Combustion of gas	t/CO_2e	9.9	9.5	10.3	11.0
Scope 1	Combustion of fuel for transport purposes	t/CO_2e	2.1	0.63	0.03	0.1
Scope 2	Purchased electricity	t/CO_2e	50.0	59.9	60.7	72.4
Scope 3	Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	t/CO_2e	7.5	18.25	9.7	1.5
Total gross based on above		**t/CO_2e**	**69.5**	**88.28**	**80.7**	**85.0**
Intensity ratio	Tonnes of CO2e per full-time equivalents	t/CO_2e	0.17	0.2	0.2	0.2

[3] This data is incomplete due to a system change over the last year.

Risk management framework

At Tearfund we recognise that good risk management can enhance our ability to achieve our objectives – by enabling us both to avoid difficulties and seize opportunities.

The Trustee Directors are responsible for the overall governance of risk at Tearfund. They have given consideration to the major risks to which Tearfund is exposed and satisfied themselves that systems and procedures are in place to manage those risks. The Trustee Directors have delegated responsibility for regular review of Tearfund's risk management activities to its Audit, Risk and Finance Committee.

The uppermost risks and uncertainties that may affect the performance, future prospects or reputation of Tearfund and impede the achievement of our objectives have been identified by the Executive Team and the Trustee Directors. Management monitors these risks and reports them to the Audit, Risk and Finance Committee quarterly. Where the potential impact and likelihood of any of these risks meet certain thresholds, it is the role of the Trustee Directors (by way of the Audit, Risk and Finance Committee) to approve continued operations. This approval includes approving the associated risk score, risk controls and any additional actions to further reduce the risk.

The table below sets out the principal risks and uncertainties Tearfund faces, and summarises some of the control systems and strategies that have been established to manage them. Currently, Tearfund is particularly aware of the risks as they relate to the financial situation and, as a consequence of this and of the recent organisational reconfiguration, the risks associated with retaining talent and ensuring the wellbeing of staff ('people' risks).

With changes in its organisational structure, management is conducting a review of the top corporate risks to ensure that they reflect Tearfund's risk profile accurately and effectively.

Identified risk	Management and mitigation
Christian distinctiveness: Actual or perceived loss of our core Christian identity or ways of working	• Distinctively Christian guiding documents: vision, mission, values, characteristics, theory of poverty and Statement of Faith • Priority given to working through local church partners wherever possible • Prayer, worship and devotions central to working practice
Safety and security: Injury or harm to staff or representatives	• Policies and procedures for Safety and Security • Security training for all international staff and those who travel • Country Safety and Security Plans

Safeguarding: Abuse or other harm of a child or adult at risk	• Policies, procedures and mandatory annual staff training on Safeguarding and Whistleblowing • Independent reporting hotline publicised to staff, partners and communities and network of trained safeguarding focal points • Board Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice
Major programmes: Failure to deliver key outcomes of a high-profile donor-funded project	• Stakeholder Engagement Team advise on the management of relationships with institutional donors • Programme design approval process • Partner capacity assessments used to identify suitable partners to receive donor funding
Funding: A significant financial shock in the form of a large unexpected shortfall in unrestricted income, or an unexpected cost	• A two-year income and expenditure model used to plan for various scenarios • Monthly reviews of Planned vs Actual financial results with Board officers and and quarterly income reviews by Audit, Risk and Finance Committee • Reserves Policy reviewed annually
People: Not developing and retaining suitably experienced and qualified global talent to achieve our objectives	• Online line manager resources are kept up to date and relevant. Managers given guidance on employee development • Agile Performance Management (APM) pilot allows managers and employees to regularly adjust priorities in line with corporate goals and a changing context, and to flag risks to both staff retention and talent highlighting areas needing development and support
IT security: Loss of critical data, or substantial loss of operational functionality	• Policies on Data Protection and Information Security • Mandatory regular staff training on cybersecurity • Real-time back-ups of all core systems are held in a secure off-site data centre, including cold storage of core databases

Impact: Not measuring or demonstrating impact in our work sufficiently	• Board International Impact Committee • Independent research and meta-studies used to validate and enhance our impact across our corporate priorities • Corporate and country strategy processes are used to align work and outcomes with corporate priorities and impact objectives
Sanctions and terrorism: Our funds are used by a sanctioned party, or for the purposes of terrorism	• Policies and procedures on Financial Sanctions, Controls, Anti-Money Laundering and Anti-Terrorism • Enhanced due diligence procedures for high-risk countries • Partner capacity assessments cover policies and training on countering terrorism
Financial wrongdoing: Fraud, bribery, corruption or conflict of interest involving our staff or partners	• Policies on Fraud, Bribery, Corruption and Conflicts of Interest • Mandatory regular staff training on Fraud awareness, Anti-bribery and corruption, Conflicts of interest and Whistleblowing • Financial Wrongdoing Review Team coordinates response to all incidents, Executive Team and Board Audit, Risk and Finance Committee review all cases before closure
Environmental performance: Negative environmental impacts or insufficient resilience to environmental change	• Environmental and Economic Sustainability (EES) corporate priority with associated objectives • Quality Standards include commitments on environmental impact, risks, resilience and adaptation to climate change • Signatory to the Climate and Environment Charter for Humanitarian Organisations

Next page: Tearfund staff members at the launch of the Rubbish Campaign outside the Houses of Parliament, London. Photo: Steve Fanstone/Tearfund

plastic
pollution
kills
tearfund

Financial review

Income and expenditure

2023/24 saw total income of £82.6m down by 3 per cent against the 2022/23 figure of £85.4m, which was our highest ever income. We are incredibly grateful to all who have supported so generously during the year. The mix in our income changed, with the biggest changes being in emergency appeals income, which fell 40 per cent from £13.2m to £8.0m, and grant income, which rose 18 per cent from £25.8m to £30.4m. It is worth noting that unrestricted income decreased by 2 per cent, falling from £35.9m in 2022/23 to £35.1m in 2023/24 compared to the original budget for 2023/24 of £38.6m.

Total expenditure of £82.7m was £7.6m (8 per cent) lower than the 2022/23 level of £90.2m with a decrease of £0.7m (1 per cent) in expenditure against restricted funds and a fall of £6.9m (16 per cent) in expenditure against unrestricted funds. The fall in unrestricted expenditure was mainly attributable to decreases of £3.0m (45 per cent) on Reconciled Peace-filled Societies, and £1.3m (16 per cent) on Environmental and Economic Sustainability.

Net expenditure for the year is £0.1m (2022/23: net expenditure of £4.9m), made up of a positive timing difference of £0.4m on restricted funds and a deficit of £0.5m on general and designated funds. This movement on reserves was in the face of reduced income and high inflation so required tight cost management and some tough choices to focus our organisation. The results include £1.3m of restructuring costs as action was taken to reduce the structural cost base in response to a shortfall in unrestricted income compared to budget, and to ensure the reserves remained stable during the year. The savings are forecast to deliver a full year benefit in 2024/25 of £7.7m against the original budget for 2023/24 so also provide a stable reserves position for the future.

Grants

A large part of Tearfund's work to address poverty is undertaken through making grants to partner organisations. Grants are made in the context of agreed country strategies. Project proposals received from partner organisations are subject to a formal approval process that includes a technical assessment of the project and a review of the partner's capacity and compliance policies. An agreed monitoring process is undertaken during the life cycle of all projects. In addition, financial evaluations are carried out on all large projects and on a sample of smaller projects. A list of the top 50 partner organisations we made grants to are on our website at **tearfund.org/top50**.

Reserves

Reserves are defined as our unrestricted funds, less any funds designated by management and capital commitments. General funds are very similar, but do not take into consideration capital commitments. Reserves are needed to:

- fund working capital
- allow flexibility to respond to unexpected opportunities and challenges
- provide a cushion against variations in income and expenditure, whether seasonal or driven by events
- provide contingency against unexpected costs
- provide contingency to respond to changes in Tearfund's operating environment
- fund strategic plans outside Tearfund's normal operations

The Board of Trustee Directors reviews the level of required reserves annually to ensure that an appropriate level is held. The review takes into account the main financial risks of our operating model and environment in respect of all income streams and categories of expenditure. The target range to cover these risks in addition to routine working capital is set at between £7.0m and £10.0m for 2024/25, unchanged from 2023/24. Our reserves policy allows an amount of the value of the freehold office building owned by Tearfund to count towards the funding of reserves. This was revised to £2m (2022/23 £3m) and is considered appropriate given the market conditions as Tearfund continues to explore disposal of the building during 2024/25.

At the end of 2023/24 our reserves stand at £6.1m (2022/23: £6.5m), but once the value of the building is taken into account we are within the target range set by the Board. The Trustee Directors consider Tearfund to be a going concern.

Designated funds

Designated funds are part of the unrestricted funds which the Trustee Directors have earmarked for a particular use. This designation does not represent a legal restriction. The Fixed Asset Fund represents the net book value of Tearfund's fixed assets to indicate that these resources are not available for other purposes. At the end of the year, the Fixed Asset Fund stood at £1.5m (2022/23: £1.6m). The Strategic Priorities Fund had £35,000 at the start of 2023/24 which was spent during the year.

Restricted funds

Restricted funds are subject to specific conditions imposed by donors. The year-end balances represent income which has been recorded but where the related expenditure has not yet been incurred. The majority of these funds are either institutional awards or funds generated during emergencies or as a result of other specific appeals.
In many cases these appeals generate income over a short timeframe which is then planned to be spent over a period of up to three years in line with the purpose of the appeal. At the end of the year, total restricted funds had increased to £19.6m (2022/23: £19.2m). The increase is due to an increase in institutions and trusts funds, which has been largely offset by decrease in appeals and emergencies funds. For each fund, Tearfund's assets are available and adequate to fulfil its obligations.

Financial risk management

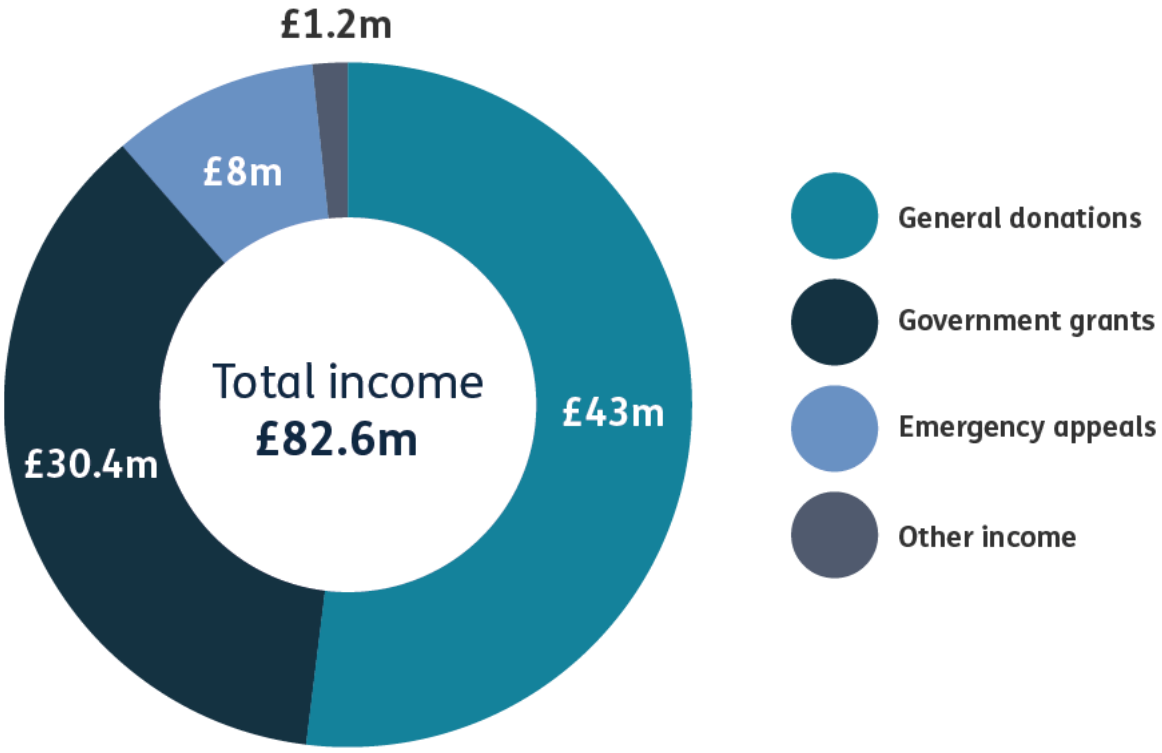
Since the pandemic, Tearfund has mitigated the financial risks arising from increased volatility through enhanced cost control measures and monthly financial updates overseen by a subgroup of the Board. This ensured that, as the reduced income and higher costs unfolded during the year, the Board could react and oversee the actions to refocus, restructure and keep financial stability. Cash flow and liquidity risks are minimised by a conservative investment policy. Until December 2021, additional liquidity was provided by a £6m credit facility secured against the Teddington building and we are confident that a similar facility could be reinstated if necessary. However, given overall cash levels of £20.7m at 31 March 2024, we think this is unlikely to be needed. As stated above, Tearfund continues to explore disposal of the building during 2024/25, since occupancy rates continue to be a long way below pre-pandemic levels. Receivables relate mainly to major governmental and institutional donors and legacy income. The associated credit risk is considered to be low, as is the risk of material disallowances arising from donor audits. This is borne out by recent experience. Tearfund receives income mainly in sterling pounds and US dollars. Foreign exchange risk affects

Tearfund mainly by impacting the purchasing power of donor funds in the countries where most of our charitable expenditure is incurred. Tearfund does not enter into foreign exchange contracts for speculative reasons.

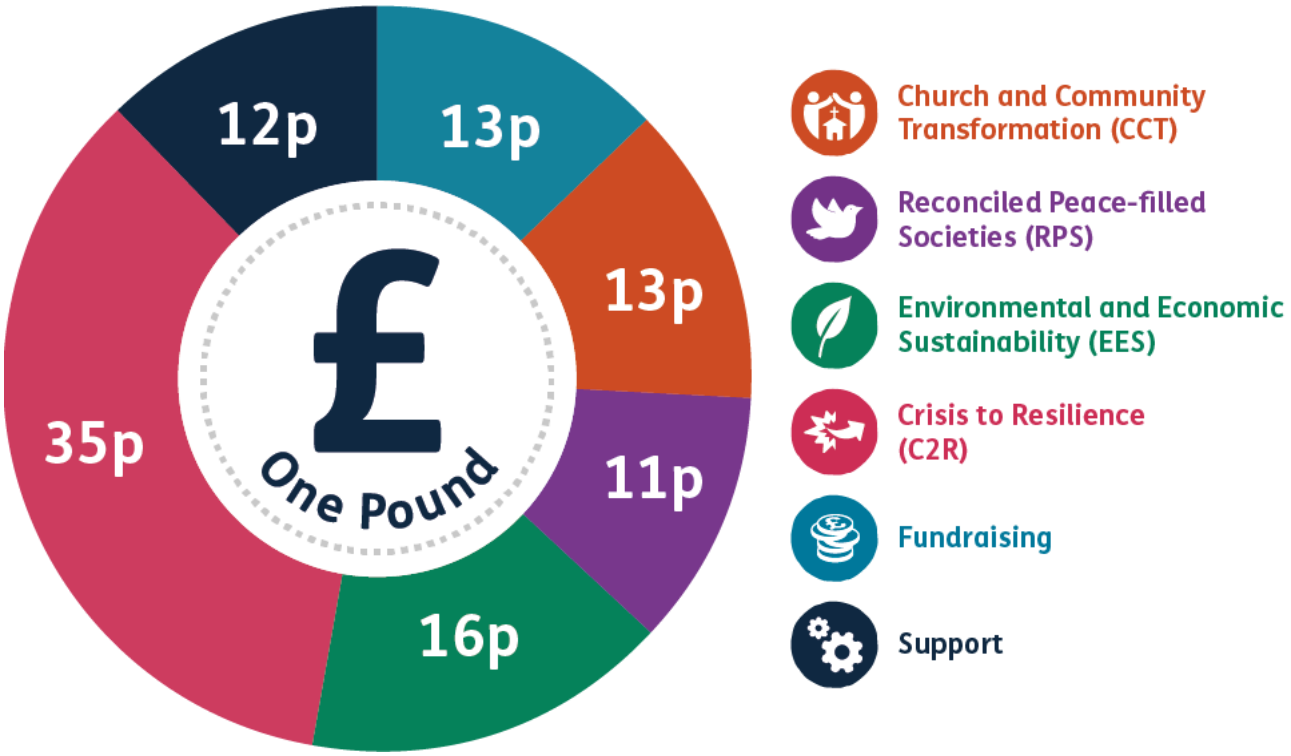
Investment policy and performance

Tearfund's investment policy is reviewed annually by the Audit, Risk and Finance Committee. Our objective is to maintain high liquidity while ensuring maximum security. To achieve this, Tearfund invests with institutions with a high security rating in fixed-term or call deposits. During the year Tearfund's sterling deposits achieved an average rate of interest of 4.77 per cent (2022/23: 1.58 per cent) compared with an average bank base rate for the same period of 5.05 per cent (2022/23: 2.3per cent).

Income for FY 23/24



Expenditure for FY 23/24



Fundraising practices

We are so thankful for our supporters' trust in Tearfund and we want to honour this trust in how we fundraise and communicate.

We are registered with the Fundraising Regulator, and had no failures to report against its practices or standards this year. Our Compliance and Data Protection Groups ensure we are considering these vital areas in our communications. All supporter-facing staff are trained in how to protect and respond appropriately to potentially vulnerable supporters and are familiar with our Fundraising with Adults in Vulnerable Circumstances policy.

Supporter complaints are reported quarterly to our Executive Team and the Board's Global Fundraising and Communications Committee. In 2023/24 we received 369 complaints about our fundraising, which represented 24.6 per cent of our total complaints received. We are not aware of any complaints made to the Fundraising Regulator.

The vast majority of our fundraising is carried out by centrally employed staff. We outsource some fundraising calls to a third party. We listen to a selection of calls in order to monitor these and give appropriate training.

Until 30 June 2023, Toilet Twinning was run by Kingsley Management Consulting (KMC). We thank KMC for carrying out this important work successfully for more than ten years.

Next page: Justina is a regular member and believer at Kagoro Church of Missions, Zambia.
Photo: Chipema Chinyama/Tearfund

Trustee Directors' responsibility statement

The Trustee Directors are responsible for preparing the strategic report, the Trustee Directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustee Directors to prepare financial statements for each financial year. Under that law the Trustee Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustee Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that period.

In preparing these financial statements, the Trustee Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the company will continue in business

The Trustee Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of Information to auditors

In the case of each of the persons who are Trustee Directors of the company at the date when this report was approved:

- So far as each of the Trustee Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and
- Each of the Trustee Directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Anna Laszlo

Anna Laszlo (Jul 17, 2024 09:36 GMT+1)

Anna Laszlo, **Chair of the Board**
17 July 2024

Independent Auditor's Report To The Members And Trustees Of Tearfund

Opinion

We have audited the financial statements of Tearfund (the "charitable company") and its subsidiary (the "group") for the year ended 31 March 2024 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), the Group and Tearfund balance sheets, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 67, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate

the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at **frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation and Employment legislation. We also considered compliance with local legislation for the group's overseas operating segments as well as compliance with international sanctions regimes.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

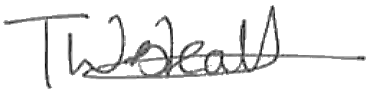
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within timing of recognition of grant and legacy income and the override of controls by management including through significant estimates and judgements. Our audit procedures to respond to these risks included enquiries of management, including senior management, internal audit and the Audit, Finance and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates and judgements for biases, reviewing regulatory correspondence with the Charity Commission, detailed reviews of a sample of funding agreements for grant income, detailed reviews of a sample of legacy notifications and receipts, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor St James House
St James Square
Cheltenham
Gloucester
GL50 3PR

17/07/2024

Consolidated statements of financial activities

(incorporating an income and expenditure account)

Year ended 31 March 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	2024 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000
Income from:							
Donations and legacies	2	34,236	47,162	81,398	35,418	49,124	84,542
Charitable activities	3	326	287	613	204	374	578
Other trading activities		1	1	2	2	16	18
Investment income		574	-	574	244	-	244
Total income		35,137	47,450	82,587	35,868	49,514	85,382
Expenditure on:							
Raising funds	4	12,771	506	13,277	13,652	1,193	14,845
Charitable activities	4	22,927	46,523	69,450	28,961	46,486	75,447
Total expenditure		35,698	47,029	82,727	42,613	47,679	90,292
Net (expenditure)/ income for the year	6	(561)	421	(140)	(6,745)	1,835	(4,910)
Transfer between funds	15	21	(21)	-	77	(77)	-
Net movement in funds		**(540)**	**400**	**(140)**	**(6,668)**	**1,758**	**(4,910)**
Reconciliation of funds:							
Total funds brought forward at 1 April	15b	8,128	19,191	27,319	14,796	17,433	32,229
Total funds carried forward at 31 March	15a	**7,588**	**19,591**	**27,179**	**8,128**	**19,191**	**27,319**

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations. There is no material difference between the net expenditure for the financial year stated above and its historical cost equivalent. The turnover of the charitable company for the year was £82,587,000 (2022/23: £85,368,000). The net result of the charitable company for the year was a deficit of £140,000 (2022/23: deficit of £4,910,000). There is no material difference between the entity and the group Statement of Financial Activities.

Balance sheets

As at 31 March 2024

Company number: 00994339

		Tearfund Group		Tearfund	
	Note	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets					
Tangible assets	9	1,465	1,570	1,465	1,570
Long-term investments	10	-	-	5	5
Total fixed assets		1,465	1,570	1,470	1,575
Current assets					
Stocks	11	551	875	551	875
Debtors	12	10,077	12,023	10,077	12,023
Short-term deposits		17,297	14,784	17,297	14,784
Cash at bank and in hand		3,425	3,749	3,425	3,746
Total current assets		31,350	31,431	31,350	31,428
Creditors					
Amounts falling due within one year	13	(4,626)	(4,914)	(4,631)	(4,916)
Net current assets		26,724	26,517	26,719	26,512
Provisions for liabilities	14	(1,010)	(768)	(1,010)	(768)
Net assets		**27,179**	**27,319**	**27,179**	**27,319**
Funds					
Unrestricted funds:					
General fund	15a	6,117	6,523	6,117	6,523
Designated funds	15a	1,471	1,605	1,471	1,605
		7,588	8,128	7,588	8,128
Restricted funds	15a	19,591	19,191	19,591	19,191
Total funds		**27,179**	**27,319**	**27,179**	**27,319**

The financial statements on pages 72 to 97 were approved by the Board of Directors on 17 July 2024 and signed on its behalf by:

Anna Laszlo

Anna Laszlo (Jul 17, 2024 09:36 GMT+1)

Anna Laszlo, **Chair of the Board**

Consolidated cash flow statement

Year ended 31 March 2024

	2024 £'000	2023 £'000
Net cash (used in)/provided by operating activities	1,512	(6,809)
Cash flow from investing activities:		
Investment income received	574	244
Purchase of property, plant, equipment and intangibles	(148)	(682)
Proceeds from the sale of property, plant and equipment	1	1
Net cash used in investing activities	**427**	**(437)**
Change in cash and cash equivalents in the reporting period	**1,939**	**(7,246)**
Cash and cash equivalents at the beginning of the reporting period	**18,433**	**25,679**
Cash and cash equivalents at the end of the reporting period	**20,372**	**18,433**
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	**(140)**	**(4,910)**
Adjustments for :		
Depreciation charges	251	276
Investment income receivable	(574)	(244)
Loss/(Profit) on sale of tangible fixed assets	1	(1)
Decrease/(Increase) in stocks	324	(259)
Decrease/(Increase) in debtors	1,946	(2,300)
(Decrease) in creditors	(538)	(139)
Increase in provisions	242	768
Net cash (used in)/provided by operating activities	**1,512**	**(6,809)**

Analysis of changes in net funds	1st April 2023 £'000	Cash flows £'000	31 March 2024 £'000
Cash at bank and in hand	3,749	(324)	3,425
Bank deposits	14,784	2,513	17,297
Interest-free loans	(100)	(250)	(350)
	18,433	**1,939**	**20,372**

There is no material difference between the entity and the group cash flow statement.

Notes to the financial statements

31 March 2024

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, Charities Act 2011, Charities Accounts (Scotland) Regulations 2006, Charities and Trustee Investment (Scotland) Act 2005, Statement of Recommended Practice (SORP) on Accounting and Reporting by Charities effective from 1 January 2019, FRS102, and applicable United Kingdom accounting standards. The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

Consolidation
The Statement of Financial Activities (SOFA) and Group Balance Sheet consolidate the financial statements of the Charity and its wholly-owned subsidiary undertaking, Tearfund Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006. The Consolidated Cash Flow Statement has been prepared for the group only, as permitted under FRS102.

Accounting estimates and key judgements
Critical accounting estimates and judgements are based on historical experience and other relevant factors, including reasonable expectations of future events. The main areas which involve such estimates and judgements include the accrual of legacy income; entitlement to grant and contract income; useful lives of fixed assets; and provisions.

Company status
Tearfund is a registered charity in England and Wales (number 265464) and Scotland (number SC037624) and is constituted as a company registered in England and Wales and limited by guarantee (company number 00994339). It is governed by its Memorandum and Articles of Association and at the year-end there were 13 members (2022/23: 13) who were each liable to contribute £1 in the event of the company being wound up. In the application of the charity's accounting policies, the particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Fund accounting
The company maintains three types of funds. General unrestricted funds are funds available for use at the discretion of the Board of Trustee Directors in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Board from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. At the year-end any fund deficits are maintained only when the Trustee Directors are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in note 15.

Going concern
The Financial Review on pages 61 to 64 sets out Tearfund's financial performance in 2023/24. We started the year with a reserves position of £6.5m. We planned for a general

fund deficit of around £0.6m and we ran a deficit of £0.4m, which led to an actual general fund position at year-end of £6.1m. Once the £2.0m value of the building is taken into account, this is £8.1m, within the target reserves range.

This was achieved despite a decrease in income and high inflation, thanks to tight cost management and some difficult strategic choices. To ensure the stability of reserves both in 2023/24 and in future years, restructuring costs of £1.3m were incurred to reduce the structural cost base. The cost savings are forecasted to be £7.7m against the original budget for 2023/24.

The Board has approved a budget for 2024/25, which we expect will maintain our reserves within the target range. Key points in assessing Tearfund's going concern status include the following:

- The unrestricted income budget for 2024/25 is underpinned by committed regular giving, which represents over 18per cent of the total income budget. We remain very grateful for the loyalty of our supporters and the ability and agility of our fundraising teams. Our income budgets continue to seek to balance caution with an appropriate level of ambition.
- We have appointed agents to market the Teddington office building with a view to disposal. If a sale occurs, this would significantly increase financial liquidity.
- During 2023/24 we have adjusted our cost base by £7.7m when we compare the original budget for 2023/24 to the budget for 2024/25. This was in response to a shortfall in unrestricted income in 2023/24 compared to budget. Experience of the past few years provides reassurance that, where required, we have the ability to adjust our cost base as needed.

In support of the going concern assessment, we have prepared cash flow forecasts for the next twelve months. Taking into account the challenges of the current economic climate, these show that Tearfund has adequate financial resources to continue operating for the foreseeable future. Having considered these matters, the Trustee Directors do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

Income
All income, including donations, legacies and investment income, is recognised in the SOFA when the Charity can demonstrate entitlement to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

Legacies
Legacies are recognised when evidence of entitlement exists, probate has been granted and the receipts are both probable and measurable. No value is included where the legacy is contentious or is subject to a life interest held by another party. The fair value of the legacy income receivable is based on the information available at the time and it is the expected cash amount to be distributed to Tearfund from the estate.

Grants and contracts
Grant and contract income is recognised when the Charity can demonstrate entitlement to the income. Where receipt of funding is conditional only on administrative requirements such as the submission of a claim, it has been accrued. Where there are restrictions on the time period in which funding received can be spent, or where the Charity is not yet in a position to meet the conditions of the funding, the related income has been deferred.

Gifts in kind
Donated gifts in kind for distribution to communities are included in income and stock at donors' valuation or market value when received. Expenditure is recognised when gifts in kind are distributed.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Like many charities, Tearfund is unable to recover some of the VAT that is incurred on the purchase of goods and services in the UK. The amount of VAT that cannot be recovered is added to the appropriate underlying cost.

The following specific policies apply to categories of expenditure:

Grants payable
Grants payable to Tearfund partner organisations are made in furtherance of the Charity's objects. Grants are recognised as expenditure when payment is due to the partner organisation, in accordance with Tearfund's project agreement, in line with phased payment schedules and when milestones met by grantee.

Support costs
Support costs include functions such as general management, financial management, information technology, human resources and the cost of premises and facilities. They are allocated across the categories of charitable expenditure and fund raising costs on the basis set out in note 4 to the financial statements.

Fundraising and publicity
Fundraising costs are those incurred in seeking donation income and do not include the costs of disseminating information in support of the charitable activities.

Foreign exchange
Transactions denominated in foreign currency are translated into sterling and recorded at the rates ruling at the date of the transactions. Balances denominated in a foreign currency are translated into sterling at the exchange rates at the balance sheet date. Foreign exchange gains and losses incurred in respect of overseas operations are included in the SOFA within the relevant activity expenditure.

Pensions
Tearfund operates two defined contribution pension schemes. Contributions are charged to the SOFA as they become payable and invested on behalf of the employees. An overseas staff member can have a percentage of the salary paid into a pension fund or a percentage of the salary is paid directly to the staff member, and they take responsibility for their own pension arrangements and investment. The percentage paid depends on the time when employees joined Tearfund and employees age. In some countries the percentage is defined in the legislation.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing more than £1,000 with an expected useful life of more than one year are capitalised, except laptops which are capitalised regardless of value. Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful economic lives on a straight-line basis, as follows:

Freehold land	Nil
Freehold buildings	15-50 years
Fixtures, fittings and equipment including computers	3-20 years
Motor vehicles	3-10 years

The useful economic lives and residual value of fixed assets are reviewed at the end of each accounting period. Property and land is tested annually for impairment. Assets including vehicles and equipment used in programmes overseas, except for laptops and buildings, are considered to have a useful economic life of one year or less. They are not capitalised but are charged in full to charitable expenditure when purchased. However, a register is maintained of these assets and reviewed regularly to ensure we retain strong control over the assets.

Intangible assets and amortisation
Intangible assets are stated at cost less amortisation. They are amortised on a straight line basis over 5 years, being the estimated economic useful life of the asset.

Financial instruments
Financial assets and financial liabilities are recognised when Tearfund becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Tearfund only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Tearfund has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Investments
The investment in the subsidiary is included in the Charity's financial statements at cost.

Stocks
Bought-in goods are valued at lower of costs and net realisable value. Humanitarian supplies donated to Tearfund are valued at cost, based on donor's valuation or deemed market value, with obsolete stock written off.

Cash and cash equivalents
Cash and cash equivalents include interest and non interest bearing amounts held at banks and cash at hand. Short term money deposits (7-365 days) including deposits repayable on demand and fixed term deposits are held under current assets as short term deposits.

Other financial assets and liabilities
Debtors and creditors are stated at the settlement amount after any applicable Discount.

Operating leases
Costs in respect of operating leases are charged to the SOFA on a straight line basis over the lease term.

2a. DONATIONS

	Note	Unrestricted funds	Restricted funds	2024 Total funds	Unrestricted funds	Restricted funds	2023 Total funds
		£'000	£'000	£'000	£'000	£'000	£'000
Donations from:							
Individuals		26,424	6,361	32,785	26,514	11,875	38,389
Churches		1,368	1,408	2,776	1,357	2,726	4,083
Trusts, companies and schools		1,017	3,805	4,822	912	4,538	5,450
Legacies		5,427	175	5,602	6,635	28	6,663
Grants	2b	-	30,443	30,443	-	25,779	25,779
		34,236	**42,192**	**76,428**	**35,418**	**44,946**	**80,364**
Via Disasters Emergency Committee		-	4,970	4,970	-	4,178	4,178
Total donations and legacies		**34,236**	**47,162**	**81,398**	**35,418**	**49,124**	**84,542**

Included in restricted income above are the following donations and legacies relating to appeals and emergencies:

	Unrestricted funds	Restricted funds	2024 Total funds	Unrestricted funds	Restricted funds	2023 Total funds
	£'000	£'000	£'000	£'000	£'000	£'000
Donations from:						
Individuals	-	2,254	2,254	-	6,365	6,365
Churches	-	546	546	-	1,859	1,859
Trusts, companies and schools	-	197	197	-	802	802
Legacies	-	-	-	-	4	4
Grants	-	7	7	-	-	-
	-	**3,004**	**3,004**	**-**	**9,030**	**9,030**
Via Disasters Emergency Committee	-	4,970	4,970	-	4,178	4,178
Total appeals and emergencies	**-**	**7,974**	**7,974**	**-**	**13,208**	**13,208**

Gifts in kind of £30,000 (2022/23: £9,000) of pro-bono legal and consultancy work are included in support cost expenditure. Of this, £1,000 (2022/23: £nil) is included above in 'Churches' and £29,000 (2022/23: £9,000) is in 'Trusts, companies and schools' income.

2b. GRANTS INCOME

	2024 £'000	2023 £'000
United States Government	8,308	7,503
United Nations	4,328	3,780
United Kingdom Government	3,853	3,559
Dutch Government	3,555	3,359
German Government	2,391	1,679
Norwegian Government	2,126	991
Canadian Foodgrains Bank (including Tearfund Canada)	1,404	953
European Union	573	861
Canadian Government	550	574
Scottish Government	388	425
States of Jersey	342	320
CRODA Foundation	55	55
Other	34	152
New Zealand Government	26	77
Danish Government	13	16
	27,946	**24,304**
Tearfund Netherlands	2,440	1,300
Other Tearfund Family/Integral Alliance members (see pages 8- 9)	57	175
	30,443	**25,779**

Included within the above grants income are gifts in kind of £1,211,000 (2022/23: £1,364,000) which are also included in either expenditure or stock. The whole amount for both years is restricted income. They consist mainly of water and sanitation products; food aid; latrines and seeds and tools for planting.

Grant income from CRODA Foundation represents a restricted grant of £111,000 to fund a water, sanitation and agriculture project in Uganda. The final 50 per cent (£55,000) was received during 2023/24.

3. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2024 Total funds £'000	2023 Total funds £'000
Contract income contributed to the following programmes:				
ABT associates (CCT projects in Papua New Guinea)	43	-	43	-
Climate Justice Scottish Government (Zambia)	36	-	36	-
UCSD (DRC Effects of Gender Norms on Health and Livelihood Outcomes)	6	-	6	-
Total contract income	**85**	**-**	**85**	**-**
Other income from charitable activities	241	287	528	578
Total income from charitable activities	**326**	**287**	**613**	**578**

The total income from charitable activities was £613,000 (2022/23: £578,000), of which £326,000 was unrestricted (2022/23: £204,000) and £287,000 was restricted (2022/23: £374,000).

4. TOTAL RESOURCES EXPENDED

	Grants £'000	Direct costs £'000	Support costs £'000	2024 Total costs £'000	2023 Total costs £'000
Unrestricted					
Costs of generating funds:	**-**	**10,041**	**2,730**	**12,771**	**13,652**
Charitable activities:					
Church and Community Transformation	447	4,653	1,460	6,560	7,116
Reconciled Peace-filled Societies	166	2,444	1,078	3,688	6,716
Environmental and Economic Sustainability	378	4,923	1,713	7,014	8,310
Crisis to Resilience	152	2,976	2,537	5,665	6,819
	1,143	**14,996**	**6,788**	**22,927**	**28,961**
Total unrestricted	**1,143**	**25,037**	**9,518**	**35,698**	**42,613**
Restricted					
Costs of generating funds:	**-**	**506**	**-**	**506**	**1,193**
Charitable activities:					
Church and Community Transformation	2,337	3,087	-	5,424	6,688
Reconciled Peace-filled Societies	2,749	4,060	-	6,809	7,503
Environmental and Economic Sustainability	3,897	4,382	-	8,279	6,252
Crisis to Resilience	9,010	17,000	1	26,011	26,043
	17,993	**28,529**	**1**	**46,523**	**46,486**
Total restricted	**17,993**	**29,035**	**1**	**47,029**	**47,679**
Total expenditure	**19,136**	**54,072**	**9,519**	**82,727**	**90,292**

Many programmes achieve benefits in a number of different areas and their costs are allocated on the basis of their principal aims. Cost allocation includes an element of judgement and Tearfund has had to consider the cost-benefit of detailed calculations and record-keeping in calculating a best estimate of the attributable costs.

4. TOTAL RESOURCES EXPENDED CONTINUED

	2024 £'000	2023 £'000
Grants to partner organisations by geographical region:		
Africa	8,343	10,190
Eurasia	7,920	7,618
Asia	2,186	3,303
Latin America and Caribbean	439	975
Europe	248	1,479
Total grants to partner organisations	**19,136**	**23,565**
Assistance in establishing Tearfund USA	-	542
Total grants	**19,136**	**24,107**

The top 15 countries and regions where grants were made:	2024 £'000	2023 £'000
Syria	2,838	825
Pakistan	1,896	1,679
Iraq	1,291	1,181
South Sudan	1,272	1,655
DRC	1,205	1,557
Rwanda	880	470
Nigeria	869	664
Afghanistan	825	2,854
Ethiopia	815	1,579
Burundi	748	672
Yemen	659	638
Malawi	512	529
Bangladesh	432	868
Mali	419	278
India	398	579

Details of partner organisations included in the top 50 receiving grants can be found at:
tearfund.org/top50

4. TOTAL RESOURCES EXPENDED CONTINUED

Support costs and the basis of their allocation are as follows:	Principal basis of allocation to activities	2024 £'000	2023 £'000
General management, risk and compliance	Headcount and expenditure	550	407
Financial management	Headcount and expenditure	1,683	1,563
Human resources	Headcount	2,442	2,721
Strategy & Impact	Expenditure	408	354
Information systems	Headcount and expenditure	3,441	3,197
Premises and facilities	Headcount	610	640
Governance	Headcount and expenditure	385	487
		9,519	**9,369**

5. SUBSIDIARY

Tearfund has a wholly-owned trading subsidiary, Tearfund Trading Limited, which is registered in England and Wales, company registration number 03779450. The registered address is 100 Church Road, Teddington, TW11 8QE. The company undertakes various trading activities to raise funds for Tearfund and all its taxable profits are treated as qualifying distribution to Tearfund under Deed of Covenant. Its results and assets for the year ended 31 March 2024 are listed below. All the assets (except cash) and liabilities of the company were sold at cost to Tearfund on 31 March 2023, with the intention of making Tearfund Trading Limited dormant. Since then, Tearfund Trading Limited's cash has been transferred to Tearfund and the company has ceased to trade.

	2024 £'000	2023 £'000
Total incoming resources	-	16
Total expenditure	-	(15)
Profit for the year	-	-
Qualifying distribution	-	(1)
Retained profit / loss for the year	-	-
Total assets	5	5
Total liabilities	-	-
Funds	**5**	**5**

6. NET EXPENDITURE/(INCOME) FOR THE YEAR

Net expenditure/(income) for the year are stated after charging the following:	2024 £'000	2023 £'000
Depreciation of tangible fixed assets	251	276
Auditors' remuneration - Tearfund	79	91
Auditor's other services - taxation	1	3
Auditors' remuneration - Tearfund Trading	2	4
(Profit)/Loss on sale of tangible fixed assets	1	(1)
Operating leases: land and buildings - unrestricted	425	589
Operating leases: land and buildings - restricted	558	655

The above is all unrestricted expenditure/(income) unless otherwise indicated.

7. EMPLOYEES AND TRUSTEES

Employee costs	2024 UK £'000	2024 Overseas £'000	2024 Total £'000	2023 UK £'000	2023 Overseas £'000	2023 Total £'000
Salaries and wages	17,128	14,768	31,896	16,806	15,369	32,175
Employee benefits	31	1,024	1,055	33	914	947
Social security costs	1,663	61	1,724	1,784	51	1,835
Other pension costs	1,687	274	1,961	1,725	297	2,022
	20,509	**16,127**	**36,636**	**20,348**	**16,631**	**36,979**

Included in the above employee costs are redundancy and severance costs of £1,611,000 (2023/24: £461,000). Redundancy costs are provided for when the decision has been made and the employees have been informed, and the amounts could be calculated with reasonable accuracy and the settlement is probable in the next financial year.

Average number of persons employed during the year	2024 Number	2023 Number
UK-contracted employees based:		
In the UK	420	452
Overseas	83	93
	503	**545**
Staff based overseas on local contracts	575	512
	1,078	**1,057**

7. EMPLOYEES AND TRUSTEES CONTINUED

UK staff includes those personnel based in Tearfund's UK offices. Overseas staff on UK contracts includes UK nationals working overseas as well as non-UK nationals employed to work in various countries around the world. All staff were employed across the range of activities detailed in the SOFA. No employees are employed directly by Tearfund Trading Limited. The number of employees whose emoluments (including benefits in kind but excluding employer's pension) amounted to over £60,000 in the year was as follows:

	2024 Number	2023 Number
£60,001 – £70,000	36	28
£70,001 – £80,000	7	6
£80,001 – £90,000	4	4
£90,001 – £100,000	3	2
£100,001 – £110,000	2	-
£110,001 – £120,000	1	-
£140,001 – £150,000	-	1

Two of the highest paid individuals in 2022/23 were members of staff who work in our international programmes. Their emoluments included accommodation, school fees, medical and other benefits. In 2023/24, this was no longer the case.

The number of individuals falling into higher salary bands this year has increased due to redundancy payments paid in the year. Tearfund paid redundancy to twelve (2022/23: two) members of staff included above, which resulted in gross earnings in the year for the individuals totalling £997,000 (2022/23: £145,000). Within these bands, there are 4 employees with higher remuneration than the chief executive in the year. This is a result of redundancy payments made to the individuals in 2023/24.

Pension payments of £268,000 (2022/23: £198,000) were made for these fifty four (2022/23: forty one) higher-paid employees. The total emoluments received by the chief executive in the year was £97,000 (2022/23: £93,000). In 2023/24, members of the Executive Team earned a total of £717,000 (2022/23: £705,000) including national insurance and pensions.

Trustees

As Charity Trustees, the Board of Directors and Committee Members, who are not employees, received no remuneration for their services. During the year, six directors/committee members were reimbursed or had costs paid for by Tearfund for a total of £2,884 for UK travel and subsistence expenses (2022/23: eight for £2,171). Three directors/committee members had overseas travel of £5,711 paid for by Tearfund (2022/23: four for £8,171). Indemnity insurance is provided for the Directors at a cost of £24,000 (2022/23: £24,000).

From May to September 2023, having resigned from the Board of Trustee Directors, Stanley Arumugam took up the role of Interim Director for People and Talent to provide much needed input into this part of the business while recruitment for a permanent Director was undertaken.

During this time, Stanley received remuneration of £30,105. Having concluded his role of Interim Director for People and Talent, Stanley was reappointed to the Board in January 2024.

Pensions

Tearfund has a defined contribution pension plan for UK employees called the Tearfund Group Personal Pension Plan and a separate defined contribution pension plan for overseas employees called the Tearfund International Group Personal Pension Scheme. These plans operate on a non-contributory basis. Included within creditors falling due within one year is £245,000 (2022/23: £278,000) in respect of pension contributions due to be paid to the fund managers.

8. TAXATION

Tearfund is exempt from taxation on its income and gains under sections 466 to 493 of the Corporation Tax Act 2010 andSection 256 of the Taxation of Capital Gains Act 1992, to the extent that they are applied for charitable purposes. No taxable profit arises on Tearfund Trading Limited due to the fact that all taxable profits are gifted to Tearfund under Deed of Covenant.

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold land and buildings £'000	Assets under construction £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total Tangible £'000	Total Intangible £'000
Cost						
At 1 April 2023	2,856	180	6,656	109	9,801	1,225
Additions	50	-	98	-	148	-
Transfer	180	(180)		-	-	-
Disposals	-	-	(175)	-	(175)	(1,225)
At 31 March 2024	**3,086**	**-**	**6,579**	**109**	**9,774**	**-**
Accumulated depreciation						
At 1 April 2023	1,960	-	6,176	95	8,231	1,225
Charge for the year	56	-	193	2	251	-
Disposals	-	-	(173)	-	(173)	(1,225)
At 31 March 2024	**2,016**	**-**	**6,196**	**97**	**8,309**	**-**
Net book value						
At 31 March 2024	**1,070**	**-**	**383**	**12**	**1,465**	**-**
At 31 March 2023	**896**	**180**	**480**	**14**	**1,570**	**-**

The book value of freehold land not depreciated is £368,000 (2022/23: £368,000). Tearfund's offices in Teddington have a book value of £685,000 (2022/23: £728,000) and are insured at a value of £12,340,000 (2022/23: £11,210,000).

The Board continues to explore the option to sell our premises in Teddington and what premises we may need in the future.

Assets under construction as at 31 March 2023 related to an office building in Goma, DRC.

The intangible asset is the cost of the purchase of Toilet Twinning, which has now been disposed.

10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2024, Tearfund had one wholly-owned subsidiary which is registered in England and Wales.

Organisation name	Class of share of capital held	Nature of business
Tearfund Trading Limited	Ordinary	Raising funds through trading activities

11. STOCKS

	Tearfund Group		Tearfund	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Goods held for distribution to communities	547	850	547	850
Goods for resale	-	14	-	14
Disaster management and IT stores	4	11	4	11
	551	**875**	**551**	**875**

12. DEBTORS

Due within one year:	Tearfund Group		Tearfund	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Tax recoverable	599	223	599	223
Other debtors	205	624	205	624
Accrued institutional grants	3,365	3,362	3,365	3,362
Accrued legacy income	4,716	6,492	4,716	6,492
Prepayments and other accrued income	1,192	1,322	1,192	1,322
	10,077	**12,023**	**10,077**	**12,023**

13. CREDITORS

	Tearfund Group		Tearfund	
Amounts falling due within one year:	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest-free loans	350	100	350	100
Amount owed to group undertaking	-	-	5	2
Other creditors	1,197	1,400	1,197	1,400
Taxation and social security	783	887	783	887
Accruals	2,296	2,520	2,296	2,520
Deferred income	-	7	-	7
	4,626	**4,914**	**4,631**	**4,916**

The interest-free loans, which have been made by supporters, are unsecured and have no set repayment dates.

Deferred income balance	2024 £'000	2023 £'000
Opening balance	7	9
Released income	(7)	(9)
Deferred income	-	7
Closing balance	**-**	**7**

14. PROVISIONS FOR LIABILITIES

	Tearfund Group		Tearfund	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Opening balance	768	-	768	-
Transfers from creditors	-	249	-	249
Additions	842	519	842	519
Charged	(474)	-	(474)	-
Reversed	(126)	-	(126)	-
Closing balance	**1,010**	**768**	**1,010**	**768**

Provisions for liabilities comprise amounts relating to an overseas bank account, redundancies, tax liabilities and a potential donor disallowance.

Redundancies, the donor disallowance and some of the tax payable are expected to be charged in the next financial year. The timing of the other provisions is unknown.

15a. FUNDS MOVEMENT (2023/24)

Tearfund and Tearfund Group	1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2024 £'000
General fund	6,523	35,137	(35,669)	126	6,117
Designated funds					
Fixed asset fund	1,570	-	-	(105)	1,465
Strategic priorities	35	-	(29)	-	6
	1,605	-	(29)	(105)	1,471
Total unrestricted funds	**8,128**	**35,137**	**(35,698)**	**21**	**7,588**
Restricted funds:					
Appeals and emergencies:					
Afghanistan	1,814	418	(1,295)	-	937
Bangladesh	98	2	(89)	-	11
Coronavirus emergency appeal	145	1	(146)	-	-
Democratic Republic of Congo	-	1	(1)	-	-
East Africa hunger crisis	289	99	(316)	-	72
Ethiopia	-	1,072	(669)	-	403
Haiti	17	-	(17)	-	-
Indonesia	276	1	(146)	-	131
Middle East	858	875	(660)	-	1,073
Mozambique	91	14	(106)	1	-
Other	589	332	(514)	-	407
Pakistan	1,592	1,510	(1,982)	-	1,120
Sudan and South Sudan	-	16	(7)		9
Syria crisis	400	-	(66)	-	334
Turkey and Syria earthquake	3,635	3,422	(3,139)	-	3,918
Ukraine	1,189	156	(478)	-	867
Yemen	1,607	55	(1,040)	-	622
	12,600	**7,974**	**(10,671)**	**1**	**9,904**

15a. FUNDS MOVEMENT (2023/24) CONTINUED

Tearfund and Tearfund Group	1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2024 £'000
Restricted funds brought forward	**12,600**	**7,974**	**(10,671)**	**1**	**9,904**
Country funds	-	143	(140)	-	3
Project funds:					
Institutions and trusts	6,029	36,150	(32,863)	(86)	9,230
Connected Church	2	38	(40)	-	-
Other	560	1,555	(1,728)	64	451
Issue funds:					
Disaster management	-	839	(839)	-	-
Water and sanitation	-	721	(718)	-	3
Waste Management	-	30	(30)		-
Total restricted funds	**19,191**	**47,450**	**(47,029)**	**(21)**	**19,591**
Total	**27,319**	**82,587**	**(82,727)**	**-**	**27,179**

Designated funds are set up for the following purposes:

- The fixed asset fund represents the net book value of Tearfund's tangible and intangible fixed assets to indicate that these resources are not available for other purposes.
- The strategic priorities fund represents monies set aside to fund a range of strategically important projects across multiple countries, together with investment in leadership and management development and new information systems.

Restricted funds are shown under the following main categories:

- Appeal and emergency funds comprise funds raised for specific appeals and emergencies.
- Country funds comprise funds given for specific countries.
- Project funds comprise funds given for specific projects mainly by institutional donors.
- Beneficiary funds comprise funds given for the benefit of specific beneficiary groups such as children.
- Issue funds comprise funds given for specific issues such as disaster management, water and sanitation and waste management.

Restricted fund balances may be in deficit where expenditure is made in advance of anticipated income and it is expected that the negative balances will be cleared in future accounting periods. At 31 March 2024, the total deficit balances amounted to £307,325 (2022/23: £354,589).

Transfers between funds represent:

(a) movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund

(b) balance transfers or reallocation of funds in line with donor's wishes

15a. FUNDS MOVEMENT (2023/24) CONTINUED

Included within restricted funds are the following amounts relating to money received from the following donors:

Foreign, Commonwealth and Development Office (FCDO):	1 April 2023 £'000	Income £'000	Expenditure £'000	31 March 2024 £'000
Haiti: AID Match	58	155	(213)	-
Pakistan: AID Match	(5)	393	(388)	-
FCDO & Other:				
Nigeria Innovate UK	-	164	(189)	(25)
Iraq CSSF	6	1,196	(1,011)	191
Ethiopia GSMA Climate Resilience	-	94	(94)	-
Start Network:				
Philippines Abra Earthquake Response	3	-	(3)	-
Mozambique Flood Response Projects	8	-	(8)	-
Democratic Republic of Congo Displacement due to conflict & Hub Incubation	16	79	(95)	-
South Sudan Displacement due to conflict	21	-	(23)	(2)
START India Displacement due to conflict	-	105	(105)	-
Rwanda START fund flooding	-	145	(148)	(3)
Nigeria START Displacement due to conflict	-	244	(244)	-
Burundi Flood Response	-	407	(407)	-
Philippines Disaster Risk Finance	-	91	(96)	(5)
Zimbabwe Anticipation of Electoral Tensions	-	98	(98)	-
Democratic Republic of Congo Social innovation for IDPs	-	234	(233)	1
Democratic Republic of Congo START Fund Alert Cholera	-	150	(150)	-
Total FCDO funds	**107**	**3,555**	**(3,505)**	**157**
Disasters Emergency Committee (DEC)				
Afghanistan crisis	128	372	(500)	-
Pakistan floods	150	1,507	(1,460)	197
Turkey and Syria earthquake	940	3,091	(2,940)	1,091
Total DEC funds	**1,218**	**4,970**	**(4,900)**	**1,288**

15b. FUNDS MOVEMENT (2022/23)

Tearfund and Tearfund Group	1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2023 £'000
General fund	11,475	35,868	(40,473)	(347)	6,523
Designated funds					
Fixed asset fund	1,164	-	-	406	1,570
Strategic priorities	2,157	-	(2,140)	18	35
	3,321	-	(2,140)	424	1,605
Total unrestricted funds	**14,796**	**35,868**	**(42,613)**	**77**	**8,128**
Restricted funds					
Appeals and emergencies:					
Afghanistan	2,674	2,368	(3,228)	-	1,814
Bangladesh	308	3	(213)	-	98
Burundi and Rwanda	18	-	(18)	-	-
Coronavirus emergency appeal	245	242	(343)	1	145
Democratic Republic of Congo	570	3	(573)	-	-
East Africa	-	6	(6)	-	-
East Africa hunger crisis	-	600	(311)	-	289
Haiti	26	25	(34)	-	17
Indonesia	392	1	(117)	-	276
Middle East	942	48	(132)	-	858
Mozambique	-	819	(723)	(5)	91
Myanmar	24	-	(24)	-	-
Other	366	699	(481)	5	589
Pakistan	90	2,356	(862)	8	1,592
Sudan and South Sudan	438	10	(448)	-	-
Syria crisis	611	-	(211)	-	400
Turkey and Syria earthquake	-	4,593	(958)	-	3,635
Ukraine	1,628	1,373	(1,812)	-	1,189
Yemen	1,941	62	(396)	-	1,607
	10,273	**13,208**	**(10,890)**	**9**	**12,600**

15b. FUNDS MOVEMENT (2022/23) CONTINUED

Tearfund and Tearfund Group	1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2024 £'000
Restricted funds brought forward	**10,273**	**13,208**	**(10,890)**	**9**	**12,600**
Country funds	-	65	(65)	-	-
Project funds:					
Institutions and trusts	6,394	32,240	(32,473)	(132)	6,029
Connected Church	18	6	(22)	-	2
Other	748	1,953	(2,187)	46	560
Beneficiary funds:					
Children	-	30	(30)	-	-
Issue funds:					
Disaster management	-	867	(867)	-	-
Water and sanitation	-	1,063	(1,063)	-	-
Waste management	-	82	(82)	-	-
Total restricted funds	**17,433**	**49,514**	**(47,679)**	**(77)**	**19,191**
Total	**32,229**	**85,382**	**(90,292)**	**-**	**27,319**

15b. FUNDS MOVEMENT (2022/23) CONTINUED

Included within restricted funds are the following amounts relating to money received from the following donors:

Foreign, Commonwealth and Development Office (FCDO):	1 April 2022 £'000	Income £'000	Expenditure £'000	31 March 2023 £'000
Central African Republic: AID Match	-	(3)	3	-
Haiti: AID Match	64	423	(429)	58
Pakistan: AID Match	(2)	849	(852)	(5)
FCO & Other:				
Nigeria Innovate UK	-	29	(29)	-
Iraq CSSF	-	812	(806)	6
Start Network:				
Burundi Alert 599	-	125	(125)	-
Philippines Abra Earthquake Response	-	367	(364)	3
Pakistan Floods Response	-	21	(21)	-
Mozambique Flood Response Projects	3	253	(248)	8
Democratic Republic of Congo Displacement due to conflict & Hub Incubation	-	144	(128)	16
South Sudan Displacement due to conflict	-	250	(229)	21
Zimbabwe WASH	-	91	(91)	-
Nicaragua Hurricane Julia Response	-	198	(198)	-
Total FCDO funds	**65**	**3,559**	**(3,517)**	**107**
Disasters Emergency Committee (DEC)				
Coronavirus	63	237	(300)	-
Afghanistan crisis	174	2,149	(2,195)	128
Pakistan floods	-	844	(694)	150
Turkey and Syria earthquake	-	948	(8)	940
Total DEC funds	**237**	**4,178**	**(3,197)**	**1,218**

16a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2023/24)

Fund balances at 31 March 2024 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,465	-	1,465
Current assets	10,367	20,983	31,350
Current liabilities	(3,234)	(1,392)	(4,626)
Provisions	(1,010)	-	(1,010)
	7,588	**19,591**	**27,179**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,465	-	1,465
Current assets	10,367	20,983	31,350
Current liabilities	(3,239)	(1,392)	(4,631)
Provisions	(1,010)	-	(1,010)
	7,588	**19,591**	**27,179**

16b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2022/23)

Fund balances at 31 March 2023 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,570	-	1,570
Current assets	11,811	19,620	31,431
Current liabilities	(4,487)	(427)	(4,914)
Provisions	(766)	(2)	(768)
	8,128	**19,191**	**27,319**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,570	-	1,570
Current assets	11,808	19,620	31,428
Current liabilities	(4,489)	(427)	(4,916)
Provisions	(766)	(2)	(768)
	8,128	**19,191**	**27,319**

17. OPERATING LEASE COMMITMENTS

At 31 March 2024 Tearfund and the Tearfund Group were committed to making the following payments in total in respect of operating leases for land and buildings:

	Tearfund Group		Tearfund	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Within one year	665	944	665	944
In the second to fifth years inclusive	832	781	832	781
	1,497	**1,725**	**1,497**	**1,725**

18. RELATED PARTY TRANSACTIONS

A number of the trustees of Tearfund are directors and trustees of other charities and organisations with whom Tearfund has historic relationships. There were no related party transactions.

One Trustee Director resigned from the Board and took up an interim role at the charity, as disclosed in Note 7. Once his role concluded, he was then reappointed as a Trustee Director.

In addition, there were no expenditure transfers to the subsidiary of Tearfund (2022/23: £nil) in the year ended 31 March 2024. The balance owing by Tearfund to Tearfund Trading Limited at the end of the year of £5,000 (2022/23: £2,000) is disclosed in Note 13. All assets and liabilities of Tearfund Trading Limited, except for cash, were transferred to Tearfund at 31 March 2023. In 2023/24, the cash was transferred to Tearfund, leaving the intercompany loan.

19. ULTIMATE PARENT

The Trustees consider that the ultimate parent and controlling party of the group is Tearfund.

20. CAPITAL COMMITMENTS

At 31 March 2024, there were contracted or authorised capital commitments of £nil (2022/23: £35,000).

tearfund.org

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Registered office: Tearfund, 100 Church Road, Teddington TW11 8QE. Registered in England: 00994339. A company limited by guarantee. Registered Charity No. 265464 (England & Wales) Registered Charity No. SC037624 (Scotland).

tearfund

TEARFUND

England & Wales - Charity number 265464

Accounts

Annual Report 2022/23

Celebrating the past year

Report and Financial Statements 2022/23
Year ended 31 March 2023

This year...

26,953
local churches mobilised

1,409,000
people reached with community development

2,303,000
people reached with crisis to resilience

262
partners, 456 denominations and 292 networks we worked with

£85.4m
raised to transform lives around the world

tearfund

We're working in more than 55 countries to bring an end to extreme poverty...

Asia

- Bangladesh
- Cambodia
- Central Asian States (3)
- China
- India
- Indonesia
- Laos
- Myanmar
- Nepal
- Philippines
- Thailand

Eurasia and North Africa

- Afghanistan
- Iraq
- Jordan
- Lebanon
- Pakistan
- Syria
- Yemen

Europe

- Moldova*
- Poland*
- Romania*
- Slovakia*

East and Central Africa

- Burundi
- Central African Republic (CAR)
- Democratic Republic of Congo (DRC)
- Ethiopia
- Rwanda
- South Sudan

Southern and East Africa

- Angola
- Kenya
- Malawi
- Mozambique
- Tanzania
- Uganda
- Zambia
- Zimbabwe

West Africa

- Benin**
- Burkina Faso
- Cameroon**
- Chad
- Ghana**
- Ivory Coast
- Liberia
- Mali
- Niger
- Nigeria
- Sierra Leone
- Togo**

Latin America and the Caribbean

- Bolivia
- Brazil
- Colombia
- Guatemala
- Haiti
- Honduras
- Nicaragua

USA***

UK***

* In response to the conflict in Ukraine

** Envisioning and mobilising denominations, local churches and theological institutions to transform their communities holistically

*** Raising awareness and mobilising the church to act and speak out on justice and poverty

Photos (clockwise from top left): Caroline Trutmann/Tearfund (Guatemala), Thiombiano Dioyadibi Emmanuel Benjamin/Tearfund (Ivory Coast), Steve Fanstone/Tearfund (UK), Tahaddi/Tearfund Partner (Lebanon), Shahadat Hossain/Tearfund (Bangladesh), Pete Dawson/Tearfund (Rwanda), Tearfund (Zimbabwe), Mocah Films/Tearfund (Brazil), Andrés Pacheco/Tearfund (Colombia)

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A company limited by guarantee, registered in England and Wales. Company registration number 00994339.
Registered Charity No. 265464 (England & Wales)
Registered Charity No. SC037624 (Scotland)

Cover image: Our partner supported Yuttana with new organic farming techniques. He now grows crops all year round, Chiang Mai, Thailand
Freedom Film Productions/Tearfund

Chair's introduction

With crisis after crisis, the past few years have felt unrelenting, and 2022 was no different. But once again, the church has stepped up and been at the centre of our response. And for good reason. I have been reading a book about the absolute necessity of an agreement, or 'bargain', among the elite of a country that makes and holds space for development to take place.

Without it, the book asserts, a country cannot make sustainable change towards a stable economy and the improved prospects it brings for its people.

But, while reading it, I have had in mind an alternative narrative. This other story is born from what emerges as we equip local churches around the world to help them hear and step up to the calling to be salt and light in their community. What we have seen is exciting, paradigm-shifting and lasting transformation. And although we have always known our work brings change, the extent to which this is happening, confirmed by an independent evaluation, is joyfully unexpected. Communities are being transformed, economically, socially and spiritually. And that change lasts.

What would happen if we could expand this work? If we could engage with and support not just the 25,000 churches we currently partner with but, say, 250,000 of them? What difference would it make to a country and the prospects of its citizens if every church became such a centre of transformation?

This year we have started to think about how we might scale up our work in order to see that change. Some of this is mentioned in this report, but this is a work in progress, and will call for change in ourselves too. We are tremendously grateful to all who have walked with us so far. Our thanks go to all who will continue to support us through prayer, action and giving, as we step up to this greater ambition – and tremendous opportunity – lying ahead.

Anna Laszlo
Chair

Anna Laszlo, Chair
Photo: Margaret Chandler/Tearfund

CEO's introduction

In this report, you will find stories of God transforming local communities through his church. I have been privileged again this year to sit with communities and hear first-hand their stories of lives changed, incomes improved, relationships restored and self-confidence created.

And as I listen, two things come to mind: firstly, God is working in this community, and secondly, why can't this happen everywhere – in every community in every country where Tearfund works and where there is a church we can partner with?

We call this work Church and Community Transformation, and we sense a calling from God to scale up this work by a factor of ten. The church can be the most powerful agent of change in the world: it is God's 'plan A' for transformation. And at this time of great uncertainty and insecurity, when we see communities worldwide suffering with the climate crisis, with conflict, with displacement, we know the church can be good news for those who live in poverty.

We have responded this year to multiple emergencies including in Ukraine, Pakistan, Syria and more widely in East Africa. We are so grateful to supporters, churches and funders who have given repeatedly and with great generosity to our appeals and core work. Alongside our focus on Church and Community Transformation, Environmental and Economic Sustainability, and on Reconciled Peace-filled Societies, we have added a fourth priority, Crisis to Resilience. This new corporate priority bridges our humanitarian work and our community work by supporting the church to build community resilience.

These are hugely challenging times. I would like to thank all my colleagues, our partners and the churches we work with for their remarkable leadership and service. In a hurting world, we long for the local church to bring the hope-filled good news: that change is possible, that God is good and cares passionately. And that poverty is not God's plan, you are.

Nigel Harris
CEO

Nigel Harris, CEO
Photo: Margaret Chandler/Tearfund

Tearfund CEO, Nigel Harris, meets with flood-affected residents in Mirpur Khas, Pakistan
Photo: Manoj Kumar/Tearfund

> **We've all been envisioned: I've been envisioned myself. Now, when we visit communities, we have even stopped taking water. People say, "We've got water here: you drink our water."**
>
> **Carolyn Chinyemba**

Carolyn Chinyemba, is spearheading and coordinating the various CCMP facilitators and self-help groups throughout the Province
Photo: Chipema Chinyama/Tearfund

When the church sees the light

For our Zambian partner Jesus Cares Ministries, local churches are at the heart of its work with communities. And for Carolyn Chinyemba, who coordinates this work, it's the change in churches' mindset that causes the most dramatic transformation.

Before we started working with communities, people would come running when they saw our vehicle, because they knew that we brought juices and biscuits. Even the pastors used to go around the villages begging. But I never saw Jesus Christ giving handouts in the Bible.

We started with church leaders and took them through a Bible study on 2 Kings 4, about Elisha and the widow's oil, to help them realise that God can multiply the little you have. That has grown their faith and hope in the Lord, and now the 240 pastors we've envisioned are the ones driving this Church and Community Transformation (CCT).

Before, the church would just preach and preach and wait for donors to bring them aid. Today, they're empowering their congregants and community to realise who they are and the potential they have.

So, our first partner is the church, and through them we reach civic leaders and the rest of the community. Through CCT, the community is helped to identify and articulate their needs, and then prioritise them.

In Eastern Province, where we work with Tearfund, communities identified a priority to be addressing the problem of child labour: children working in the fields or herding cattle instead of going to school.

In some places when a child reaches puberty, they are regarded as no longer being a child. So, we work with churches to raise awareness that a child is anyone under 18 and to see that at puberty children are taught about hygiene, and how to look after themselves and empower themselves with education.

We have realised that whether a child stays in school depends so much on the parents. So, every parent whose child has gone to school through this project joins a self-help group, and they are trained in entrepreneurship, business management and bookkeeping.

So far, we've worked with 1,214 parents, mostly women. Before, women would ask for everything from their husbands. When they save together and take loans from the group, they can multiply their money and support their household. They empower themselves with the money they make: we have never given them money.

Because our self-help groups are God-centred, parents have grown in faith as they pray, study the Bible and bless each other.

With Tearfund, we have managed to get 10,120 working children back into school since 2007. Some have trained as teachers and have gone back to serve their communities.

Success is when you see a child who was working now going to school and taking responsibility for themselves. They know that they don't just have a right to education, they also have a responsibility to learn, do their homework and give back to the community.

And it's very edifying to see a chief setting a rule that no child goes to the field before they go to school. The communities have owned the project – they feel it's theirs – so it continues even when we are not there.

The church is seen as relevant now because it is bringing transformation. And church members realise that they are a light in the community.

Today, there are pastors who are running shops, farming, and keeping chickens. They're role models: looking after their families and leading by example.

It breaks my heart when I see people stuck: I want to help people realise who they are in Christ. We want many other communities, from far and wide, to come and learn about the transformation that has taken place.

Margaret (right) has innovatively turned one of the rooms in her home into a store where she can conduct business from her home
Photo: Chipema Chinyama/Tearfund

Trustee Directors' report

The Board of Trustee Directors present their Annual Report, together with the audited, consolidated financial statements, for the year ended 31 March 2023.

Principal activity

Tearfund is a Christian relief and development agency committed to eradicating poverty. Tearfund's call over the past 55 years has remained constant: to follow our mandate to see people lifted out of material and spiritual poverty.

Our vision is to see people freed from poverty, living transformed lives and reaching their God-given potential.

Our mission is to follow Jesus where the need is greatest, responding to crises and partnering with local churches to bring restoration to people living in poverty.

Our values remain unchanged: we seek to be Christ-centred, compassionate, courageous, truthful and servant-hearted.

We see mobilising and equipping the church as fundamental to achieving this.

Our outcome-focused corporate priorities

In 2022/23 we reviewed our four outcomes (churches mobilised, emergency needs met, communities transformed and society changed) and our three corporate priorities (Church and Community Transformation, Environmental and Economic Sustainability, and Fragile States).

As a result, we agreed to pursue our vision by focusing on four consolidated outcome-focused corporate priorities:

- Church and Community Transformation
- Environmental and Economic Sustainability
- Reconciled Peace-filled Societies
- Crisis to Resilience

In 2022/23, our reporting reflects the transition from our four outcomes, which remain for one final year the basis for reporting expenditure in the financial statements, to the new outcome-based corporate priorities, which provide the framework for the Strategic Report starting on page 10. Next year, our reporting framework will use only our four new corporate priorities. We are conscious of the interconnectedness of these new corporate priorities across all aspects of our work. Therefore, we are updating our systems and processes for reporting to ensure we're clear about the impacts we've achieved against these corporate priorities and the investments we've made to achieve them.

Cecile Niyonsaba, is a farmer and active member of Gisagazuba Parish, a CCT community in Burundi.
Photo: Paul Mbonankira/Tearfund

Our corporate priorities

We are committed to four corporate priorities. We believe that we are uniquely placed to deliver them and that they enable us to contribute to transformational change in the countries in which we work.

These corporate priorities should not be viewed in isolation, but as complementary, strategic areas of focus which help us to achieve holistic transformation and address the root causes of poverty. We believe poverty is caused by four broken relationships: our relationship with God, with our self, with others and with creation. Restoring these relationships is at the heart of all we do.

Each of our corporate priorities has a vision statement to provide direction and focus for our work at community, national and global levels. Together, these enable us to track our progress towards achieving our vision and mission.

Church and Community Transformation (CCT)

Our vision is for a global church movement significantly transforming the holistic wellbeing of people living in the greatest poverty. This means the whole church truly understanding, embracing and acting out its integral mission and, in doing so, changing the lives of those in most need across the world.

Reconciled Peace-filled Societies (RPS)

Our vision is to enable those who are called to address the effects and systemic causes of violence to bring sustainable peace in their communities and wider society.

Crisis to Resilience (C2R)

Our vision is to see resilient hope-filled communities equipped and empowered to prepare for and respond to the crises they face. Our goal is a reformed and equitable humanitarian system with strong, local, humanitarian leadership, and with faith actors at the forefront.

Environmental and Economic Sustainability (EES)

Our vision is for a world where every person's basic needs are met and all have the chance to flourish within environmental limits. We seek a restorative economy which aims to meet three key tests:

- **Everyone can meet their basic needs.**
- **The world lives within its environmental limits.**
- **Inequality in its current extremes – including income inequality and wealth inequality at national and international level – is no longer accepted.**

CCT is the bedrock of much of Tearfund's work. It interacts and interconnects with the other three corporate priorities in numerous ways, including:

- **EES:** Programmes focusing on EES are often introduced through churches that have been involved in CCT. We are working to integrate stronger creation care concepts into CCT processes to ensure that environmental sustainability outcomes are achieved.
- **RPS:** Increasingly, countries are adopting a CCT approach before or alongside their RPS work. The focus on helping churches understand and outwork a 'whole-life' mission is proving to be a strong foundation to build upon, resulting in deep-rooted change across relationships at every level. A specific CCT process embedding gender justice, trauma-healing and peacebuilding has been bringing hope and transformation in various countries.
- **C2R:** Tearfund's focus is to equip churches and local communities in disaster preparedness, help them respond to emergencies, and invest in building resilience and hope for people in the long term.

Partnerships and principles

Our partners include local churches, denominations and Christian national and international NGOs who agree with our Statement of Faith and meet our partnership criteria. In a few countries affected by protracted and/or recurrent crises, where the availability and capacity of partners are currently limited, Tearfund implements large-scale programmes with our own staff.

Tearfund is a member of various alliances and networks that provide important support. These include: the Disasters Emergency Committee, BOND (a network of organisations working in international development), Micah Network, the Integral Alliance, the Start Network, Joint Learning Initiative and the Evangelical Alliance.

Tearfund upholds a set of corporate Quality Standards which reflect the organisational characteristics we aspire to and the relevant external and internal accountabilities, standards, codes, guidelines and principles we're committed to. Please visit **tearfund.org/qualitystandards**

With a shared Christian identity and common goal to reduce poverty and injustice, the Tearfund Family brings together agencies in the UK, Ireland, Belgium, France, Germany, the Netherlands, Canada, USA, Australia and New Zealand.

Tearfund and its partners work with the most vulnerable and marginalised people around the world, regardless of race, religion, ethnicity, ability, age, gender, sexuality or nationality, and the Trustee Directors ensure that the activities undertaken contribute to the charity's aims and objectives. The Trustee Directors are therefore confident that Tearfund meets the public benefit requirements of the Charity Commission in our reporting.

Photos (top to bottom): Java with her granddaughter from a village in Chiang Mai, Thailand, where, where our local partner supports the community with integrated agroforestry and community management skills
Photo: Freedom Film Productions/Tearfund

Pastor John Sakala speaks to his congregants from the community in the church on a regular basis as his service to the people in Mangena Community, Zambia
Photo: Chipema Chinyama/Tearfund

A regional youth network gathering in Colombia. More than 40 young people came together to pray, learn about good governance and creation care
Photo: Andrés Pacheco/Tearfund

Loko, who was supported by Tearfund partner EGCDWO in the midst of severe droughts in Ethiopia
Photo: Mahad Usman (Ayanna)/Tearfund

Strategic report

The Trustee Directors present the strategic report which details our progress made against our key objectives set last year and our aims for 2023/24.

We hope to see churches and communities transformed

We inspire and support the church to be active, vibrant and living out a theology of integral mission so that people in their communities experience whole-life transformation.

What is our approach?

We believe that poverty is the result of broken relationships between God and humanity. Our work focuses on restoring four important relationships: how we relate to God, to ourselves, to others and to the environment.

Local churches begin a lifelong journey when they embrace and commit to partnering in God's mission to bring restoration in all four of these areas. This journey empowers them, changes mindsets and brings about 'whole-life' change in both the congregation and the community. The church responds to the needs of their local community holistically and from within. As a result, people are lifted out of poverty and lives are transformed.

Church and Community Transformation (CCT) approaches vary around the world but are all based on a theology of integral mission and have a vision for whole-life transformation. These approaches are locally owned, sustainable and empowering. They start with biblical reflection that enables churches and communities to have a deep-rooted understanding of their identity and potential, and helps change mindsets. Sometimes, the entry point for CCT is accompanying churches to address a specific issue, such as migration or creation care, but the focus is always on transformational change and a call to action, which encourages church and community members to mobilise resources to meet the needs they have identified in their community.

This year, we're celebrating:

26,953

churches actively engaged in CCT and helping transform communities

456

new denominations and 292 new church networks starting their CCT journey

620

denominations and 228 church networks now scaling up CCT with their own resources

103

new theological training organisations integrating CCT courses and models into their curriculum

With support from Tearfund's partner, farmers Eudoxie and her husband Marc, have completed CCMP training in Côte d'Ivoire
Photo: Thiombiano Dioyadibi Emmanuel Benjamin/Tearfund

Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. See 28,000 churches mobilised and achieving transformation in their community

Developing and supporting facilitators and trainers is a mainstay of our CCT strategy, in order to see more churches mobilised.

In 2022/23, we saw 4,329 more churches mobilised, bringing the total to 26,953 churches. 5,630 new facilitators were trained bringing the total number of active CCT facilitators worldwide to 23,377. In the Middle East, we are pioneering a contextually appropriate Arabic church mobilisation process: 14 women and 11 men are being trained as facilitators and are co-creating this process in Jordan.

We have developed an online community of practice, drawing together people around the world to connect, share learning and inspire one another. Having completed a successful pilot phase engaging 71 members, we will now open it up more widely. We already have two regional groups using the platform to strengthen their CCT training and support, and other regional and country-level communities of practice are now being established.

In South-East Asia, an inspirational learning event was held for 84 practitioners and influencers from the CCT community of practice. Participants committed to move forward in their CCT journeys by reflecting on creative and innovative ways to restore broken relationships (see above) in their specific country contexts. They also committed to expand the movement through cross-border collaboration, to help raise up the next generation of CCT practitioners.

2. Scale up advocacy and influencing across our work on CCT

A total of 46 churches and 27 denominations and networks have integrated advocacy into their CCT work this year and 44 individuals have become CCT Advocacy trainers.

The focus has been on strengthening the capacity of CCT practitioners (including trainers and facilitators) to further expand this work. 'Training of trainers' in CCT Advocacy has been conducted in 11 countries in Africa and seven in East and South-East Asia.

Meanwhile, local churches have continued to engage with local government, particularly on the issue of delivering public services. Several denominations have been envisioning local church leaders and key groups such as young people in CCT Advocacy, and trained champions have gone on to train other community and church leaders.

In Zimbabwe, for example, this has had strong results: communities have seen improvements in governance, citizen engagement and public services. One district received new staff and facilities at its health centre as a result of CCT advocacy while another saw improvements to its sewage system and water supply; roads in both communities were upgraded.

3. Denominations and networks sustainably scaling up CCT*

Tearfund country offices have started new relationships with 160 denominations and 54 networks to inspire them to start their CCT journey.

The approach varies from envisioning activities in West Africa, to theological education discussions in East and Southern Africa, to exploring new ways of working in Latin America. For example, in South Sudan in September the team held 14 days of CCT training with ten lecturers from three theological colleges on identifying and analysing church and community needs. The aim was to help students apply their CCT knowledge in the context of the local church and community for holistic transformation.

We have also seen good progress in the number of denominations and networks (now 620 and 228 respectively) which are scaling up CCT sustainably with their own resources. We established a new Theology and Network Engagement Hub in Cambodia, a network of theological educators and training organisations teaching integral mission who share learning and experience. The Hub has already seen strong progress in curriculum development for both CCT and Environmental and Economic Sustainability.

14-year-old Thierry from Burundi hopes for a brighter future thanks to church transformation
Photo: Paul Mbonankira/Tearfund

* – This objective was not specifically listed in the 2021/22 Annual Report

What we learnt

We commissioned the largest independent study Tearfund has ever embarked on: Local Church, Lasting Transformation. We worked with State of Life to measure the impact of our CCT work and had our findings peer reviewed. This was a large and pioneering study: we surveyed almost 8,000 people in Rwanda, Sierra Leone, Tanzania and Zimbabwe. We compared people actively involved in CCT activities with others in the wider community and in communities where CCT has not started.

The remarkable results showed that CCT brings positive whole-life transformation, which is sustained and far-reaching and is of great value. We found:

- There is 27 per cent higher life satisfaction among CCT communities.
- Every £1 that Tearfund invests in a CCT process unlocks £7 of additional resources within a community.
- Nine out of ten communities that participated in CCT built new or improved community assets, such as schools and roads.

This is year one of a multi-year study, and we will be repeating the research in more countries next year.

Read more about the study on Tearfund Learn[1].

We know we can go further

In many contexts where we are using CCT processes, literacy levels are low, so large numbers of people are excluded from leading them or taking part. We have adapted the manual for one of our CCT processes so it can be facilitated entirely orally, and have piloted its use in Sierra Leone. We need to do the same for our other CCT processes. We are scaling up our ambition for CCT and have set a target of 250,000 churches in 5-7 years becoming centres of transformation for their communities. We will do that by stepping up the work we do to influence churches and denominations for Integral Mission.

Going forward in 2023/24

We aim to:

- continue the large-scale study of our work to measure the impact of CCT in four further countries in different contexts
- launch an online CCT training curriculum
- mobilise 100 new denominations

1 – https://learn.tearfund.org/en/resources/series/cct-impact-study-series

Search and rescue mission

Coqueiral Baptist Church in Brazil takes its biblical mandate to seek and save the lost quite literally.

As storms caused flooding and widespread damage in parts of Pernambuco state in May 2022, the heavily polluted Tejipió River broke its banks in Recife where the church is based.

Although Coqueiral Church was affected as well, its response was immediate: it sent out rescue boats looking for people stranded in homes filling with floodwater.

Kedyma and her family were trapped for hours on their first floor, calling the overloaded municipal emergency services in vain. 'Then we saw the [church's] boat... the answer we were praying for, the answer God sent us.' In total, the church rescued 420 people that day, as well as providing food and essentials for thousands.

Tearfund has partnered for more than ten years with the church's development wing, Instituto Solidare, including providing training in disaster response. We also supported the church's Clean River, Healthy City campaign which has worked with both the authorities and local community to raise awareness of the link between waste pollution and flooding, and encourage better care and management of the river.

Instituto Solidare Director Evandro Alves says: 'We know that there is no mission of the kingdom of God that is not integral [mission].'

The Baptist Church of Coqueiral, Recife Brazil, has positioned themselves as a zero-waste church
Photo: Mocah Films/Tearfund

We want environmental protection and economic development to go hand in hand

We work with local churches and communities to tackle environmental and climate challenges while creating green jobs to improve people's livelihoods and create sustainable economic development.

What is our approach?

We believe that we need to live differently with others and with our planet, sharing more abundantly and more generously, and treading more lightly on the earth. We need to recognise that creation is an abundant community of which we're a part, and our interaction with the environment must be motivated by love, not dominion.

Based on these beliefs, elaborated on in our theology of abundant community, we collaborate with churches and communities worldwide to address climate and environmental challenges which humans have often caused. Our Environmental and Economic Sustainability (EES) work focuses on ensuring environmental protection and economic development go hand in hand, helping communities, especially young people, create green jobs and build stronger, more sustainable livelihoods.

We work with theology schools and church networks, mobilising people to advocate for policy changes locally and globally, while at the same time developing practical solutions with churches and communities. These include: waste management, climate-smart agriculture and renewable energy at household and community levels.

We want to be accountable about our own environmental impact and strive to reduce it. This includes cutting the number of flights our staff take, reducing waste at our offices and events, and using more environmentally friendly logistic operators and transportation in our emergency responses.

This year, we're celebrating:

39

theological training organisations incorporating EES theology *Abundant community* into their curriculum and in five different languages

66

changes in public policy and practice achieved, 130 church networks and movements mobilised to advocate for environmental justice

200,000+

campaign actions taken globally to advocate for climate action

20+

EES projects providing green livelihoods while protecting the environment

Right: Since installing irrigation, Mahima's crop has increased. Rukum East District, Nepal
Photo: Rabi Rokka (Ray Of Hope Productions)/Tearfund

Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. Building a strong foundation of EES theology by working with Bible schools and networks*

Our new *Abundant community theology* report is the culmination of an extensive consultation on EES theology, with important contributions from Africa, Asia and Latin America.

The report is already proving a catalyst for theological conversations around EES globally. For example, in November we co-hosted a Theology, Church and Farming event with Jubilee Farm in Northern Ireland. This proposed a 'theology of abundance' as a response to the individualistic mindset that underlies several challenges facing UK agriculture – and has led to a local network promoting sustainable farming.

At least 39 theological training organisations incorporated EES theology into their curriculum this year, including the Methodist Bible School in Cambodia, and our Guatemalan partner the Esdras Centre. The success of the new Theology and Network Engagement Hub in Cambodia has already been mentioned (see page 12).

As well as producing 19 research papers and resources, members of our Theology and Network Engagement Team have had 34 external speaking engagements on EES theology, including at Spring Harvest. They also convened or contributed to 11 events on the theme, including a creation care workshop for church leaders in Latin America and the Caribbean.

2. Support projects that produce green jobs, demonstrate sustainability and reduce inequality in programmes in at least 15 countries

This year, we supported 20+ EES projects in 19 countries spanning all six regions where Tearfund works. Our review of all these projects found that they have all made good progress in achieving their three main goals: creating green jobs, restoring and protecting the local environment, and reducing inequality.

Most of these projects, whether in stable or fragile states, have arisen from CCT programmes. All of them have found that combining practical activities with advocacy and influencing is key to ensuring the long-term behaviour change at household and community level needed for the projects' success.

This year, we have started a new climate-smart agriculture project in Mozambique which is supporting community members to grow drought-resistant moringa and aloe vera. It is helping people diversify away from charcoal production, a major cause of deforestation and soil degradation, and teaching young people to make marketable products such as soap. We plan to start EES projects in three more countries in 2023/24.

3. Grow a movement of Christians in the UK and global church to help ensure the 2022 African COP delivers financial support to communities hit hardest by the climate crisis

We have grown the number of movement allies we work with around the world, so it now stands at 91. More than 100 churches across the UK have now declared a climate emergency, and are committing to act on the climate crisis as a congregation. In addition, more than 11,000 people signed our *Time to Deliver* petition to the UK Government pressing for more climate finance to help climate-vulnerable communities adapt.

Thousands of people from climate-vulnerable communities, including Tearfund staff and ambassadors, raised their voices to speak up on climate finance. We were able to bring several activists to the COP27 climate talks in Egypt. These spokespeople helped us secure over 50 pieces of COP27 media coverage, with a combined reach of over 66 million.

World leaders at COP27 agreed for the first time to establish a fund for 'loss and damage', offering relief for climate-vulnerable nations and communities. This is a welcome sign that the voices of those worst hit by climate change are finally being heard – and that pressure from civil society is having an impact.

4. Work with multinational companies so that they commit to implement policies that will improve the livelihoods of waste pickers and uphold their human rights

For three years, we have been calling on four large multinational companies, Coca-Cola, PepsiCo, Nestlé and Unilever, to take responsibility for their plastic pollution and respect the rights of waste pickers.

This year, these companies signed up to the Fair Circularity Initiative. This brings businesses together around the aim of ensuring that the rights of waste pickers involved in their supply chains are respected and that the central role waste pickers play in stopping plastic pollution is fully valued through implementing the Fair Circularity Principles. Specifically, all four companies committed to advance and adopt these principles in collaboration with waste picker organisations, to report on their progress annually and to encourage other businesses to join the initiative.

The aim is that this will contribute to real improvements in the lives of the world's 20 million waste pickers who collect 60 per cent of all plastic waste that gets recycled globally. This is a key outcome of our *Rubbish Campaign*, in which tens of thousands of Tearfund supporters have participated since 2019.

* – This objective was not specifically listed in the 2021/22 Annual Report

What we learnt

Long-term behaviour change at individual, community and government level is most likely when advocacy, influencing and movement-building are integrated into project activities. CCT has proved an effective foundation for EES projects, including in fragile settings, and savings groups play a key complementary role in achieving strong outcomes. In turn, EES projects can build strong community groups from which self-help groups arise.

We know we can go further

Although we saw some campaign wins at COP27, we need to continue to keep up the pressure for climate justice. We also need to build on the success of our advocacy on waste, capitalising on the unique opportunity presented by the UN Plastics Treaty negotiations.

We want to do more to create green jobs in agriculture and other sectors through contextually appropriate entrepreneurship models.

Going forward in 2023/24

We aim to:

- introduce our abundant community theology into more theological colleges and other influential church spaces
- seek to influence the UN Plastics Treaty negotiations through our *Rubbish Campaign*
- deliver projects in 20 countries to build restorative economies and resilience in the face of future climate and environmental crises

> **'When I see the importance of this [chicken] breeding for us, I am motivated to move forward...'**

Chickens revive local farming

Prolonged drought, made worse by climate change, has turned the land barren in parts of Burkina Faso. Families depend on agriculture for their survival so many are going hungry, their situation made even more precarious by the conflict that has torn their country apart for several years now.

In Kirsi to the north, our partner l'Office de Développement des Eglises Evangéliques (ODE) has been training 51 women in poultry-farming, providing families with both chickens and the skills to develop other types of income.

To ensure the project is fully sustainable, these new chicken farmers and their community are being trained in every aspect of poultry care, which is invaluable in an area where agricultural services and products are hard to come by. Some in the village have been trained in vaccination and given equipment which has allowed them to administer vaccines to about 5,000 poultry per quarter.

Furthermore, a group of seven villagers, including three women, have been taught to make poultry feed from local products. This cooperative now produces feed for the area: its first batch sold out.

Revenue from chicken sales has generated about £2,700 during the calendar year 2022.

Bagre explained the benefits of this enterprise. 'I am very proud of myself to be able to contribute financially to the needs of my household. When I see the importance of this breeding for us, I am motivated to move forward.... I pray that God gives me this strength.'

Bagre Raleolgoam, a member of Koussago village with her poultry enterprise
Photo: Arsene Konate/Tearfund

We hope to see communities working together across divides to resolve conflict peacefully

We support churches, faith groups and local communities to address the effects and systemic causes of violent conflict and bring lasting peace for themselves, their neighbours and their society.

What is our approach?

The Bible tells us that those who have suffered the realities of poverty, violence and oppression are the ones God chooses to rebuild, restore and renew (Isaiah 61:1-4). It describes them as 'oaks of righteousness, a planting of the Lord for the display of his splendour'. Supporting and enabling such individuals is at the heart of our peacebuilding work.

We aim for deep impact, investing in and nurturing these key change-makers, committing to work in locations long enough to see and measure sustainable change. We combine this support with development programmes that address the drivers of conflict – from climate change to lack of sustainable employment. We also look to strengthen those structures and processes that bring peace.

We recognise the contribution and success of female peacebuilders, and the vital role young people can play, and we prioritise these groups as we build and support peacebuilding networks. We also challenge harmful social norms that exclude women and young people through our Transforming Masculinities programmes and our work with survivors of sexual and gender-based violence.

This year, we're celebrating:

85,600+

people taking part in our work to build reconciled peace-filled societies, including:

876

local churches becoming centres of peacebuilding and advocacy

1,589

households receiving training in peacebuilding techniques

266

peacebuilding champions mobilised in conflict-affected countries

Right: Divine Bihoyiki, from Kirundo, Burundi, lives alone with her five children. As a former refugee she was able to resettle in the village and lives peacefully with her neighbours
Photo: Paul Mbonankira/Tearfund

Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. Help build relationships between communities in conflict and across social divides in 15 countries

This year, we have been using our 'community conflict transformation dialogues' approach to build reconciled peace-filled societies in 23 countries. One such project in the DRC trained young people and faith leaders as peace champions to facilitate conflict transformation dialogue sessions within their communities. Before these talks began, people would not leave their villages for fear of being killed by people from different tribes.

Makamba Roseline, who took part in the dialogues, describes the difference that the project has made: '[Before], we could not go outside of our village. Now we can travel freely to the village located 25km from here. We are planning to play a football match with the neighbouring community and that was unthinkable before. Today, people from the Hema communities come here to the local market for their groceries. Youth from this village can easily go to look for stones for building houses in the neighbouring community and this was not possible before. We live now as brothers and sisters.'

2. Scale up advocacy and influencing across our work on Reconciled Peace-filled Societies

We continue to expand our 'shifting security narratives' work, engaging directly with relevant UK bodies on bolstering local peacebuilding efforts in place of militarised solutions, and working with peacebuilding networks to scale up this work in East and West Africa. We continue to support our partners as they advocate for peace in South Sudan and West Africa.

We defend freedom of religion or belief, supporting, among others, our partners in Iraq and Nigeria to speak with international decision-makers, including the UK Government.

As part of our wide-ranging minorities' rights advocacy, we continued this year to lead and strengthen a campaign in Latin America and the Caribbean advocating on behalf of migrants and refugees to the UN, the Inter-American Court of Human Rights, and the governments of Brazil and Panama. As a result, the Panama authorities agreed to provide psycho-social support for migrants and to monitor the number of people dying while crossing the Colombia–Panama border.

We also called for good governance in Chad, Haiti and Nigeria, and are in the process of launching a regional anti-corruption and good governance campaign in Latin America and the Caribbean.

3. Establish and support women's peacebuilding networks*

Tearfund has organised two gatherings of female peacebuilders, bringing together participants from across the globe. The first took place in Cape Town and allowed 35 peacebuilders to process the upheaval of recent years and help them build rhythms and practices to sustain themselves and their work over the long term.

The second gathering brought together 22 peacebuilders and young theologians in the Stott-Bediako forum in Romania to explore the relationship between faithful Christian witness and power. The young Christian peacebuilders were able to build relationships with key theologians from their regions and deepen their understanding of the theological foundations of their peacebuilding work. This will help them to work with and influence church leaders, who tend to be older and male: a lack of engagement with such leaders has all too often constrained and limited their impact. There have been further local meetings and online discussions with the key speakers.

Elyse Ndayishimiye (centre) is a Peace Champion in Rwibikara, Kirundo, Burundi
Photo: Paul Mbonankira/Tearfund

* – This objective was not specifically listed in the 2021/22 Annual Report

What we learnt

Faith leaders with vision have influence and are able to mobilise others in their community around that vision, creating change. But to sustain their work in often difficult and dangerous environments over the long term, they need to be given opportunities to come together, physically and virtually, to share successes and challenges, to pause for breath, recharge and learn from each other.

We know we can go further

Although we have made progress, there is not yet enough meaningful inclusion of women and young people in our peacebuilding work. To this end, we are now merging our gender equity and peacebuilding approaches wherever possible so that they and other integrated programmes have a stronger focus on inclusion, and we will continue to address barriers that hamper inclusion of those on the margins.

Going forward in 2023/24

We aim to:

- support 300 communities to experience greater trust and reduced levels of violent conflict
- contribute to reduced levels of gender-based violence and increased participation of women and young people in 300 communities
- support 300 churches and faith communities to model and drive structural change in support of sustainable peace

> **'The officer was shocked to hear of so many ethnicities and religious groups travelling together. JISRA and [our local partner] enable us to be together'**

Forays across faith divides

Deep divisions along religious lines can often lead to violence. Therefore, Tearfund has joined the Joint Initiative for Strategic Religious Action (JISRA) as part of our interfaith peacebuilding and advocacy for freedom of religion or belief (FoRB). The project, which is taking place in Iraq, Ethiopia, Mali and Nigeria, brings together people from different faiths to build relationship and understanding, often in highly complex religious contexts.

In Iraq, one of the project participants described their journey from Nineveh to a JISRA training venue, as a striking example of how JISRA is challenging religious and cultural norms: 'Today, at the checkpoint, the officer asked a lot of questions about who we were, and we said: "One Kakai, one Yezidi, Christians and Shabak." The officer was shocked to hear of so many ethnicities and religious groups travelling together. JISRA and [our local partner] enable us to be together.'

Through the JISRA project we are building relationships across divides, dispelling fear of the 'other' and bringing healing. It has also helped participants develop skills in advocating for religious freedom and inclusion. For example, we helped to arrange an audience for them with UK leaders at the FoRB International Ministerial Conference in July 2022 and associated parliamentary events in the UK, alongside colleagues from Nigeria.

A Yezidi temple, mosque and church in Bashiqa city, Iraq, where different faith groups live peacefully, in close proximity to one another
Photo: Tearfund Partner

We want to see communities moving from crisis response to resilience

Our belief in God's restoration plan compels us to help build resilient, hope-filled communities, equipping them to prepare for and respond to crises, and addressing the root causes of their vulnerability.

What is our approach?

The communities we serve do not differentiate between the risks they face daily. Floods, drought, violence or pandemic, each crisis results in similar impacts: livelihoods lost, homes destroyed, lack of access to food and markets.

Consequently, this year we developed a new strategic approach to ensure we strengthen communities' capacity to respond to and recover from emergencies, and become resilient to future shocks.

We equip churches and local partners so that emergency responses are as locally led as possible and contextually appropriate. At the heart of this collaborative approach is partnership, mutual learning, resilience and a mindset of hope. Where necessary, we also work directly through our own operational programmes, currently in the Democratic Republic of Congo, South Sudan and Central African Republic.

In 2022/23, we've responded to devastating climate-related disasters and communities facing violence and destruction, including the Ukraine conflict, Turkey-Syria earthquake, Pakistan floods, an earthquake and flooding in the Philippines, the East Africa hunger crisis, a hurricane in Nicaragua and cyclones in southern Africa.

We hold ourselves accountable to people affected by disasters, ensuring clear channels of communication so that communities can participate fully and give feedback. We coordinate with networks and peers within the humanitarian sector to ensure best practice across our work.

This year, we've supported:

23

partners in 13 countries through our humanitarian capacity-strengthening programme

2,500

people in Nicaragua, following Tropical Storm Julia in October 2022, by cleaning and disinfecting 75 wells

25,900

people with cash, agricultural inputs and hygiene support in the first phase of our Pakistan floods response

254,000

internally displaced people with emergency assistance through ongoing programmes in the DRC

Right: Ibraimo Momad and his wife Journey Abdalaand, with their two daughters in Mozambique. The family was displaced due to terrorist attacks
Photo: Ricardo Franco/Tearfund

Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. Improve our ability to reach disaster-affected populations in difficult and fragile settings, by expanding our operational approaches: for example, combining direct response and working with partners

During the course of the year we wanted to see our operational work becoming more integrated with churches and local partners, to expand our capacity for meeting humanitarian need. To this end, we have refined and simplified our models for working with these local organisations, to great effect.

We have also realised the strong potential we have to influence change in significant ways in every context where we work. For example, the DRC country strategy integrates influencing work with practical action – with an emphasis on peacebuilding, gender equality, and Environmental and Economic Sustainability. Within the past year, the Tearfund DRC team have focused on influencing the church on peacebuilding through financing an interfaith peacebuilding project and hosting the 'Guns to Garden Tools' advocacy event to which local authorities, churches and media were invited. Tearfund is also the localisation lead for the International NGO Forum in DRC, representing 118 INGOs. We also sit on the leadership team of the Start Network's DRC Hub which aims to transfer decision-making power to local agencies and increase their participation on the international stage.

2. Continue work to establish regional Emergency Response Registers (ERRs) to help identify and train Tearfund and partner staff who are able to respond to crises at short notice

This year we have made progress in developing an Emergency Response Register for our Africa regions, which pulls together skilled Tearfund staff from within the continent who can travel to support emergency responses.

We have conducted two emergency response simulation exercises, in Rwanda (February) and Burkina Faso (March), which aim to improve preparedness and response by testing existing procedures and systems in a fictional disaster. These simulation exercises ensure Tearfund and our partners are better placed to respond when a real disaster happens.

We have also made progress in embedding the Asia Regional Disaster Risk Reduction Management (DRRM) platform. This aims to increase regional cooperation among national Christian NGOs across Asia, by facilitating collaboration and shared learning for better cross-border preparedness and resilience. Our Indonesian partner, Jakomkris Network, was nominated as the first chair of the platform at the end of 2022, with EFICOR India as the co-chair. The group is already working towards developing a shared surge roster for Tearfund and its partners, to respond to cross-border disasters.

3. Develop e-learning resources for church leaders, to strengthen the ability of local churches to respond when disaster strikes

We have developed a series of five e-learning modules for the local church this year, focusing on disasters and preparedness. These resources will come online on Tearfund Learn in 2023 and will be available in several languages.

The modules follow a simple flooding disaster scenario and consider how the local church can prepare for and respond to such an event, using learning activities and short animations. The e-learning follows the disaster risk management cycle of preparedness, response, recovery and mitigation, with a final module on the wellbeing of the church and responders following a disaster. These e-learning modules have been drawn from existing resources developed by Tearfund, but contain up-to-date facilitator guides and Bible studies.

We anticipate these online resources will be used by existing CCT processes and facilitated within the network of churches Tearfund engages with. These resources are now available to all: any local church can use them, without facilitation or other training, to strengthen its capacity to respond when disasters happen.

Right: Catia Antonio (wearing a Tearfund waistcoat), provides sewing training to girls displaced by terrorist attacks in Mozambique
Photo: Ricardo Franco/Tearfund

What we learnt

In Ukraine, we were able to adapt our systems to mobilise and support smaller community organisations and churches, who were part of our networks but not existing partners, to provide swift assistance in an environment of active conflict. This allowed a robust and contextually appropriate approach. We are investigating how we use this learning to be better prepared to respond to similar crises.

We know we can go further

Tearfund's 2022 Mid-term Audit for the Core Humanitarian Standard highlighted improvement in country teams' and partners' ability to deliver high-quality, effective and accountable assistance. We continue to require our staff to ask communities how they prefer to share feedback or submit sensitive complaints. However, we need to be more systematic in how we consult communities on the design of complaints-handling processes and feedback mechanisms.

Going forward in 2023/24

We aim to:

- strengthen local churches and communities so they are prepared for crises and can demonstrate their ability to be inclusive first responders
- deliver holistic responses which go beyond meeting immediate needs, to strengthen resilience and nurture hope
- build the participation of faith actors in disaster response and preparedness, to increase their capacity in coordination and decision-making, as well as wider recognition of the distinctive and important role they play

> **'We have realised the strong potential we have to influence change in significant ways in every context where we work'**

Sowing seeds of hope

Farmers in Pakistan's Sindh province are on the frontline of the climate crisis. Changing weather patterns, extreme heat and unrelenting monsoon rains have exacerbated long-standing issues such as access to water so farmers have to compete for natural resources.

From June to August 2022, Pakistan suffered the worst floods in its history. Smallholder farmer Qasim, his wife and seven children had to be evacuated by boat, leaving all their possessions behind, when the army were drafted in to help. Their village was inaccessible by road and there was no way to escape the water. For two months, the family lived by a roadside, unable to return. When they did go back, they found their home destroyed, along with all their belongings.

'Floods took away my home and my livestock, and left me with horrible memories now,' says Qasim. 'May God bless the people who saved me and my family.'

The floods left smallholder farmers such as Qasim particularly vulnerable: their summer crops had been ruined, and they were struggling to afford seed and fertiliser as prices soared.

Qasim is one of many small-scale farmers who received seeds through our local partner the Rural Education & Economic Development Society (REEDS). He's grateful that he's been able to sow his four acres and hopeful he can now feed his family again.

Qasim, one of many small-scale farmers who received seeds through our local partner REEDS
Photo: Tearfund Partner

Our supporters

Our amazing supporters are at the heart of who we are and all we do, so we work hard to connect them with all that God makes possible through their partnership, generosity and prayers.

What is our approach?

Tearfund's supporters are absolutely central to our work: we see them as partners in mission. Through prayer, fundraising, regular giving, donations to emergency appeals, campaigning and lifestyle changes, our supporters are bringing God's love and practical help to millions of people.

We want our Christian values to be evident in how we interact with our supporters, in how we nurture relationship with them, show our gratitude, and prioritise accountability and transparency.

We seek out our supporters' views on our fundraising and communication through paper and online surveys, on our website and through emails and phone calls. We take their responses seriously and circulate a summary of supporter feedback each month across the organisation, including to our most senior leaders.

Emily and Jack have led a campaign to tackle waste in their Northamptonshire village
Photo: Bin Twinning

This year, we're celebrating:

20,000+

supporters praying regularly for an end to poverty and injustice

£85.4m

raised to transform lives around the world

86,624

individuals making a gift to enable our work

£4.6m

donated to the Turkey-Syria earthquake appeal

Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. Develop and build on our engagement with a broader range of churches in the UK

We continue to build relationships with a wider range of churches in the UK. We had a presence at a number of church leadership conferences, such as Assemblies of God National Conference, Elim Leaders Summit and New Wine National Leadership Conference.

We have also participated in seminars at events including *Ekklesia* church leaders' roundtable conference, Ground Level Leaders Conference, Vineyard Leaders' Gathering, New Wine summer festival and Holy Trinity Brompton's *Focus* festival. At all these events, our staff talked about our theology of poverty, Church and Community Transformation, and climate change.

We are developing new relationships with churches from Newfrontiers, and have seen some key churches in this network giving to our work for the first time.

2. Launch a new fundraising campaign that allows us to increase awareness of Tearfund among new audiences and help us expand our frontline work with churches across the world

We launched a groundbreaking new fundraising campaign in March 2023 which challenges Christians to *Practise What You Pray*. The campaign features real-life examples of church leaders and community members who have been empowered by Church and Community Transformation training, and who have gone on to transform their villages. A short film made in Burundi breaks with more traditional fundraising filmmaking conventions to help younger audiences engage with Tearfund's work in fresh ways.

We have been incredibly grateful to and humbled by our supporters donating to multiple emergency appeals this year, including the East Africa hunger crisis, Pakistan floods, the conflict in Ukraine and the Turkey–Syria earthquake.

3. Grow and deepen supporter engagement in prayer and campaigning as integral components of Tearfund's whole-life response to poverty

We have been strengthening our core prayer resources, the *Prayer Diary* and 'One Voice in Prayer' email, as well as developing prayers aimed at people under 50.

We also experimented with time-bound 'moments of prayer' on a specific theme: almost 6,000 supporters signed up for daily emails for our month of prayer for peacebuilding in December, with an average open rate of 78 per cent.

Increasing numbers of churches are becoming involved in climate action, from holding climate-themed services to becoming Eco Churches. New climate action online courses were run by both Tearfund Scotland and Tearfund Cymru with the Church in Wales.

Many supporters joined us at climate justice rallies during COP27 and more than 11,000 signed our climate finance petition, while about 2,000 people received our regular justice-focused prayer texts.

What we learnt

Speaking to supporters helped us to understand how they would like to partner with Tearfund including through the opportunity to leave a gift in their will. We have updated our messaging about legacies to invite supporters to reflect on God's love and their legacy and how it can achieve lasting transformation.

We know we can go further

We are making some changes to our team processes and structure to ensure that we keep supporters' experience at the heart of our fundraising, whether they are existing or new supporters. We will continue to research our audiences and to test content and channels so we better understand what interests them and how they prefer to hear from us.

Going forward in 2023/24

We aim to:

- make stronger connections with 'millennials' (people in their late-20s and 30s), deepening their engagement with us through giving and prayer
- engage new individual and church supporters with our mission to end poverty and injustice
- work closely with our International Group so we can share with supporters better evidence of the transformative impact their generosity is having

Snapshots of our supporter family

The sky's the limit on diving duo's compassion for Afghanistan

Intrepid friends Helen and Lorraine from Lisburn in Northern Ireland shelved their usual celebrations and marked their birthdays by launching themselves out of a plane. The pair signed up for a sponsored tandem skydive, asking loved ones to support Tearfund's work in Afghanistan instead of giving them presents. 'Tearfund is one of the few organisations still able to support people in Afghanistan, hence my jump for funds for them,' Helen said.

Declaring God's goodness over the year ahead

At the start of the new year, believers from across the UK joined together to boldly declare God's promises over 2023, thanking him for his provision and asking for breakthroughs in the months to come. Our week-long Declaration event, now in its third year, was presented by The Well@Tearfund, a powerful Tearfund initiative working with Black Majority Churches and Christians of African and Caribbean heritage to tackle extreme poverty and injustice. We had an inspirational line-up of speakers, teachers and worship leaders this year, including: Juanita Francis, David Shosanya, Shermara Fletcher, Emmanuel Adeseko, Jonathan and Abbiih Oloyede, Tobi Ashimolowo, Volney Morgan and New-Ye.

Karen's canvases amid coffee and cake help change lives

A wonderful God-incidence inspired Karen Palmer to use her creativity to raise funds for our work around the world. A timely email from us helped her decide what to do with a collection of her photographic art on canvas: organise an exhibition at a coffee shop in East Kilbride. Karen said, 'This was the happy result of wondering what to do with some surplus art materials, just as a Tearfund Scotland email arrived announcing their new appeal for Mozambique.'

Photos provided by Tearfund supporters

Our fundraising practices

We are so thankful for our supporters' trust in Tearfund and we want to honour this trust in how we fundraise and communicate.

We are registered with the Fundraising Regulator, and had no failures to report against its practices or standards this year. Our Compliance and Data Protection Groups ensure we are considering these vital areas in our communications. All supporter-facing staff are trained in how to protect and respond appropriately to potentially vulnerable supporters.

Supporter complaints are reported quarterly to our Executive Team and the Board's Global Fundraising and Communications Committee.

In 2022/23 we received 346 complaints about our fundraising, which represented 0.19 per cent of all enquiries we received. We are not aware of any complaints made to the Fundraising Regulator.

Our fundraising is carried out by centrally employed staff. Until 30th June 2023, Toilet Twinning was an exception to this as it was run by Kingsley Management Consulting (KMC). We thank KMC for carrying out this important work successfully for over ten years.

Board and Committees' highlights

The Board committees are made up of people with specialist knowledge and expertise who meet four times a year. They report into the quarterly Board meetings.

The Safeguarding Committee provides Board oversight of how Tearfund's safeguarding culture develops, how cases are handled and how learning is embedded. It supports the Board in overseeing how Tearfund's safeguarding policies and procedures are shaped and implemented.

The Theology Committee ensures Tearfund maintains a robust Christian identity, provides guidance on key theological issues, and ensures all aspects of Tearfund's work have strong theological foundations.

The Global Fundraising and Communications Committee seeks to support, pray for and bring specific experience and insight into the work of the Global Advocacy and Influencing Group and the Global Fundraising Group. The committee plays an oversight role: bringing its expertise to envision, encourage and balance risk.

The International Impact Committee ensures a regular review of Tearfund's corporate priorities with a particular focus on the effectiveness, impact, distinctiveness and sustainability of our work. This means we will always be learning and improving how we work, and ensuring we are focusing our efforts where we can achieve the best outcomes.

The Audit Risk and Finance Committee promotes and ensures good governance, sound financial management and disciplined risk-taking, working closely with Tearfund management, to make sure resources are stewarded well.

The Diversity and Inclusion Committee's purpose is to act with and on behalf of the Board in supporting and holding the Executive Team to account on the delivery, implementation and effectiveness of its diversity and inclusion strategy. The committee's key aim is to see measurable changes in Tearfund's organisational culture.

The Well Committee assists the Board in deepening its engagement with Black Majority Churches in the UK, bringing together experience, networks and technical expertise to enable the committee collectively to oversee the work of The Well@Tearfund.

Over the year, the Board – both directly and through its committees – continued with its governance responsibilities: strategic engagement and direction; setting and monitoring performance against risk appetite and policy; and general oversight and accountability. It was delighted to welcome new Trustee Director, Stanley Arumugam, based in South Africa, who brings expertise in the area of organisational development. As Tearfund continues to adapt to changing needs and contexts, his input will be invaluable to the Board's deliberations. On a temporary basis, Stanley took on the executive role of Interim Director of People and Talent from May 2023, stepping down as a trustee for this period.

As we increase our ambition to scale up Tearfund's work through the church around the world, the Board reviewed proposals to adjust Tearfund's strategic priorities, and to update the operating models used to achieve targets. The Board recognises the need both to demonstrate the impact which Tearfund's work is having around the world, and to draw lessons from that work in order to strengthen and improve. So, it also spent time this year, both at committee and Board level, considering proposals for a strategic impact framework. This will draw together global data on both reach and depth, together with insights from strategic reviews into specific areas.

Among the many other matters considered at committee level this year, the Global Fundraising and Communications Committee considered the development of new campaigns and communications to encourage and engage both loyal and new supporters to pray, act and give, especially focusing on Tearfund's work with the global church locally through Church and Community Transformation (CCT). The International Impact Committee gave input into proposals for a comprehensive approach to assessing and reporting impact from Tearfund's work around the globe. It also reviewed and celebrated very encouraging findings of an external evaluation into the impact of Tearfund's CCT work. The Well Committee focused on helping the Executive Team outline the strategic pillars needed to support the continuing integration of Black Majority Church partnerships within Tearfund. To this end, the committee welcomed the appointment of Bishop Wayne Perkins of the New Testament Church of God as Head of African and Caribbean Engagement; he will be a key driver of this strategic initiative.

Stakeholder engagement

Trustee Directors are required to explain how they consider the interests of key stakeholders and the broader matters set out in Section 172 of the Companies Act 2006 in promoting the success of the company for the achievement of its charitable purposes.

In order to assist Trustee Directors with these duties, all papers submitted to the Board identify the areas of Section 172 to which they relate. This statement focuses on matters of strategic importance and the level of information disclosed in this statement is consistent with the size and complexity of the business.

General confirmation of Trustee Directors' duties

Tearfund's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its committees. This is set out in the Governance Manual Section 4, and Appendix 8, page 14. These sections explain the roles and responsibilities of the seven committees and highlight some of their principal areas of involvement and decisions taken during 2022/23. When making decisions, each Trustee Director ensures that they act in good faith to best promote the charitable company's success for the achievement of its charitable purposes, and in doing so will have regard (among other matters) to:

S172(1) (a) 'The likely consequences of any decision in the long term'
Tackling deep-rooted challenges needs long-term vision and commitment. In 2022/23 we reviewed our four outcomes and our three corporate priorities (Church and Community Transformation, Environmental and Economic Sustainability, and Fragile States). Subsequently, we agreed to pursue our work towards the vision across four consolidated outcome-focused corporate priorities:

- Church and Community Transformation (CCT)
- Environmental and Economic Sustainability (EES)
- Reconciled Peace-filled Societies (RPS)
- Crisis to Resilience (C2R)

In 2023/24 we come into the final year of our current three-year plans and will be establishing new three-year plans for the refreshed corporate priorities.

Over this past year, once again, we've seen churches continuing to step up and respond to crises, conflicts, Covid-19 and climate change. The pressures of the cost-of-living crisis, exacerbated globally by the war in the Ukraine, have caused increasing marginalisation and vulnerability for communities across the countries in which we are present. Churches have continued to work on a range of issues but with a particular focus on: peacebuilding, livelihoods, water and sanitation, climate-smart agriculture, self-help groups and saving groups, waste management and small-scale enterprises, and changing social norms and negative behaviours related particularly to gender-based violence. Our Business Plan, approved in March 2022, set out our key objectives for the year with a focus on continuing to support churches and local partners in community-owned and community-led processes.

S172(1) (b) 'The interests of the charitable company's employees'
The Board recognises that Tearfund employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are located in the world. The annual staff survey is one of the Board's principal tools to measure employee engagement, motivation and commitment to Tearfund, with a consistently high response rate. It enables the Board to understand how we are learning from survey findings to strengthen Tearfund culture and values, and informs decision-making, from pay and benefits to health, safety and wellbeing. In 2022 we had a strong positive response to our survey with over 80 per cent engagement scores. We've continued to see improvements in scores and have focused plans to look at key areas for continued improvement: collaboration and communication; diversity and inclusion; impact of line manager; processes and systems; and talent management.

Over this year we've continued to work in hybrid ways, though with more staff returning to work in our offices around the world. We've seen more travel within the UK, Europe and globally for gatherings, meetings, conferences, strategy discussions, audits, evaluations, and project and partner visits. As travel increases, we are monitoring our carbon footprint, as well as continuing to ensure the safety and security of our staff. We still live with uncertainty with the cost-of-living crisis and lag effects from Covid-19, so we continue to support staff in building personal and collective resilience, and in ensuring the health, safety and wellbeing of all, wherever they are working.

S172(1) (c) 'The need to foster the charitable company's business relationships with suppliers, customers and others'
Tearfund's key business relationships are with: churches and other partners; the communities with whom we work; our suppliers; and our donors and supporters. This is not an exhaustive list: other key stakeholders include Tearfund Family members and the Charity Commission. Our engagement with these stakeholders is referenced within this report.

In order to deliver our mission and strategy, and to create impact at scale, we need to work with others. We will continue to work in our traditional way through in-country partners, and at the same time build our capacity to work through partnerships, alliances, networks and movements, both Christian and secular. We will continue to position Tearfund as a thought leader in faith and development through these relationships.

The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on pages 26–28. We are strengthening relationships with our suppliers by entering into framework agreements and clear contractual terms and conditions. We have continued to roll out our global procurement system this year in the UK and in the majority of our larger country operations, giving greatly enhanced visibility over our supply chain. The Board receives regular updates on stakeholder engagement, ranging from aspects of our corporate priorities work to supporter surveys which underlie our global fundraising strategy.

S172(1) (d) 'The impact of the charitable company's operations on the community and the environment'
In the Business Plan approved by the Board in March 2022, we explain how we are increasingly seeing overlaps and interconnections between our corporate priorities. It would not be unusual, for example, to see an EES project taking place in a fragile state using CCT methodology, or for communities to understand their environmental and economic responsibilities and opportunities as a consequence of our work on root causes in fragile states. Community transformation is at the heart of what we do to see communities that are resilient to shocks and stresses, working for peace and unity, and contributing to better futures for themselves and others (see pages 10–25).

Our EES work happens at community, national and global levels, as we build movements of people to pursue a world which brings together the aims of meeting basic needs, living within environmental limits, and non-acceptance of inequality. Our advocacy efforts are focused on waste, climate and environment and many of these have been effective in getting through to those global policy- and decision-makers who can influence significant change. We are continuing to develop the reporting of our own environmental performance (see page 37).

S172(1) (e) 'The desirability of the charitable company maintaining a reputation for high standards of business conduct'
It is crucial that Tearfund maintains its reputation for high standards of conduct, not least because local churches around the world are affected by our work and reputation. Reputation is one of the six areas of impact that we use to evaluate all corporate risks, to ensure it informs all key decision-making. We remain committed to financial and risk management, compliance, safeguarding and good governance. We are committed to a focus on the charity's impact. We've continued to see that CCT is a very valuable approach and over the course of this financial year we completed a four-country study in Africa to generate robust evidence and data on the impact of CCT. The data and insights from this study will be used to inform longer-term strategies and approaches for working with churches and communities, as well as to support our fundraising activities to engage supporters and donors. Since the Board Evaluation process began in 2021, each Board committee now evaluates its effectiveness annually. In addition, the Trustees and members of the Executive Team contributed to a review in March 2023 to consider the breadth and coverage of important issues covered by Board committees, and any gaps or overlaps. Consideration was also given to how committees fully support the Chair of the Board in line with governance best practice.

In September 2022 the Board considered key themes arising from its annual evaluation, Trustee appraisals and the 2022 committee effectiveness review. No serious concerns were raised and it was noted that face-to-face meeting time for the Board over the year had been valued.

We continue to improve our corporate reporting mechanisms, and collect data on our organisational, operational and financial health, along with our strategic impact. The KPIs include: both quantitative and qualitative measures of impact; staff survey results; carbon emissions; and key income and expenditure data. We have collected data against the outcomes we want to see – churches mobilised, emergency needs met, communities transformed and society changed. In January 2023, as part of our transition to the new corporate priorities, we started to collect data against both these outcomes and our refreshed corporate priorities, so that we can transition our data accordingly ahead of reporting for 2023/24. In 2023/24, we will be working to review and update our reporting in line with our strategic changes.

S172(1) (f) 'The need to act fairly as between members of the charitable company'
is not relevant to Tearfund's organisational structure, as the charity is run in the interests of its charitable objects rather than in the interests of its members.

Structure, governance and management

**Tearfund is a registered charity in England and Wales and in Scotland.
It is also a registered company limited by guarantee in England and Wales.
It is governed by a memorandum and articles of association.**

Organisation

The Board of Trustee Directors holds formal, all-day meetings four times a year, as well as other ad hoc meetings and events. The Board is ultimately responsible for strategic decisions, having taken advice from the Chief Executive and Executive Team. The appointment of Trustee Directors follows robust recruitment processes and is confirmed at the Annual General Meeting. The Trustee Directors may also appoint a Trustee Director to serve until the next Annual General Meeting, at which time they cease to hold office but are eligible for election. The procedures for appointment and induction of Trustee Directors are set out in the Tearfund Board manual.

Trustee Directors' recruitment is undertaken by the Board in consultation with the Chief Executive and Executive Team. An induction programme is run for new Trustee Directors.

In March 2019, the Board carried out a re-evaluation of the skills and experience required of Trustee Directors. Where key gaps were identified, these have now been filled. The Board also set targets for diversity within its membership which continued to be met during 2022/23. The targets for Board membership include:

- not to fall below one third of either gender
- At least one third Black, Asian or Minority Ethnic

The current composition of the Board of Trustee Directors and the committees is set out on pages 40–41. Trustee Directors are appointed for three years and serve a maximum of three terms unless exceptional circumstances apply. As permitted by the Articles of Association, the Trustee Directors have the benefit of a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and remains in force. The company also purchases Directors' and Officers' liability insurance in respect of itself and its Trustee Directors. Trustee Directors receive no remuneration for acting in this capacity.

During 2020/21, a review was undertaken of the governance practices and arrangements of the Board compared to the Charity Governance Code. The review found that most of the recommended practices in the Code are in place.

The Board has delegated approval for day-to-day operational decisions up to certain financial thresholds to the Chief Executive and other Executive Team members under a Scheme of Delegation to enable them to coordinate and direct Tearfund's work worldwide. All decisions above these thresholds must be approved by the Board. The Board has also reserved to itself certain important decisions, such as major initiatives, appointment of the Chief Executive and approval of the long-term objectives and strategy.

Members

The Council of Members constitutes the ultimate authority within Tearfund's governance structure, comprising Trustee-Directors plus – until the end of January – a number of specifically invited others. To become a more global organisation significant changes are needed across Tearfund. The Board has been reviewing the implications for Tearfund's governance capabilities. In December 2022 the Council agreed that, as then constituted, it no longer served Tearfund's needs for global accountability. Those Members who were not Trustee-Directors stepped down, having invited the Board to consider, over the following two years, the value and form of any adjusted mechanism for accountability to and support from a wider, more globally based set of stakeholders.

Employees

The work of Tearfund around the world relies on the commitment and hard work of its international staff. Communication links are maintained through team briefings and other internal channels such as specific communications on particular matters of concern and our now-fortnightly 'In Touch' emails to all staff. Tearfund holds regular meetings with staff representation bodies, the Staff Councils in the UK, the Southern and East Africa region, and the East and Central Africa region, to consider and act on the views and concerns of employees, and to consult on relevant issues. We are in the process of setting up a Staff Council in West Africa, and councils in other regions will follow.

The CEO and other directors frequently engage with staff, sharing information about the work of Tearfund and about operational, financial and other factors impacting our work. We also hold regular question-and-answer sessions for staff with the CEO and executive directors to ensure that employees have the opportunity to hear about and ask questions on matters affecting them. When reaching key decisions, the directors are always careful to consider employee interests and the impact that their decisions will have on our staff and the communities we serve.

Volunteers

The financial statements do not reflect the considerable and vital support given to Tearfund by more than 1,300 volunteers in the UK, and countless more overseas. Their help is at the heart of Tearfund's work: they bring life to the organisation and help it to operate effectively. The many roles they undertake include encouraging prayer, campaigning, acting within their local churches and communities, enthusing others, engaging with local media and championing lifestyle changes. We celebrate the enormous contribution made by so many of our volunteers in organising or participating in fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund's approach and the Board is very grateful for their commitment and contribution.

Internal control and risk management

The Trustee Directors have overall responsibility for Tearfund's system of internal control. Such a system can provide only reasonable, and not absolute, assurance against errors or frauds. There is a clear delegation of the Trustee Directors' authority through the Chief Executive to the rest of the organisation.

The Audit, Risk and Finance Committee receives regular reports from the Head of Internal Audit, whose team works in accordance with an agreed plan based on an assessment of areas of greatest risk. The external auditor meets with the committee twice a year.

Tearfund operates a rolling, three-year planning and budgeting process with an annual budget approved by the Board of Trustee Directors. Significant changes are subject to specific approval. A full re-forecast of the expected results is undertaken midway through the year, with additional forecasts prepared as required. The financial reporting systems provide monthly comparison of actual results against budget and forecast.

Over the past three years, the Trustee Directors have overseen the implementation of an organisation-wide risk management system to integrate risk management into Tearfund's main corporate activities and in decision-making in the pursuit of the organisation's objectives. The system includes a comprehensive Risk Management Policy, Risk Appetite Statement and Risk Management Procedure, which provide clear accountabilities, structures, guidance, training and processes for managing risks to stakeholders' and the organisation's objectives. The focus in 2023/24 will be on tailoring our risk management system to our organisational capacity, and on embedding the system as part of normal operations and governance.

Tearfund maintains a comprehensive risk register which identifies the major strategic and operational corporate-level risks and how they are being managed. The top risks are shown on pages 38–39. The key risks are reviewed quarterly by the Executive Team and by the Audit, Risk and Finance Committee, who report key considerations to the Board. The Head of Risk and Compliance works with the Executive Team to compile an Annual Review of Corporate Risks and Risk Appetite, which is presented to the Board. The Trustee Directors have given consideration to the major risks to which Tearfund is exposed and are satisfied that systems are in place to monitor, manage and mitigate Tearfund's exposure to those risks. They consider that maintaining Tearfund's general reserves within the range stated on page 42, and reviewing internal controls and risks through an internal audit programme will provide Tearfund with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of Tearfund's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity.

Fraud is prevalent in many of the countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential frauds or other irregularities are required to be reported to the Director of Finance and IT, who chairs the Financial Wrongdoing Review Team and maintains a register of the irregularities, actions taken and results. This register is reviewed regularly by the Audit, Risk and Finance Committee. All relevant frauds are reported to the Charity Commission in accordance with their guidance. Tearfund employs a full-time investigations and safeguarding manager to advise and coordinate prevention and response to fraud and other types of wrongdoing. Our approach to safeguarding is set out in detail on pages 34–35.

Remuneration

Tearfund's pay policy seeks to balance our Christian values with the ability to attract and retain the best people in our sector. We do this by market reviews of our salary scales each year. We draw data from a number of charity sector-specific pay surveys, including Birches Group for our Regions, and Croner Reward and XpertHR for the UK. For the countries in which we operate, benchmark data is obtained for each country. In the UK this data is based on the following criteria:

- location
- organisations with an income of around £80 million
- organisations of between 200 and 499 employees
- median pay levels

Under our current pay policy we aim to pay staff working outside the UK at the mid-point of market benchmark data. For staff working in the UK, we aim to pay between the 37.5th percentile and mid-point of the market benchmark data.

We take inflation into account by considering yearly increases based on available finances, although we acknowledge that it is not possible for us to keep up with the very high current levels of global inflation. We also consult with the Staff Council and carry out a survey of similar organisations in the sector. Tearfund's Executive Team is in the top grade of the UK salary structure. The Board sets the salary for the chief executive. Details regarding employees with emoluments above £60,000 can be found on page 59.

Health and safety

Tearfund has a Health and Safety Policy in place in respect of both UK and international operations, and the Board reviews Tearfund's performance annually. A Health, Safety and Wellbeing Risk Register is maintained and reviewed every six months by a management committee.

Tearfund Scotland

We are required by the Office of the Scottish Charity Regulator to report separately upon the activities that Tearfund has undertaken in Scotland. These activities are led by a team based in Tearfund's Glasgow office. We receive funding from the Scottish Government and Scottish trusts. We raise funds from individuals and other organisations throughout Scotland, and raise other support including campaigning and prayer. Tearfund does not have grantmaking activity in Scotland.

Our commitment to safeguarding

We are deeply committed to following Jesus' example in treating everyone with care and respect. We want to help build a world where healthy relationships are restored and where violence, harassment and abuse are not tolerated.

It is of paramount importance to us that we safeguard and protect all our partners, representatives, staff, supporters and, above all, the communities we serve: some of the world's most vulnerable people.

Safeguarding policies and procedures

We have in place a robust suite of policies and procedures aimed at preventing abuse and harm. In line with the Charity Commission's expectations, we review and update our Safeguarding Policy annually. We also regularly revisit our Whistleblowing and Personal Conduct policies.

Our Safeguarding Committee provides Board oversight of how Tearfund's safeguarding culture develops, how cases are handled and how learning is embedded.

Our committee is made up of two trustees and members of Tearfund's Safeguarding and Whistleblowing Review Team. They support the Board in overseeing how Tearfund's safeguarding policies and procedures are developed and implemented. An important aspect of their work is reviewing all reported safeguarding incidents across Tearfund globally and its partners: monitoring how investigations are managed, providing support and advice, identifying and mitigating risks, and reviewing learning and outcomes.

This year, the committee has considered how the organisation works with our partners, churches and other organisations, whether funded by us or not, to ensure that safeguarding policies and practices are robust and understood. The committee has also invited Tearfund Regional Directors to discuss the particular safeguarding challenges they face in their areas and how Tearfund encourages reporting by staff, partners and communities.

We are committed to training our staff, representatives and partners on safeguarding good practice. Our mandatory e-learning on safeguarding children and adults at risk is completed by all staff each year, and by Board members at regular intervals. The training is updated annually to take into account learning from past incidents and emerging sector good practice. We have introduced annual training for staff who can perform the role of Survivor Liaison Officer to improve our response to survivors of sexual exploitation and abuse and sexual harassment (SEAH). Tearfund has now trained Survivor Liaison Officers located in each region who can respond if required.

We continue to strengthen safer recruitment practices in line with sector good practice: we carry out Disclosure and Barring Service (DBS) checks for UK staff to ensure that all relevant staff and representatives are securely vetted, have provided appropriate references and demonstrate an appropriate understanding of safeguarding to work with children and vulnerable adults. We use a third-party provider to carry out international criminal record checks, and to ensure that our pre-employment checks for non-UK citizens are robust. We are a member of the sector's Misconduct Disclosure Scheme which enables participating agencies to ask for a detailed conduct statement for potential recruits in relation to sexual abuse or harrasment misconduct in previous posts. We are committed to responding to requests from other agencies for such checks about former Tearfund employees.

We actively encourage our staff, representatives and members of communities in which we work to report safeguarding concerns and incidents when they occur, as well as to report any allegations of historic incidents they may become aware of. We have a number of mechanisms in place to ensure concerns and incidents can be safely reported. These include a dedicated confidential safeguarding and whistleblowing email and an independently administered 24/7 whistleblowing hotline, Safecall, with the option to report in more than 100 languages. These mechanisms are advertised through accessible posters displayed in our offices, our partners' offices and at Tearfund projects, communication updates, training events and the 'Safeguarding, whistleblowing and other concerns' page on our website.

We also recognise that members of communities may not wish to use emails or phone lines to report incidents. We are committed to developing practices with our staff and partners to involve communities in the design of all feedback mechanisms and protective measures, as well as communicating the standards of behaviour they can expect. This work goes hand in hand with Tearfund's Quality Standards.

We continually monitor advice and information circulated by our regulators. In March 2022 the Foreign, Commonwealth and Development Office (FCDO) reviewed 'Enhanced Due Diligence: Safeguarding for external partners'. The document was updated and renamed 'Safeguarding against Sexual Exploitation and Abuse and Sexual Harassment (SEAH) Due Diligence Guidance for FCDO implementing partners'.

This guide explains the safeguarding pillar which focuses on tackling SEAH. FCDO must be satisfied that any organisation it decides to fund can meet and apply the SEAH safeguarding standards: the Inter-Agency Standing Committee Minimum Operating Standards for Protection from Sexual Exploitation and Abuse, and/or the Core Humanitarian Standard.

Tearfund has received Core Humanitarian Standards Alliance accreditation. This accreditation confirms the organisation's compliance with the standards required by FCDO.

Supporting survivors

We take a 'survivor-centred' approach to safeguarding and will work sensitively with the survivor to ensure that whenever possible, their wellbeing and interests are prioritised. We keep our processes of support under review to ensure we follow sector best practice.

Handling complaints and concerns

In accordance with our case-management process, all safeguarding complaints and concerns are reviewed initially by our Safeguarding and Investigations Manager and then by the full Safeguarding and Whistleblowing Review Team. This team is formed of key senior staff from our International Group, HR and Legal teams and includes the Director of People and Talent who is Tearfund's safeguarding officer. Our Board Safeguarding Committee also provides invaluable oversight, advice and scrutiny of safeguarding cases.

The level of safeguarding incidents reported remained consistent with reporting levels in 2021/22.

Assessment of safeguarding risks

We continue to develop and strengthen our approach to assessing our projects, programmes, activities and events (including online) for potential safeguarding risks, and develop appropriate measures to mitigate them. We continue to implement a standardised risk assessment framework which helps staff and partners carry out risk assessments in a methodical and consistent way.

Tearfund has developed a safeguarding section of our wider organisational risk appetite statement which allows us to categorise risk in a measured and consistent manner. The categorisation of risk guides our policy, process and practice. Safeguarding risk is also included in our Corporate Risk Register.

In January 2023 the Safeguarding and Whistleblowing Review Team organised a gathering of regional and key country safeguarding focal points. It provided an excellent opportunity to develop a consistent approach to safeguarding investigations and the completion of safeguarding risk assessments. The participants also had the opportunity to engage on a one-to-one basis with the chair of the Safeguarding Committee and Tearfund's Safeguarding Officer to discuss challenges in their areas.

2022/23 Review of cases

We carried forward six cases from 2021/22. One of these carried forward cases was not considered to be a safeguarding case once reviewed. During this period we received seven new safeguarding cases through our safeguarding channels. We investigated and closed seven cases; five cases remain as open investigations at the year end. Of the 12 safeguarding cases dealt with during the year:

- Four cases involved Tearfund members of staff or representatives.
- Four cases involved staff or representatives of Tearfund's partners.
- Four cases were safeguarding incidents in the community in which Tearfund or our partners were working, but not involving Tearfund or its partner staff or representatives. Although we did not have direct control over, or responsibility for these incidents, we sought to influence the wider community to provide support and protection for those people affected.

A further four cases reviewed were not classified as safeguarding allegations following investigation.

Child safeguarding

None of the 12 safeguarding cases investigated related to the safeguarding of a child involving either a Tearfund member of staff or representative. One case involved the sexual abuse of a child by a member of partner staff. One case involved the abuse of a child by a member of the community. In all substantiated cases the perpetrators were dealt with appropriately by Tearfund or the partner and, where appropriate, were reported to local authorities. Tearfund's partners were encouraged and supported to offer similar support to survivors. In addition, the alleged perpetrators were given the opportunity to ask for support during the investigation process.

Adult safeguarding

There were no cases involving adults at risk and Tearfund staff or representatives. One of the 12 safeguarding cases investigated this year related to the safeguarding of adults at risk - a member of a community a Tearfund partner was working with - and involved a member of partner staff as perpetrator. This case has been investigated and closed by the partner. Tearfund followed up the case with the partner and offered support as appropriate. We proactively encourage and support our partners to consider and meet the support needs of survivors.

The remaining nine cases related to incidents between members of staff within Tearfund, or partner staff members.

Lessons learnt

We are committed to improving our safeguarding continually. In 2022/23 we implemented a number of actions to address safeguarding learning points we had identified. These included:

- developing a 'Dignity at Work' e-learning package and managers' learning package which includes information on how to identify unacceptable behaviour and how to identify and deal with sexual harassment in the workplace
- working with partners to develop safer recruitment practices
- developing training for chairs of Misconduct Hearings to better equip them in dealing with SEAH cases involving staff
- reviewing and updating our protocol for handling serious sexual assault

As an organisation we remain committed to being proactive in seeking learning from all reports received via our safeguarding channels. We will always follow up to ensure agreed actions are implemented and reviewed, and take all steps possible to make certain that those who come into contact with Tearfund are protected from harm.

Definitions

Child safeguarding
A child is anyone under the age of 18.

Adult safeguarding
We acknowledge that anyone we support may be 'at risk' due to the unequal power relationship between Tearfund or partner staff and volunteers, and the vulnerable people we work with. Furthermore, Tearfund has identified that any adults who are in a relationship where there is unequal authority or power dynamics may be at risk of abuse.

Diversity and inclusion report

At Tearfund, we believe that every person is created in the image of God. This truth is fundamental to the ways in which we interact with each other and all those we serve – regardless of their background, experience or beliefs. We believe broken relationships have led to marginalisation and exclusion: this is not God's plan.

Our Board now has an ethnically and geographically diverse range of trustees. The Chair of the Board is committed to ensuring that future appointments mean that no less than a third of Board members are from ethnic groups who represent the communities we work with and those currently underrepresented on boards in the UK and that at least a third of its members are women, unless special circumstances apply. We recognise that in future we need to do more to encourage people living with disabilities to apply.

Tearfund's work to engage with new and emerging audiences such as the Black Majority Church in the UK has been strengthened by the appointment of a new Head of the African and Caribbean Engagement Team. We also continue to develop our work to engage younger people.

Key progress this year includes:

- recruiting professionals with relevant experience to the Diversity and Inclusion Committee
- inviting members of The Well Committee to join other Board committees
- updating our statement on and commitments to anti-racism
- formalising our recruitment targets to help diversify our workforce in the UK
- reviewing and updating our Equality, Diversity and Inclusion Policy
- creating a new e-learning module on disability
- developing a Menopause Policy
- finalising our new Language and Translation Policy to ensure more inclusive use of languages in our work
- communicating internally our updates on decolonised language
- developing a checklist to help promote accessible communications internally and externally
- evaluating the philosophy and culture of our work in light of recommendations made in the *Racism in the aid sector* report by the UK Parliament's International Development Committee
- rolling out staff learning sessions on the theological framework of our work on diversity and inclusion to promote understanding of this focus
- publishing ethnicity pay-gap data for the first time

Looking ahead, our key commitments include:

- continuing to report our progress against the requirements of the Charity Governance Code
- pursuing accreditation of other best practice standards in diversity and inclusion
- training the Board in diversity and inclusion in the next financial year, and including this in their annual training plan
- continuing to work across human resources, recruitment, staff and leadership development, theology, communications, advocacy and programming, reviewing our policies and practices as we pursue diversity and inclusion for everyone

You can read our Diversity and Inclusion Statement in full at **tearfund.org/diversity-inclusion**

Disability inclusion

We are committed to equality, diversity and inclusion in the recruitment, training, promotion and career development of people living with a disability.

Recruitment

Tearfund's Recruitment Policy and Equality, Diversity and Inclusion Policy state that all candidates will be treated fairly, with dignity and respect.

- Equality of opportunity is an integral part of the process and we take great care at all stages of the recruitment process to avoid unlawful discrimination.
- Candidates can disclose any disability at the application stage and to ensure full and fair consideration, this information is only visible to the recruitment team.
- All shortlisted candidates are asked if they require any reasonable adjustments to be made at interviews.
- All successful candidates are required to have a medical assessment. Where appropriate, our occupational health provider makes recommendations for any reasonable adjustments for Tearfund to implement.

Employment

Tearfund's Equality, Diversity and Inclusion Policy applies to all aspects of employment, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

The policy outlines that we encourage people living with disabilities to disclose their condition so that we can consider what reasonable adjustments or support may be appropriate.

If a staff member or a candidate feels that they have been unfairly discriminated against, they may raise a complaint under Tearfund's Complaints Policy.

We have 'Committed' status as part of the UK Government's Disability Confident employer scheme.

Environmental performance report

Climate change is hitting people living in poverty the hardest and preventing them from flourishing.

We have a long history of working on environmental issues and our commitment to 'walk the talk' around the climate emergency means that we need to keep our carbon footprint as small as possible.

Our Environmental Policy guides our actions and decision-making as we continue to focus on ways to improve our environmental performance. This year, we have:

- committed to become net-zero for all carbon emissions by 2040. We will reduce the carbon emissions from all UK operations and all international flights by 50 per cent by 2030 from a 2019/20 baseline. We commit to calculate the emissions from our international operations by 2025 in order to set a 2030 reduction target
- reduced the emissions from our flights by 30 per cent for all groups from a 2019/20 baseline
- updated our Environmental Policy to bring it in line with the highest industry standards
- launched the International Walk the Talk Committee to lead the implementation of the Environmental Policy at a national and regional level
- set a number of targets in accordance with the goals of the Climate and Environment Charter for Humanitarian Organizations[1] and reported on progress made
- updated our intranet to make it easier for staff to access information about our emissions and environmental performance

We continue to explore ways within our current systems and processes to improve our environmental data collection. We have learnt to make better use of technology for meetings, training courses and conferences, enabling us to maintain our relationships and deliver our strategy, alongside reducing our carbon footprint.

1 – https://www.climate-charter.org/

Greenhouse gas emissions and energy-use data for Tearfund in the UK

for the period of 1 April 2022 to 31 March 2023

We have followed the environmental reporting guidelines: including 'Streamlined Energy and Carbon Reporting guidance' (2019), and 'UK Government greenhouse gas conversion factors for company reporting' (2022) to produce these figures relating to our carbon footprint in the UK. Please note that transport and travel emissions (scope 1 and scope 3) relating to the two prior years were unusually low as a result of covid travel restrictions.

		Unit	2022–23	2021–22	2020–21
Energy consumption	Used to calculate the emissions below	kWh	337,877	346,000	357,000
Emission sources					
Scope 1	Combustion of gas	t/CO_2e	9.5	10.3	11.0
Scope 1	Combustion of fuel for transport purposes	t/CO_2e	0.63	0.03	0.1
Scope 2	Purchased electricity	t/CO_2e	59.9	60.7	72.4
Scope 3	Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	t/CO_2e	18.25	9.7	1.5
Total gross based on above		**t/CO_2e**	**88.28**	**80.7**	**85.0**
Intensity ratio	Tonnes of CO_2e per full-time equivalents	t/CO_2e	0.2	0.2	0.2

Risk management framework

The Trustee Directors are accountable for the overall governance of risk at Tearfund. Along with the Executive Team, they have identified the most important potential risks that may impact upon the effectiveness, performance, future prospects or reputation of Tearfund, and how we plan to manage and mitigate them. They include:

Identified risk	Management and mitigation
Christian distinctiveness: actual or perceived loss of our core Christian identity and Christ-centredness	• distinctively Christian guiding documents: Vision, Mission, Values, Characteristics, Theory of Poverty, and Statement of Faith • working through local church partners wherever possible • brand guidelines for fundraising and supporter communications • prayer, worship and devotions central to working practice; weekly corporate prayers led by staff around the world • appointment process for trustees, staff and other representatives includes exploration of Christian commitment • Theology Team and Board's Theology Committee, with strong international representation and engagement
Safety and security: potential for injury or harm to staff or representatives, leading to loss of life or serious injury	• policies and procedures for Safety and Security • security training for all international staff and those who travel • country Safety and Security Plans • Emergency Response and Crisis Response Plans are documented and tested • dedicated Safety and Security Team, and regional safety and security advisers • clear articulation of responsibilities and accountabilities for safety and security. This includes processes for Board committees and management to review risks and mitigations
Safeguarding: abuse or other harm of a child or adult-at-risk	• policies, procedures and training regularly reviewed and communicated • mandatory annual Safeguarding and Whistleblowing training for staff • independent reporting hotline is publicised to staff, partners and communities • safeguarding manager and network of trained safeguarding focal points • minimum standards for partner Safeguarding policies • Board's Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice • safeguarding risk assessments on all partner projects and all areas of Tearfund operations • safer recruitment practices, including background checks, references and interview questions
Major programmes: failure to deliver on outcomes of a key donor-funded project of strategic significance	• Programme Funding and Support Team • review and update of the Programme Design Approval process • Country Office Accreditation Scheme and implementation of procedures, to verify the country offices with sufficient capacity to be able to implement institutionally funded programming • monthly reviews of progress on donor-grant spending • Finance Manager and Grants and Information Coordinator roles in all country offices that implement institutionally funded programming
Funding: a significant shortfall in unrestricted income, or a significant unexpected cost	• reserves policy and position are reviewed regularly • annual budget set with regard to key risks to income and costs • management accounts reviewed monthly by Executive Team and Board officers, and quarterly by the Board • diversified and reliable income sources from long-term and new supporters and donors

Identified risk	Management and mitigation
Impact: not monitoring and evaluating the impact of our work sufficiently	• Board's International Impact Committee • corporate strategic dashboard used by Executive Team and Board to track key performance indicators and our impact • a system for project design, monitoring and evaluation is deployed across the organisation • independent research and meta-studies are used to validate and enhance our impact across our corporate priorities • corporate and country strategy processes are used to align work and outcomes with corporate priorities and impact objectives
Sanctions and terrorism: legal obligations with regard to sanctions or terrorist financing are found to have been breached	• policy and procedures on Financial Sanctions, Controls, Anti-Terrorism and Anti-Money Laundering • enhanced due diligence procedures for high-risk countries • partner capacity assessments cover policies and training on countering terrorism; partners are required to make their staff aware of risks, and report any concerns, suspicions or incidents
IT security: loss of critical data or substantial loss of operational functionality	• policies on Data Protection and Information Security • mandatory regular staff training on cybersecurity • real-time back-ups of all core systems are held in secure off-site data centre, including cold storage of core databases • Data Protection Officer and Data Protection Group actively provide oversight and training
Financial wrongdoing: substantial or systemic corruption, fraud, bribery or conflict of interest involving our staff or partners	• policies on Fraud, Bribery, Corruption, and Conflicts of Interest • mandatory regular staff training on fraud awareness, anti-bribery and corruption, conflicts of interest, and whistleblowing • partner assessments and partner capacity development plans are designed to help partners enhance their policies and training on fraud and bribery, conflicts of interest, and whistleblowing • Financial Wrongdoing Review Team coordinates response to all incidents; Executive Team and Board's Audit, Risk and Finance Committee review all cases before closure • monitoring of partner projects and financial reports, backed up by Tearfund audits
Environmental impact: our activities have negative environmental impacts, insufficient resilience to environmental change, or fail to achieve changes to environmental policies and practices	• Environmental and Economic Sustainability (EES) corporate priority, with associated objectives, global and local advocacy work, small and large projects, and dedicated supporting roles across the organisation • comprehensive Environmental Policy, with targets for reducing our own environmental impacts • Quality Standards for our work include commitments on environmental impact, risks, resilience and adaptation to climate change • The Walk the Talk Committee to champion environmental conduct consistent with our public stances on environmental care and justice • project proposals are required to address environmental design and impact • signatory to the Climate and Environment Charter for Humanitarian Organizations

Trustee Directors, Committee Members, Other Members, Ambassadors and Executive Team

Board of Trustee Directors

The Board of Trustee Directors is responsible for ultimate strategic decisions. Individual appointments follow robust recruitment processes and are confirmed at the Annual General Meeting (AGM). The Board of Trustee Directors who were in office during the year and up to the date of signing were:

Anna Laszlo[1] (Chair)
Stephanie Biden (Deputy Chair)
Antony Barnes (Treasurer)
Stanley Arumugam
(from August 2022 - April 2023)
Jayakumar Christian
John Davidson (also a director of Tearfund USA)
Catherine De Souza
Sally Jones-Evans
Jean Paul Ndagijimana
Rosemary Nuamah Williams
Yemi Odusolu
Harry Phinda
David Wesson

Committee members

Details up to 31 March 2023.
The Board recruits individuals with specific expertise to sit on sub-committees of the Board:

Audit, Risk and Finance Committee
Antony Barnes (Chair)
Anna Beck
John Davidson
Steve Foster
Robert Hardy
Joseph Kariuki
Rosie Slater-Carr

Diversity and Inclusion Committee
Anna Laszlo (Chair)
Stephanie Biden
Harry Phinda
Ayo Afolabi (from September 2022)
Doyin Atewologun
(from September 2022)

Global Fundraising and Communications Committee
David Wesson (Chair)
John Davidson
Catherine De Souza (until October 2022)
Sarah Douglas
Yemi Odusolu
Harry Phinda
Simon Poole

International Impact Committee
Sally Jones-Evans
(Chair, until September 2022)
Jean Paul Ndagijimana
(Chair, from September 2022)
Adelaide Addo-Fening
Joanna de Berry
Fi McLachlan
Adam Taylor
Fletcher Tembo

Safeguarding Committee
Stephanie Biden (Chair)
Rosemary Nuamah Williams

Theology Committee
Jayakumar Christian (Chair)
Stafford Carson (until November 2022)
Catherine De Souza
Rosalee Ewell (until November 2022)
Rt Rev Dr Emma Ineson
(from August 2022)
Jim Ingram (until February 2023)
Esther Mombo
Jean Paul Ndagijimana (from May 2022)
Rev Dr Israel Olofinjana
(from August 2022)
Jocabed Solano Miselis
(from November 2022)

The Well Committee
Yemi Odusolu (Chair)
Ayo Afolabi
Emmanuel Asuquo (until February 2023)
Lotwina Farodoye
Theo Mathias-Nwaulune
Ladun Omideyi
Claudine Reid
Pam Thompson
David Wesson

Members of the Council

In addition to all of the Board of Trustee Directors as shown above, the people listed below were also Council Members of the charity until January 2023 (or earlier if indicated). In December 2022 the Members concluded that the Council as it was then formulated should be brought to a conclusion, and the Board (who will remain as Members of the charity) be asked to consider within the following two years the option of an alternative structure to replace it, to bring greater accountability to and give voice to hear from a wider set of stakeholders around the world. The Board is profoundly grateful for the wisdom and contributions of all those who have served as Members of Tearfund's Council through the years since its inception.

Robert Camp (until October 2022)
Gary Carpenter
Steve Clifford
Ian Curtis
Dominic De Souza

1 – Ex-officio on all committees, except the Audit, Risk and Finance Committee

Dr Elizabeth Corrie (until October 2022)
Graham Fairbairn
Paul German
Richard Gough
Jenny Honey
Kim Hurst
Anne de Leyser (until October 2022)
Fiona Major
Clive Mather
Gordon McKechnie
Philip McMillan (until October 2022)
Rt Rev Harold Miller
Helen Mills
Julia Ogilvy (until October 2022)
Rt Rev Anthony Poggo (until June 2022)
John Shaw
Michael Stewart (until October 2022)
Mark Thompson (until October 2022)
Rev Dr Chris Wright (until October 2022)

National Advisory Committee members

Northern Ireland
Helen Mills (Chair)
Johnny Currie
Denise Hayward
Naomi McClelland
Susie McCollough
Robin McCormick
Laura McFarland
Laura Nelson (until February 2023)

Scotland
Jenny Honey (Chair)
Richard Atkinson
Chris Gbenle
Dez Johnston
Fiona Morrison
Ellyn Oliver
Stephen Prem

Wales
Dominic De Souza (Chair)
Owain Edwards
Edwin Egede
Lois Franks
Cadi Gwyn
Iwan Robb
Bethan Sharpe (from May 2022)

Ambassadors

Rev Celia Apeagyei-Collins
Guvna B
Peter Chambers
Anne Coles
Rev John Coles
Martha Collison
Liz Earle
Pete Greig
Tamsin Greig
David Gyasi
Lord Michael Hastings
Tom Herbert
Rev Siew-Huat Ong
Ruan Pienaar
Marvin Rees
Daniel Rowden (from November 2022)
Rt Hon Dame Caroline Spelman
(until December 2022)
Derek Thomas MP (from June 2023)
Rt Rev Ric Thorpe
Rt Hon Sir Stephen Timms MP
Will Torrent
Laura Young (from August 2022)

Executive Team

The Board has delegated day-to-day operational decisions to the Executive Team:

Nigel Harris
Chief Executive

Karen Brown
Director of People and Talent (until April 2023)

Stanley Arumugam
Interim Director of People and Talent (from May 2023)

Catriona Dejean
Director of Strategy and Impact

Nigel Gavin
Director of Finance and IT

Veena O'Sullivan
International Director

Jane Pleace
Global Fundraising Director

Dr Ruth Valerio
Global Advocacy and Influencing Director

Independent auditors

BDO LLP
55 Baker Street, London W1U 7EU

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street,
Birmingham B3 2ES

Bankers

Barclays Bank UK plc
1 Churchill Place, London E14 5HP

Registered office

100 Church Road,
Teddington TW11 8QE

Photos: Luke Tembo/Tearfund (Nigel Harris), Clive Mear/Tearfund (Rev John and Anne Coles), Steve Fanstone/Tearfund (Laura Young)

Financial review

Income and expenditure

2022/23 was a record year for Tearfund, with total income of £85.4m up by 7% against the prior year figure of £79.5m. The increase was driven mostly by emergency appeals income, which rose by 45% from £9.1m to £13.2m (including £4.2m of Disasters Emergency Committee funding), representing over 15% of total income. Most of this relates to the crises in Afghanistan, Ukraine, Pakistan (floods) and Syria (earthquake), where in all cases our supporters responded with great generosity. It is worth noting that these are restricted funds and we think it probable that the success of these appeals has led to a related drop in unrestricted donations (excluding legacies and grants), which decreased by £450k (2%) to £28.8m. The net effect has been to reduce the overall proportion of unrestricted income from 44% to 42%.

Total expenditure of £90.3m was £13.4m (17%) higher than the 2021/22 level of £76.9m. The increase is mainly attributable to restricted expenditure on charitable activities, with significant increases of £3.6m (19%) on meeting emergency needs and £2.3m (68%) on changing society. Unrestricted expenditure on charitable activities also increased strongly by 14%, largely as a result of the additional expenditure of over £3m approved in 2021/22 which was directed towards strategic priority areas and country programming, where the related projects were completed in 2022/23.

Net expenditure for the year is £4.9m (2021/22: net income of £2.6m), made up of a positive timing difference of £1.8m on restricted funds and a deficit of £6.7m on unrestricted funds. Of this deficit, £5.3m was planned, including spending the final £2.2m of the strategic priorities designated fund.

The consolidated results include the operations of Tearfund Trading Limited (TTL), which is a wholly-owned subsidiary of Tearfund. The income generated from TTL is from a variety of sources including Toilet Twinning products. With effect from 2023/24 these activities are being carried out directly by Tearfund and TTL is in the process of being made dormant.

Grants

A large part of Tearfund's work to address poverty is undertaken through making grants to partner organisations. Grants are made in the context of agreed country strategies. Project proposals received from partner organisations are subject to a formal approval process that includes a technical assessment of the project and a review of the partner's capacity and compliance policies. An agreed monitoring process is undertaken during the life cycle of all projects. In addition, financial evaluations are carried out on all large projects and on a sample of smaller projects. A list of the top 50 partner organisations we made grants to are on our website at **tearfund.org/top50**

Reserves – general funds

General funds are needed to:

- fund working capital
- allow flexibility to respond to unexpected opportunities and challenges
- provide a cushion against variations in income and expenditure, whether seasonal or driven by events
- provide contingency against unexpected costs
- provide contingency to respond to changes in Tearfund's operating environment
- fund strategic plans outside Tearfund's normal operations

The Board of Trustee Directors reviews the level of required general funds annually to ensure that an appropriate level is held. The review takes into account the main financial risks of our operating model and environment in respect of all income streams and categories of expenditure. The target range to cover these risks in addition to routine working capital is set at between £7.0m and £10.0m for 2023/24, unchanged from 2022/23. Our reserves policy allows up to £3m of the value of the freehold office building owned by Tearfund to count towards the funding of reserves. This is considered appropriate, as Tearfund plans to explore disposal of the building during 2023/24 and in the meantime has access to additional liquidity by borrowing using the building as security.

At the end of 2022/23 our general fund stands at £6.5m (2021/22: £11.5m), which is below the lower end of the target range, due to the shortfall in unrestricted income for the year that is attributable to supporters' giving being redirected towards restricted emergency appeals (as described above).

Designated funds

Designated funds are part of the unrestricted funds which the Trustee Directors have earmarked for a particular use. This designation does not represent a legal restriction. The Fixed Asset Fund represents the net book value of Tearfund's fixed assets to indicate that these resources are not available for other purposes. At the end of the year, the Fixed Asset Fund stood at £1.6m (2021/22: £1.2m).

The Strategic Priorities Fund has enabled Tearfund to run a series of projects over three years in 12 countries focusing on environmental and economic sustainability (including waste and renewable energy projects), together with investment in improved information systems and in leadership and management development and training. There is a small balance of £35,000 remaining on this fund at the end of the year (2021/22: £2.2m).

Restricted funds

Restricted funds are subject to specific conditions imposed by donors. The year-end balances represent income which has been recorded but where the related expenditure has not yet been incurred. The majority of these funds are either institutional awards, or funds generated during emergencies or as a result of other specific appeals. In many cases these appeals generate income over a short timeframe which is then planned to be spent over a period of up to three years in line with the purpose of the appeal. At the end of the year, total restricted funds had increased to £19.2m (2021/22: £17.4m). The increase is mainly due to income received for emergency appeals relating to the Turkey-Syria earthquake and the Pakistan floods. For each fund, Tearfund's assets are available and adequate to fulfil its obligations.

Financial risk management

During the pandemic we mitigated the financial risks arising from anticipated reductions in income through enhanced cost control measures and monthly financial updates overseen by a sub-group of the Board. We consider it appropriate to keep these additional controls in place, since the current environment of global high inflation puts pressure both on our supporters' ability to give and on Tearfund's cost base. Over the remaining part of 2023 and into 2024, we intend to reduce unrestricted expenditure levels in the light of key income streams and the increased cost of living.

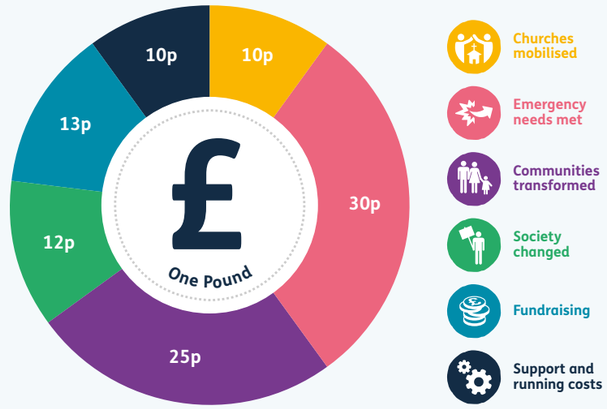
Cash flow and liquidity risks are minimised by a conservative investment policy. Until December 2021 additional liquidity was provided by a £6m credit facility secured against the Teddington building, and we are confident that the facility could be reinstated if necessary. As stated above, Tearfund plans to explore disposal of the building during 2023/24 since occupancy rates continue to be a long way below pre-pandemic levels.

Receivables relate mainly to major governmental and institutional donors, legacy income, and recoverable tax. The associated credit risk is considered to be low, as is the risk of disallowances arising from donor audits. This is borne out by recent experience. Tearfund receives income mainly in sterling pounds and US dollars. Foreign exchange risk affects Tearfund mainly by impacting the purchasing power of donor funds in the countries where most of our charitable expenditure is incurred. Tearfund does not enter into foreign exchange contracts for speculative reasons.

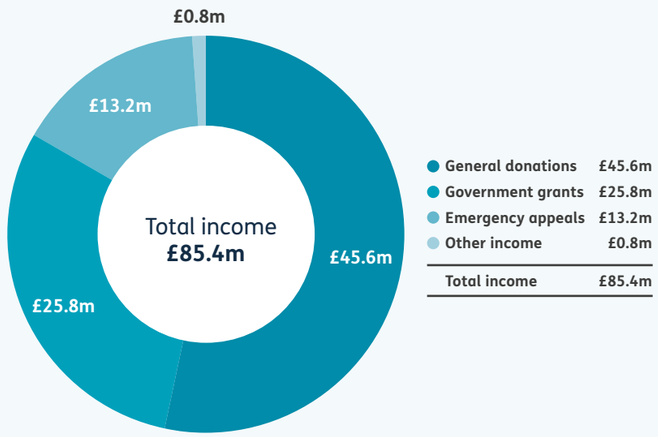
Investment policy and performance

Tearfund's investment policy is reviewed annually by the Audit, Risk and Finance Committee. Our objective is to maintain high liquidity while ensuring maximum security. To achieve this, Tearfund invests with institutions with a high security rating in fixed-term or call deposits. During the year Tearfund's sterling deposits achieved an average rate of interest of 1.58% (2021/22: 0.17%) compared with an average bank base rate for the same period of 2.30% (2021/22: 0.19%).

Where your money goes



Income



General donations	£45.6m
Government grants	£25.8m
Emergency appeals	£13.2m
Other income	£0.8m
Total income	£85.4m

Mahima, a farmer from Rukum East District, Nepal, at home with her two daughters Namrata (left) and Khusi (right)
Photo: Rabi Rokka (Ray Of Hope Productions)/Tearfund

Trustee Directors' responsibility statement

Trustee Directors' responsibilities

The Trustee Directors are responsible for preparing the Strategic Report, the Trustee Directors' Report/Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustee Directors to prepare financial statements for each financial year. Under that law the Trustee Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustee Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that period.

In preparing these financial statements, the Trustee Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the company will continue in business

The Trustee Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

In the case of each of the persons who are Trustee Directors of the company at the date when this report was approved:

- So far as each of the Trustee Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and
- Each of the Trustee Directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Anna Laszlo
Chair
17 July 2023

Independent auditor's report to the trustees and members of Tearfund

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of Tearfund ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), the Group and Tearfund balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustee Directors' responsibility statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group/ Charitable Company and the sector in which it operates;
- discussion with management and those charged with governance, Audit, Risk and Finance Committee and in-house lawyer; and
- obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations. we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Charities Act 2011 and Bribery Act 2010.

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation;
- review of legal expenditure accounts to understand the nature of expenditure incurred; and
- review of Serious Incident Reports made by the entity.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance, the Audit, Risk and Finance Committee, internal audit and Risk and Compliance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
- detecting and responding to the risks of fraud; and
- internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be legacy revenue recognition, valuation of donated stock, Gifts In Kind, and overseas grant payments.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- involvement of forensic specialists in the audit to discuss instances of suspected fraud and petty theft;

- assessing significant estimates made by management for bias, including legacy accrued income, donated stock valuation and end of contract provisions;
- testing a sample of overseas expenditure and grant awards, ensuring these have been made in accordance with authority limits, agreements, and internal control procedures, and
- review the register of Wrong Doings, Serious Incident Reports submitted to the Charity Commission and considering the impact on the financial statements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:
frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jill Halford

Jill Halford
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
statutory auditor
London, UK

26 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statements of financial activities

(incorporating an income and expenditure account)
Year ended 31 March 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Income from:							
Donations and legacies	2	35,418	49,124	84,542	34,742	44,405	79,147
Charitable activities	3	204	374	578	257	11	268
Other trading activities		2	16	18	1	26	27
Investment income		244	-	244	32	-	32
Total income		35,868	49,514	85,382	35,032	44,442	79,474
Expenditure on:							
Raising funds	4	13,652	1,193	14,845	11,617	1,010	12,627
Charitable activities	4	28,961	46,486	75,447	25,403	38,884	64,287
Total expenditure		42,613	47,679	90,292	37,020	39,894	76,914
Net (expenditure)/income for the year	6	(6,745)	1,835	(4,910)	(1,988)	4,548	2,560
Transfer between funds	15	77	(77)	-	(53)	53	-
Net movement in funds		**(6,668)**	**1,758**	**(4,910)**	**(2,041)**	**4,601**	**2,560**
Reconciliation of funds:							
Total funds brought forward at 1 April	15b	14,796	17,433	32,229	16,837	12,832	29,669
Total funds carried forward at 31 March	15a	**8,128**	**19,191**	**27,319**	**14,796**	**17,433**	**32,229**

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations. There is no material difference between the net expenditure for the financial year stated above and its historical cost equivalent. The turnover of the company for the year was £85,368,000 (2021/22: £79,447,000). The net result of the company for the year was a deficit of £4,910,000 (2021/22: surplus of £2,560,000). Other trading activities include income from both the subsidiary and the company. There is no material difference between the entity and the group statement of financial activities.

Balance sheets
As at 31 March 2023

	Note	Tearfund Group 2023 £'000	Tearfund Group 2022 £'000	Tearfund 2023 £'000	Tearfund 2022 £'000
Fixed assets					
Tangible assets	9	1,570	1,164	1,570	1,164
Long-term investments	10	-	-	5	5
Total fixed assets		1,570	1,164	1,575	1,169
Current assets					
Stocks	11	875	616	875	604
Debtors	12	12,023	9,723	12,023	9,732
Short-term deposits		14,784	18,765	14,784	18,765
Cash at bank and in hand		3,749	7,014	3,746	7,010
Total current assets		31,431	36,118	31,428	36,111
Creditors					
Amounts falling due within one year	13	(4,914)	(5,053)	(4,916)	(5,051)
Net current assets		**26,517**	**31,065**	**26,512**	**31,060**
Provisions for liabilities	14	(768)	-	(768)	-
Net assets		**27,319**	**32,229**	**27,319**	**32,229**
Funds					
Unrestricted funds:					
General fund	15a	6,523	11,475	6,523	11,475
Designated funds	15a	1,605	3,321	1,605	3,321
		8,128	14,796	8,128	14,796
Restricted funds	15a	19,191	17,433	19,191	17,433
Total funds		**27,319**	**32,229**	**27,319**	**32,229**

The financial statements on pages 49 to 68 were approved by the Board of Directors on 17 July 2023 and signed on its behalf by:

Anna Laszlo
Chair of the Board

Antony Barnes
Treasurer

Consolidated cash flow statement
Year ended 31 March 2023

	2023 £'000	2022 £'000
Net cash (used in)/provided by operating activities	**(6,809)**	**3,784**
Cash flow from investing activities:		
Investment income received	244	32
Purchase of property, plant, equipment and intangibles	(682)	(192)
Proceeds from the sale of property, plant and equipment	1	-
Net cash used in investing activities	**(437)**	**(160)**
Change in cash and cash equivalents in the reporting period	**(7,246)**	**3,624**
Cash and cash equivalents at the beginning of the reporting period	**25,679**	**22,055**
Cash and cash equivalents at the end of the reporting period	**18,433**	**25,679**
Reconciliation of net income to net cash flow from operating activities		
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	**(4,910)**	**2,560**
Adjustments for :		
Depreciation charges	276	610
Investment income receivable	(244)	(32)
(Profit)/loss on sale of tangible fixed assets	(1)	1
(Increase)/decrease in stocks	(259)	266
(Increase) in debtors	(2,300)	(763)
(Decrease)/increase in creditors	(139)	1,142
Increase in provisions	768	-
Net cash (used in)/provided by operating activities	**(6,809)**	**3,784**

Analysis of changes in net funds	1 April 2022 £'000	Cashflows £'000	31 March 2023 £'000
Cash at bank and in hand	7,014	(3,265)	3,749
Bank deposits	18,765	(3,981)	14,784
Interest-free loans	(100)	-	(100)
	25,679	**(7,246)**	**18,433**

Notes to the financial statements

31 March 2023

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, Charities Act 2011, Charities Accounts (Scotland) Regulations 2006, Charities and Trustee Investment (Scotland) Act 2005, Statement of Recommended Practice (SORP) on Accounting and Reporting by Charities effective from 1 January 2019, FRS102, and applicable United Kingdom accounting standards. The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

Consolidation
The Statement of Financial Activities (SOFA) and Group Balance Sheet consolidate the financial statements of the Charity and its wholly-owned subsidiary undertaking Tearfund Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006. The Consolidated Cash Flow Statement has been prepared for the group only, as permitted under FRS102.

Accounting estimates and key judgements
Critical accounting estimates and judgements are based on historical experience and other relevant factors, including reasonable expectations of future events. The main areas which involve such estimates and judgements include the accrual of legacy income; entitlement to grant and contract income; useful lives of fixed assets; and provisions.

Company status
Tearfund is a registered charity in England and Wales (number 265464) and Scotland (number SC037624) and is constituted as a company registered in England and Wales and limited by guarantee (company number 00994339). It is governed by its Memorandum and Articles of Association and at the year-end there were 13 members (2021/22: 36) who were each liable to contribute £1 in the event of the company being wound up.

In the application of the charity's accounting policies, the particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Fund accounting
The company maintains three types of funds. General unrestricted funds are funds available for use at the discretion of the Board of Trustee Directors in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Board from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. At the year-end any fund deficits are maintained only when the Trustee Directors are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in note 15.

Going concern
The Financial Review on pages 42 to 43 sets out Tearfund's financial performance in 2022/23. We started the year with a high reserves position of £11.5m which enabled us to direct additional funds during the year into strategic priority areas. We planned for a general fund deficit of around £3m but, partly as a result of a high number of emergency appeals, unrestricted donations fell short of target, which led to an actual general fund position at year-end of £6.5m, slightly below the lower end of the target range.

The global economic environment of high inflation continues to be challenging, with cost of living increases affecting the ability of supporters to give, whilst operating costs are under pressure across all Tearfund countries. In this context, the Board has approved a budget for 2023/24 which keeps reserves in the £6.0m to £6.5m range. The budget for 2024/25 will be expected to return reserves to within the target range.

Key points in assessing Tearfund's going concern status include the following:

- The unrestricted income budget for 2023/24 is underpinned by committed regular giving which represents over 40% of the total. We remain very grateful for the loyalty of our supporters and the ability and agility of our fundraising teams. Our income budgets continue to seek to balance caution with an appropriate level of ambition.
- The general fund balance at the end of 2022/23 was £6.5m, below the lower end of the target range, but still leaving a substantial margin for absorbing income shortfalls or unexpected costs.
- We have appointed agents to market the Teddington office building with a view to disposal. If a sale occurs, this would significantly increase financial liquidity.
- Following the last twelve months when the success of restricted emergency appeals contributed to a shortfall in budgeted unrestricted income, we are actively planning to reduce unrestricted expenditure in 2023/24. Experience of the past few years provides reassurance that, where required, we have the ability to postpone and reduce costs.

In support of the going concern assessment, we have prepared cash flow forecasts for the next twelve months. Taking into account the challenges of the current economic climate, these show that Tearfund has adequate financial resources to continue operating for the foreseeable future. Having considered these matters, the Trustee Directors do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

Income
All income, including donations, legacies and investment income, is recognised in the SOFA when the Charity can demonstrate entitlement to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

Legacies
Legacies are recognised when evidence of entitlement exists, probate has been granted and the receipts are both probable and measurable. No value is included where the legacy is contentious or is subject to a life interest held by another party. The fair value of the legacy income receivable is based on the information available at the time and it is the expected cash amount to be distributed to Tearfund from the estate.

Grants and contracts
Grant and contract income is recognised when the Charity can demonstrate entitlement to the income. Where receipt of funding is conditional only on administrative requirements such as the submission of a claim, it has been accrued. Where there are restrictions on the time period in which funding received can be spent, or where the Charity is not yet in a position to meet the conditions of the funding, the related income has been deferred. Government grants relating to the furlough scheme have been recognised in the income statement when received.

Gifts in kind
Donated gifts in kind for distribution to communities are included in income and stock at donors' valuation or market value when received. Expenditure is recognised when gifts in kind are distributed.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Like many charities, Tearfund is unable to recover some of the VAT that is incurred on the purchase of goods and services in the UK. The amount of VAT that cannot be recovered is added to the appropriate underlying cost.

The following specific policies apply to categories of expenditure:

Grants payable
Grants payable to Tearfund partner organisations are made in furtherance of the Charity's objects. Grants are recognised as expenditure when payment is due to the partner organisation, in accordance with Tearfund's project agreement, in line with phased payment schedules and when milestones met by grantee.

Support costs
Support costs include functions such as general management, financial management, information technology, human resources and the cost of premises and facilities. They are allocated across the categories of charitable expenditure and fund raising costs on the basis set out in note 4 to the financial statements.

Fundraising and publicity
Fundraising costs are those incurred in seeking donation income and do not include the costs of disseminating information in support of the charitable activities.

Foreign exchange
Transactions denominated in foreign currency are translated into sterling and recorded at the rates ruling at the date of the transactions. Balances denominated in a foreign currency are translated into sterling at the exchange rates at the balance sheet date. Foreign exchange gains and losses incurred in respect of overseas operations are included in the SOFA within the relevant activity expenditure.

Pensions
Tearfund operates two defined contribution pension schemes. Contributions are charged to the SOFA as they become payable and invested on behalf of the employees. An overseas staff member can have, a % of the salary paid into a pension fund or a % of the salary is paid directly to the staff member, and they take responsibility for their own pension arrangements and investment. The % paid depends on the time when employees joined Tearfund and employees age. In some countries the % is defined in the legislation.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing more than £1,000 with an expected useful life of more than one year are capitalised, except assets held overseas and laptops which are capitalised regardless of value. Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful economic lives, on a straight-line basis, as follows:

Freehold land	Nil
Freehold buildings	20–50 years
Fixtures, fittings and equipment including computers	3–20 years
Motor vehicles	3–10 years

The useful economic lives and residual value of fixed assets are reviewed at the end of each accounting period. Property and land is tested annually for impairment.

Vehicles and equipment used in programmes overseas, except for laptops, are considered to have a useful economic life of one year or less. They are not capitalised but are charged in full to charitable expenditure when purchased. However, a register is maintained of these assets and reviewed regularly.

Intangible assets and amortisation
Intangible assets are stated at cost less amortisation. They are amortised on a straight line basis over 5 years, being the estimated economic useful life of the asset.

Financial instruments
Financial assets and financial liabilities are recognised when Tearfund becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Tearfund only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Tearfund has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Investments
The investment in the subsidiary is included in the Charity's financial statements at cost.

Stocks
Bought-in goods are valued at lower of costs and net realisable value. Humanitarian supplies donated to Tearfund are valued at cost, based on donor's valuation or deemed market value, with obsolete stock written off.

Cash and cash equivalents
Cash and cash equivalents include interest and non interest bearing amounts held at banks and cash at hand. Short term money deposits (7-365 days) including deposits repayable on demand and fixed term deposits are held under current assets as short term deposits.

Other financial assets and liabilities
Debtors and creditors are stated at the settlement amount after any applicable discount.

Operating leases
Costs in respect of operating leases are charged to the SOFA on a straight line basis over the lease term.

Notes to the financial statements
31 March 2023

2a. DONATIONS

	Note	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Donations from:							
Individuals		26,514	5,510	32,024	26,829	6,291	33,120
Churches		1,357	867	2,224	1,422	949	2,371
Trusts, companies and schools		912	3,736	4,648	986	3,921	4,907
Legacies		6,635	24	6,659	5,493	269	5,762
Grants	2b	-	25,779	25,779	12	23,862	23,874
		35,418	**35,916**	**71,334**	**34,742**	**35,292**	**70,034**
Appeals and emergencies:							
Individuals		-	6,365	6,365	-	5,307	5,307
Churches		-	1,859	1,859	-	873	873
Trusts, companies and schools		-	802	802	-	497	497
Legacies		-	4	4	-	47	47
		-	**9,030**	**9,030**	**-**	**6,724**	**6,724**
Via Disasters Emergency Committee		-	4,178	4,178	-	2,389	2,389
		-	**13,208**	**13,208**	**-**	**9,113**	**9,113**
Total donations and legacies		**35,418**	**49,124**	**84,542**	**34,742**	**44,405**	**79,147**

Gifts in kind of £9,000 (2021/22: £77,000) of pro-bono legal and consultancy work is included in support cost expenditure. Of this, £nil (2021/22: £1,000) is included above in 'Individuals' and £9,000 (2021/22: £76,000) is in 'Trusts, companies and schools' income.

Notes to the financial statements
31 March 2023

2b. GRANTS INCOME

	2023 £'000	2022 £'000
United States Government	7,503	8,011
United Nations	3,780	3,416
United Kingdom Government	3,559	2,329
Dutch Government	3,359	4,290
German Government	1,679	-
Norwegian Government	991	731
Canadian Foodgrains Bank (including Tearfund Canada)	953	825
European Union	861	841
Canadian Government	574	674
Scottish Government	425	540
States of Jersey	320	233
New Zealand Government	77	81
Danish Government	16	19
CRODA Foundation	55	-
Other	152	14
	24,304	**22,004**
Tearfund Netherlands	1,300	1,493
Other Tearfund Family/Integral Alliance members (see page 9)	175	377
	25,779	**23,874**

Included within the above grants income are gifts in kind of £1,364,000 (2021/22: £756,000) which are also included in either expenditure or stock. The whole amount for both years is restricted income. They consist mainly of water and sanitation products; food aid; latrines and seeds and tools for planting.

Grant income from CRODA Foundation represents a restricted grant of £110,000 to fund a water, sanitation and agriculture project in Uganda. The first instalment of £55,000 was received during 2022/23.

Included within grants from the United Kingdom Government is £nil (2021/22: £6,000) unrestricted income related to the furlough scheme.

Tearfund Netherlands income also includes £nil (2021/22: £6,000) of unrestricted grants.

3. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
Contract income contributed to the following programmes:				
ABT associates (CCT projects in Papua New Guinea)	-	-	-	165
Total contract income	**-**	**-**	**-**	**165**
Other income from charitable activities	204	374	578	103
Total income from charitable activities	**204**	**374**	**578**	**268**

The total income from charitable activities was £578,000 (2021/22: £268,000), of which £204,000 was unrestricted (2021/22: £257,000) and £374,000 was restricted (2021/22: £11,000).

Notes to the financial statements
31 March 2023

4. TOTAL RESOURCES EXPENDED

	Grants £'000	Direct costs £'000	Support costs £'000	2023 Total costs £'000	2022 Total costs £'000
Unrestricted					
Costs of generating funds:	**593**	**10,366**	**2,693**	**13,652**	**11,617**
Charitable activities:					
Churches mobilised	594	3,755	1,066	5,415	4,877
Communities transformed	1,728	7,109	2,108	10,945	8,486
Society changed	857	4,848	1,376	7,081	6,025
Emergency needs met	573	2,821	2,126	5,520	6,015
	3,752	**18,533**	**6,676**	**28,961**	**25,403**
Total unrestricted	**4,345**	**28,899**	**9,369**	**42,613**	**37,020**
Restricted					
Costs of generating funds:	**125**	**1,068**	**-**	**1,193**	**1,010**
Charitable activities:					
Churches mobilised	2,304	1,760	-	4,064	3,536
Communities transformed	6,025	7,585	-	13,610	12,453
Society changed	3,009	2,572	-	5,581	3,312
Emergency needs met	8,299	14,932	-	23,231	19,583
	19,637	**26,849**	**-**	**46,486**	**38,884**
Total restricted	**19,762**	**27,917**	**-**	**47,679**	**39,894**
Total expenditure	**24,107**	**56,816**	**9,369**	**90,292**	**76,914**

Many programmes achieve benefits in a number of different areas and their costs are allocated on the basis of their principal aims. Cost allocation includes an element of judgement and Tearfund has had to consider the cost-benefit of detailed calculations and record-keeping in calculating a best estimate of the attributable costs.

Notes to the financial statements
31 March 2023

4. TOTAL RESOURCES EXPENDED CONTINUED

	2023 £'000	2022 £'000
Grants to partner organisations by geographical region:		
Africa	10,190	10,048
Eurasia	7,618	4,663
Asia	3,303	4,198
Latin America and Caribbean	975	1,095
Europe	1,479	85
Total grants to partner organisations	**23,565**	**20,089**
Assistance in establishing Tearfund USA	542	633
Total grants	**24,107**	**20,722**

Grant management costs were £3,022,000 (2021/22: £2,332,000).

Grants made by country (showing top 15 amounts):	2023 £'000	2022 £'000
Afghanistan	2,854	1,059
Pakistan	1,679	259
South Sudan	1,655	1,656
Ethiopia	1,579	2,035
D.R. Congo	1,557	1,230
Iraq	1,181	268
Bangladesh	868	1,211
Syria	825	441
Burundi	672	495
Nigeria	664	1,197
Yemen	638	698
Nepal	618	500
Poland	610	10
India	579	1,270
Ukraine	530	25

Details of partner organisations included in the top 50 receiving grants can be found at: **tearfund.org/top50**

Support costs and the basis of their allocation are as follows:	**Principal basis of allocation to activities**	2023 £'000	2022 £'000
General management, risk and compliance	Headcount and expenditure	407	467
Financial management	Headcount and expenditure	1,563	1,523
Human resources	Headcount	2,721	2,080
Strategy & Impact	Expenditure	354	269
Information systems	Headcount and expenditure	3,197	2,724
Premises and facilities	Headcount	640	992
Governance	Headcount and expenditure	487	354
		9,369	**8,409**

Notes to the financial statements
31 March 2023

5. SUBSIDIARY

Tearfund has a wholly-owned trading subsidiary, Tearfund Trading Limited, which is registered in England and Wales, company registration number 03779450. The registered address is 100 Church Road, Teddington, TW11 8QE. The company undertakes various trading activities to raise funds for Tearfund and all its taxable profits are treated as qualifying distribution to Tearfund under Deed of Covenant. Its results and assets for the year ended 31 March 2023 are listed below. All the assets (except cash) and liabilities of the company were sold at cost to Tearfund on 31 March 2023, with the intention of making Tearfund Trading Limited dormant.

	2023 £'000	2022 £'000
Total incoming resources	16	27
Total expenditure	(15)	(27)
Profit for the year	**1**	**-**
Qualifying distribution	(1)	-
Retained profit/loss for the year	**-**	**-**
Total assets	5	18
Total liabilities	-	(13)
Funds	**5**	**5**

6. NET EXPENDITURE/(INCOME) FOR THE YEAR

Net expenditure/(income) for the year are stated after charging the following:	2023 £'000	2022 £'000
Depreciation of tangible fixed assets	276	610
Auditors' remuneration – Tearfund	91	66
Auditor's other services – taxation	3	-
Auditors' remuneration – Tearfund Trading	4	3
(Profit)/Loss on sale of tangible fixed assets	(1)	1
Operating leases: land and buildings – unrestricted	589	60
Operating leases: land and buildings – restricted	655	931

The above is all unrestricted expenditure/(income) unless otherwise indicated.

7. EMPLOYEES AND TRUSTEES

Employee costs	2023 UK £'000	2023 Overseas £'000	2023 Total £'000	2022 UK £'000	2022 Overseas £'000	2022 Total £'000
Salaries and wages	16,806	15,369	32,175	15,605	12,124	27,729
Employee benefits	33	914	947	7	468	475
Social security costs	1,784	51	1,835	1,593	52	1,645
Other pension costs	1,725	297	2,022	1,633	225	1,858
	20,348	**16,631**	**36,979**	**18,838**	**12,869**	**31,707**

Included in the above employee costs are redundancy and severance costs of £461,000 (2021/22: £61,000). Redundancy costs are provided for when the decision has been made and the employees have been informed, and the amounts could be calculated with reasonable accuracy and the settlement is probable in the next financial year. Wages for casual workers and medical benefits are included in 2022/23 overseas employee costs which were not included in 2021/22. Inclusion of them in 2021/22 would have increased overseas salaries and wages by £637,000 and overseas employee benefits by £293,000.

Notes to the financial statements
31 March 2023

7. EMPLOYEES AND TRUSTEES CONTINUED

Average number of persons employed during the year	2023 Number	2022 Number
UK-contracted employees based:		
In the UK	452	447
Overseas	93	98
	545	**545**
Staff based overseas on local contracts	512	543
	1,057	**1,088**

UK staff includes those personnel based in Tearfund's UK offices. Overseas staff on UK contracts includes UK nationals working overseas as well as non-UK nationals employed to work in various countries around the world. Staff based overseas on local contracts are employed mainly on projects funded by Institutional donors. All staff were employed across the range of activities detailed in the SOFA. No employees are employed directly by Tearfund Trading Limited.

The number of employees whose emoluments (including benefits in kind but excluding employer's pension) amounted to over £60,000 in the year was as follows:

	2023 Number	2022 Number
£60,001 – £70,000	28	19
£70,001 – £80,000	6	7
£80,001 – £90,000	4	4
£90,001 – £100,000	2	1
£140,001 – £150,000	1	1

Two of the highest paid individuals in 2023 and 2022 are members of staff who work in our international programmes. Their emoluments include accommodation, school fees, medical and other benefits, which allow us to be appropriately competitive in recruiting and retaining staff in the international Non-Governmental Organisation market.

Pension payments of £198,000 (2021/22: £182,000) were made for these forty one (2021/22: thirty two) higher-paid employees. The total emoluments received by the chief executive in the year was £93,000 (2021/22: £87,000). In 2022/23, members of the Executive Team earned a total of £705,000 (2021/22: £669,000) including national insurance and pensions.

Trustees
As Charity Trustees, the Board of Directors and Committee Members, who are not employees, received no remuneration for their services. During the year, eight directors/committee members were reimbursed or had costs paid for by Tearfund for a total of £2,171 for UK travel and subsistence expenses (2021/22: four for £596). Four directors/committee members had overseas travel of £8,171 paid for by Tearfund (2021/22: two for £1,196).

Indemnity insurance is provided for the Directors at a cost of £24,000 (2021/22: £22,000).

Pensions
Tearfund has a defined contribution pension plan for UK employees called the Tearfund Group Personal Pension Plan and a separate defined contribution pension plan for overseas employees called the Tearfund International Group Personal Pension Scheme. These plans operate on a non-contributory basis.

Included within creditors falling due within one year is £278,000 (2021/22: £333,000) in respect of pension contributions due to be paid to the fund managers.

Notes to the financial statements
31 March 2023

8. TAXATION

Tearfund is exempt from taxation on its income and gains under sections 466 to 493 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Capital Gains Act 1992, to the extent that they are applied for charitable purposes. No taxable profit arises on Tearfund Trading Limited due to the fact that all taxable profits are gifted to Tearfund under Deed of Covenant.

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold land and buildings £'000	Assets under construction £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total Tangible £'000	Total Intangible £'000
Cost						
At 1 April 2022	2,688	-	6,378	109	9,175	1,225
Additions	168	180	334	-	682	-
Disposals	-	-	(56)	-	(56)	-
At 31 March 2023	**2,856**	**180**	**6,656**	**109**	**9,801**	**1,225**
Accumulated depreciation						
At 1 April 2022	1,916	-	6,002	93	8,011	1,225
Charge for the year	44	-	230	2	276	-
Disposals	-	-	(56)	-	(56)	-
At 31 March 2023	**1,960**	**-**	**6,176**	**95**	**8,231**	**1,225**
Net book value						
At 31 March 2023	**896**	**180**	**480**	**14**	**1,570**	**-**
At 31 March 2022	**772**	**-**	**376**	**16**	**1,164**	**-**

The book value of freehold land not depreciated is £368,000 (2021/22: £200,000). Tearfund's offices in Teddington have a book value of £728,000 (2021/22: £772,000) and are insured at a value of £11,210,000 (2021/22: £10,000,000). From 1 April 2023, the Teddington Office insurance value has been increased to £14,042,000.

In March 2023, the Board appointed agents to market, for disposal, the freehold land and building at 100 Church Road, Teddington.

Assets under construction relate to an office building in Goma, DRC.

The intangible asset is the cost of the purchase of Toilet Twinning, which is now fully amortized.

10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2023, Tearfund had one wholly-owned subsidiary which is registered in England and Wales.

Organisation name	Class of share of capital held	Nature of business
Tearfund Trading Limited	Ordinary	Raising funds through trading activities

Notes to the financial statements
31 March 2023

11. STOCKS

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Goods held for distribution to communities	850	593	850	593
Goods for resale	14	12	14	-
Disaster management and IT stores	11	11	11	11
	875	**616**	**875**	**604**

12. DEBTORS

	Tearfund Group		Tearfund	
Due within one year:	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amount owed by group undertaking	-	-	-	9
Tax recoverable	223	867	223	867
Other debtors	624	538	624	538
Accrued institutional grants	3,362	2,324	3,362	2,324
Accrued legacy income	6,492	4,935	6,492	4,935
Prepayments and other accrued income	1,322	1,059	1,322	1,059
	12,023	**9,723**	**12,023**	**9,732**

13. CREDITORS

	Tearfund Group		Tearfund	
Amounts falling due within one year	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest-free loans	100	100	100	100
Amount owed to group undertaking	-	-	2	-
Other creditors	1,400	1,978	1,400	1,978
Taxation and social security	887	1,361	887	1,362
Accruals	2,520	1,605	2,520	1,602
Deferred income	7	9	7	9
	4,914	**5,053**	**4,916**	**5,051**

The interest-free loans, which have been made by supporters, are unsecured and have no set repayment dates.

Deferred income balance	2023 £'000	2022 £'000
Opening balance	9	5
Released income	(9)	(5)
Deferred income	7	9
Closing balance	**7**	**9**

Notes to the financial statements
31 March 2023

14. PROVISIONS FOR LIABILITIES

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Transfers from creditors	249	-	249	-
Additions	519	-	519	-
Closing balance	**768**	**-**	**768**	**-**

Provisions for liabilities comprise amounts relating to an overseas bank account, redundancies and other liabilities. Redundancies are expected to be paid in the next financial year. The timing of the other provisions is unknown. Provisions were included in creditors in the previous financial year and have been transferred to provisions this year.

15a. FUNDS MOVEMENT (2022/23)

Tearfund and Tearfund Group	1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2023 £'000
General fund	11,475	35,868	(40,473)	(347)	6,523
Designated funds					
Fixed asset fund	1,164	-	-	406	1,570
Strategic priorities	2,157	-	(2,140)	18	35
	3,321	-	(2,140)	424	1,605
Total unrestricted funds	**14,796**	**35,868**	**(42,613)**	**77**	**8,128**
Restricted funds					
Appeals and emergencies:					
Afghanistan	2,674	2,368	(3,228)	-	1,814
Bangladesh	308	3	(213)	-	98
Burundi and Rwanda	18	-	(18)	-	-
Coronavirus emergency appeal	245	242	(343)	1	145
Democratic Republic of Congo	570	3	(573)	-	-
East Africa	-	6	(6)	-	-
East Africa hunger crisis	-	600	(311)	-	289
Haiti	26	25	(34)	-	17
Indonesia	392	1	(117)	-	276
Middle East	942	48	(132)	-	858
Mozambique	-	819	(723)	(5)	91
Myanmar	24	-	(24)	-	-
Other	366	699	(481)	5	589
Pakistan	90	2,356	(862)	8	1,592
Sudan and South Sudan	438	10	(448)	-	-
Syria crisis	611	-	(211)	-	400
Turkey and Syria earthquake	-	4,593	(958)	-	3,635
Ukraine	1,628	1,373	(1,812)	-	1,189
Yemen	1,941	62	(396)	-	1,607
	10,273	**13,208**	**(10,890)**	**9**	**12,600**

Notes to the financial statements
31 March 2023

15a. FUNDS MOVEMENT (2022/23) CONTINUED

Tearfund and Tearfund Group	1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2023 £'000
Restricted funds brought forward	**10,273**	**13,208**	**(10,890)**	**9**	**12,600**
Country funds	-	65	(65)	-	-
Project funds:					
Institutions and trusts	6,394	32,240	(32,473)	(132)	6,029
Connected Church	18	6	(22)	-	2
Other	748	1,953	(2,187)	46	560
Beneficiary funds:					
Other children funds	-	30	(30)	-	-
Issue funds:					
Disaster management	-	867	(867)	-	-
Water and sanitation	-	1,063	(1,063)	-	-
HIV and AIDS	-	82	(82)	-	-
Total restricted funds	**17,433**	**49,514**	**(47,679)**	**(77)**	**19,191**
Total	**32,229**	**85,382**	**(90,292)**	**-**	**27,319**

Designated funds are set up for the following purposes:

- The fixed asset fund represents the net book value of Tearfund's tangible and intangible fixed assets to indicate that these resources are not available for other purposes.
- The strategic priorities fund represents monies set aside to fund a range of strategically important projects across multiple countries, together with investment in leadership and management development and new information systems.

Restricted funds are shown under the following main categories:

- Appeal and emergency funds comprise funds raised for specific appeals and emergencies.
- Country funds comprise funds given for specific countries.
- Project funds comprise funds given for specific projects mainly by institutional donors.
- Beneficiary funds comprise funds given for the benefit of specific beneficiary groups such as children.
- Issue funds comprise funds given for specific issues such as disaster management, water and sanitation and HIV.

Fund balances may be negative for the following reasons:

- Funds in deficit are predominantly due to the pre-financing provided to partners on institutionally-funded projects, where we expect to receive income from donors once the partners have spent the funds.

At 31 March 2023, the total deficit balances amounted to £354,589 (2021/22: £148,286).

Notes to the financial statements
31 March 2023

15a. FUNDS MOVEMENT (2022/23) CONTINUED

Transfers between funds represent:

(a) movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund and designation of funds for work on our strategic priorities

(b) reallocations between funds reflecting the analysis of funds or balance transfers

(c) reallocation of general funds to support programmes where additional restricted funding was not found

Included within restricted funds are the following amounts relating to money received from the following donors:

Foreign, Commonwealth and Development Office (FCDO)	1 April 2022 £'000	Income £'000	Expenditure £'000	31 March 2023 £'000
Central African Republic: AID Match	-	(3)	3	-
Haiti: AID Match	64	423	(429)	58
Pakistan: AID Match	(2)	849	(852)	(5)
FCO & Other:				
Nigeria Innovate UK	-	29	(29)	-
Iraq CSSF	-	812	(806)	6
Start Network:				
Burundi Alert 599	-	125	(125)	-
Phillippines Abra Earthquake Response	-	367	(364)	3
Pakistan Floods Response	-	21	(21)	-
Mozambique Flood Response Projects	3	253	(248)	8
Democratic Republic of Congo Displacement due to conflict & Hub Incubation	-	144	(128)	16
South Sudan Displacement due to conflict	-	250	(229)	21
Zimbabwe WASH	-	91	(91)	-
Nicaragua Hurricane Julia Response	-	198	(198)	-
Total FCDO funds	**65**	**3,559**	**(3,517)**	**107**
Disasters Emergency Committee (DEC)				
Coronavirus	63	237	(300)	-
Afghanistan crisis	174	2,149	(2,195)	128
Pakistan floods	-	844	(694)	150
Turkey and Syria earthquake	-	948	(8)	940
Total DEC funds	**237**	**4,178**	**(3,197)**	**1,218**

Notes to the financial statements
31 March 2023

15b. FUNDS MOVEMENT (2021/22)

Tearfund and Tearfund Group	1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2022 £'000
General fund	9,626	35,032	(33,674)	491	11,475
Designated funds					
Fixed asset fund	1,583	-	-	(419)	1,164
Overseas assets fund	125	-	-	(125)	-
Strategic priorities	5,503	-	(3,346)	-	2,157
	7,211	-	(3,346)	(544)	3,321
Total unrestricted funds	**16,837**	**35,032**	**(37,020)**	**(53)**	**14,796**
Restricted funds					
Appeals and emergencies:					
Afghanistan	-	3,567	(894)	1	2,674
Bangladesh	614	13	(3)	(316)	308
Burundi and Rwanda	89	-	(71)	-	18
Central African Republic	75	-	(75)	-	-
Coronavirus Emergency Appeal	667	1,797	(2,219)	-	245
Democratic Republic of Congo	-	1,183	(613)	-	570
East Africa	-	2	(2)	-	-
Haiti	-	123	(97)	-	26
Indonesia	579	1	(188)	-	392
Middle East	961	109	(128)	-	942
Myanmar	77	-	(53)	-	24
Other	239	300	(173)	-	366
Pakistan	90	-	-	-	90
Southern Africa cyclone	337	1	(300)	(38)	-
Sudan and South Sudan	181	11	(70)	316	438
Syria crisis	640	79	(117)	9	611
Ukraine	-	1,772	(144)	-	1,628
Yemen	1,801	155	(15)	-	1,941
	6,350	**9,113**	**(5,162)**	**(28)**	**10,273**

Notes to the financial statements
31 March 2023

15b. FUNDS MOVEMENT (2021/22) CONTINUED

Tearfund and Tearfund Group	1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2022 £'000
Restricted funds brought forward	**6,350**	**9,113**	**(5,162)**	**(28)**	**10,273**
Country funds	2	136	(138)	-	-
Project funds:					
Institutions and trusts	5,183	30,041	(28,864)	34	6,394
Connected Church	274	(20)	(231)	(5)	18
Other	698	2,413	(2,687)	324	748
Beneficiary funds:					
Children	-	223	(269)	46	-
Issue funds:					
Disaster management	-	1,046	(1,046)	-	-
Water and sanitation	-	1,294	(1,301)	7	-
HIV and AIDS	325	30	(30)	(325)	-
Waste Management	-	166	(166)	-	-
Total restricted funds	**12,832**	**44,442**	**(39,894)**	**53**	**17,433**
Total	**29,669**	**79,474**	**(76,914)**	**-**	**32,229**

Included within restricted funds are the following amounts relating to money received from the following donors:

Foreign, Commonwealth and Development Office (FCDO)	1 April 2021 £'000	Income £'000	Expenditure £'000	31 March 2022 £'000
Central African Republic: AID Match	-	817	(817)	-
Haiti: AID Match	(15)	325	(246)	64
Pakistan: AID Match	2	467	(471)	(2)
FCO & Other:				
British Embassy FORD	-	30	(30)	-
Start Network:				
Burkina Faso	-	71	(71)	-
Burundi flood response	-	88	(88)	-
Democratic Republic of Congo Volcano Alert 525	-	100	(100)	-
Ethiopia IDP response Alert 538	-	220	(220)	-
Ethiopia working differently	-	15	(15)	-
Indonesia earthquake	1	-	(1)	-
Mozambique 2022	-	99	(96)	3
Nigeria evaluation	3	(3)	-	-
Nigeria Aug-21 to Sep-21	-	30	(30)	-
Rwanda Alert 526	-	65	(65)	-
Total FCDO funds	**(9)**	**2,324**	**(2,250)**	**65**

Notes to the financial statements
31 March 2023

15b. FUNDS MOVEMENT (2021/22) CONTINUED

	1 April 2021 £'000	Income £'000	Expenditure £'000	31 March 2022 £'000
Disasters Emergency Committee (DEC)				
Cyclone Idai 2019	6	-	(6)	-
Coronavirus	(65)	1,731	(1,603)	63
Afghanistan crisis	-	658	(484)	174
Total DEC funds	**(59)**	**2,389**	**(2,093)**	**237**

16a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2022/23)

Fund balances at 31 March 2023 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,570	-	1,570
Current assets	11,811	19,620	31,431
Current liabilities	(4,487)	(427)	(4,914)
Provisions	(766)	(2)	(768)
	8,128	**19,191**	**27,319**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,570	-	1,570
Current assets	11,808	19,620	31,428
Current liabilities	(4,489)	(427)	(4,916)
Provisions	(766)	(2)	(768)
	8,128	**19,191**	**27,319**

16b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2021/22)

Fund balances at 31 March 2022 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,164	-	1,164
Current assets	16,167	19,951	36,118
Current liabilities	(2,535)	(2,518)	(5,053)
	14,796	**17,433**	**32,229**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,164	-	1,164
Current assets	16,157	19,954	36,111
Current liabilities	(2,533)	(2,518)	(5,051)
	14,793	**17,436**	**32,229**

Notes to the financial statements
31 March 2023

17. OPERATING LEASE COMMITMENTS

At 31 March 2023 Tearfund and the Tearfund Group were committed to making the following payments in total in respect of operating leases for land and buildings:

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Within one year	944	683	944	683
In the second to fifth years inclusive	781	502	781	502
	1,725	**1,185**	**1,725**	**1,185**

18. RELATED PARTY TRANSACTIONS

A number of the trustees of Tearfund are directors and trustees of other charities and organisations with whom Tearfund has historic relationships. There were no related party transactions.

In addition, there were expenditure transfers to the subsidiary of Tearfund of £nil (2021/22: £nil) in the year ended 31 March 2023. The balance owing by Tearfund to Tearfund Trading Limited at the end of the year of £2,000 (2021/22 : £nil) is disclosed in note 13. All assets and liabilities of Tearfund Trading limited, except cash were transfered to Tearfund at 31 March 2023.

19. ULTIMATE PARENT

The Trustees consider that the ultimate parent and controlling party of the group is Tearfund.

20. CAPITAL COMMITMENTS

At 31 March 2023, there were contracted or authorised capital commitments of £35,000 (2021/22: £118,000).

tearfund.org

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tearfund

TEARFUND

England & Wales - Charity number 265464

Accounts

Annual Report 2021/22

Celebrating the past year

Report and Financial Statements 2021/22
Year ended 31 March 2022

tearfund

Guatemala

UK

Burkina Faso

Bolivia

Angola

Photos (clockwise from top left): Caroline Trutmann/Tearfund (Guatemala), Jonas Yameogo (Burkina faso), Meg Ellis/Tearfund (UK), Arlette Bashizi/Tearfund (DRC), Chris Hoskins/Tearfund (Nepal), Shahadat Hossain/Tearfund (Bangladesh), Chris Hoskins/Tearfund (Ethiopia), Tom Price/Tearfund (Angola), Tom Price/Tearfund (Bolivia)

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Registered Charity No. SC037624 (Scotland)

Cover image: Solange and Jean de Dieu are fully recovered, after being treated for acute malnutrition through a nutrition programme in Burundi
Paul Mbonankira/Tearfund

Chair's introduction

As we end this year, some countries seem to be emerging from the pandemic. Lockdowns are ending; jobs have restarted; schools are up and running; vaccines are having an impact on the virus and its spread.

Yet, around the world, those living in the greatest poverty and the most vulnerable contexts continue to face devastation as a direct result of Covid-19. More than 100 million people have fallen back into poverty because of the pandemic. For them, the prospect of death or long-term illness through Covid-19 remains very real in the face of the desperate inequality in global access to vaccines, while economic impact at national level brings destitution at individual and family levels.

Throughout this report, you will read examples of Tearfund working through churches and partners worldwide to help address the immediate impacts of Covid-19. At the same time, they are also responding to the impacts of climate change, conflicts at national, local and family levels, and economic poverty.

In so many of the areas in which we work, these challenges combine to deepen existing fragility. They underline the complexity and interrelationship of the factors which cause so many people to live in poverty.

We have seen powerful evidence, and remain convinced, that the church has a key role to play in addressing these factors: both in the immediate future and in the longer term, whether in the richer nations or in those most directly affected.

We have seen the church stand up and challenge existing power imbalances, both at a global level and locally. We have seen God work through the church to bring transformation in families and in communities. While we continue to develop our approaches, and to work directly ourselves and through our partners, we will keep our focus on the church, as God's channel for his work.

I am so grateful to our supporters and staff around the world for their gifts of prayer, time and funding this year.

Anna Laszlo
Chair

Anna Laszlo, Chair
Photo: Margaret Chandler/Tearfund

CEO's introduction

Two years on from the start of the pandemic, these remain deeply challenging times. The 'triple C' of Covid-19, conflict and the climate emergency continue to put huge pressure on the communities we work with.

Yet, in these difficult days we have hope. Hope that the church really is God's vessel of transformation. Hope that this is a time of remarkable opportunity for the church and churches: local, national and global. Hope that we will see God move and transformation come to those who live in poverty. Hope that we have our own triple C to help us respond to all the challenges we see: Christ, church and community.

In Tearfund's work in some of the world's most challenging places, we see that hope in action. We support churches to bring transformation to their communities; food distribution to the most vulnerable; savings groups that build resilience and confidence; advocacy to challenge harmful practices and to ensure government services; and reconciliation and peacebuilding to address the root causes of conflict. The church being salt and light: bringing good news to those who live in poverty.

And we work too at a global level. Our policy work around climate justice contributed to 39 countries and institutions committing to end fossil fuel financing during the COP26 climate talks in Glasgow. We continue to be successful in challenging the world's largest companies to reduce their use of plastics. Both locally and globally, we see the church increasingly using its voice to call for justice.

We remain so grateful to God for his provision, and to our amazing supporters and funders for their generosity. After much prayer, Tearfund launched The Well, a dedicated space where individuals, churches and networks from the Black Christian community can come together to support development and integral mission around the world. We have been humbled by the response.

Let us remember our amazing vision to see all people freed from poverty, living transformed lives and reaching their God-given potential. Poverty is not God's plan. You are.

Nigel Harris
CEO

Nigel Harris, CEO
Photo: Margaret Chandler/Tearfund

Tearfund CEO, Nigel Harris, with James Baiaya, Asia Regional Disaster Management & Capacity Strengthening Coordinator, in Bangladesh visiting projects in Cox's Bazar that support the Rohingya people

Photo: Sanjeev Bhanja/Tearfund

A united voice on climate justice

Kuki Rokhum is a staff member at EFICOR, a Tearfund partner that works among India's poorest people: she hears firsthand how the climate emergency is making their daily struggle even harder.

Kuki believes she's called to walk alongside these people through her work, and to make their voices heard.

That's why she joined Tearfund at COP26, the UN climate talks in Glasgow, to bear witness to how the climate crisis is undoing decades of development. Here she reflects on this experience:

Consider a farmer in Jharkhand, east India. He lives with his wife and two children, and still uses bullock carts. When you talk to someone like him, about what life was like before and how it is now, you can see something is wrong. Unpredictable rainfall patterns, sudden disasters... they are the ones who bear the brunt, whose lives will be devastated. They live very lightly on this earth and yet pay heavily.

I have become convinced that caring for the environment is essential. It is not an optional extra that we leave in the hands of those who are 'keen'. It's important for all of us not just to be aware of the issue but to take action too.

As human beings, we have a mandate and responsibility to take care of the environment and one another: we have a voice, and we have an opportunity to make sure others are heard too. As Tearfund says, 'Poverty is not God's plan. You are.'

That's why it's important for an organisation like Tearfund to be at COP26, to speak into it and out of it. COP is a crucial gathering because it encourages nations to assess their situation and commit to change. We need to influence not just the decision-makers but people around the world beyond our circle of influence. COP allows us to do just that.

Unlike previous COP gatherings, different global partners assembled in Glasgow, with Tearfund's leading, and we had the opportunity and platform to engage with so many different people, within Glasgow and globally, through the media events.

For me, this was the best COP ever, where so many people from around the world and from different organisations involved in these issues came together. The massive march, the passionate young people gave me hope that we were not alone in raising our voice.

In the Blue Zone, where the key negotiations took place, we were able to speak into many conversations about climate change and conduct side events to show how climate change affects the different constituencies we're part of. And we were involved in stunts, to raise issues such as fossil fuel funding in the media, so that people outside the talks could get engaged too.

Climate change has become part of everyday conversation. COP should not be just an event: we need to keep these conversations and that momentum going. I believe we can effect change by joining with others and by not shirking our responsibilities to be a voice for those who are never heard.

Kuki Rokum [left] speaking in Glasgow, and [right] taking part in a march on the Global Day of Action
Photos: Chris Hoskins/Tearfund

Trustee Directors' report

The Board of Trustee Directors present their Annual Report, together with the audited, consolidated financial statements, for the year ended 31 March 2022.

Principal activity

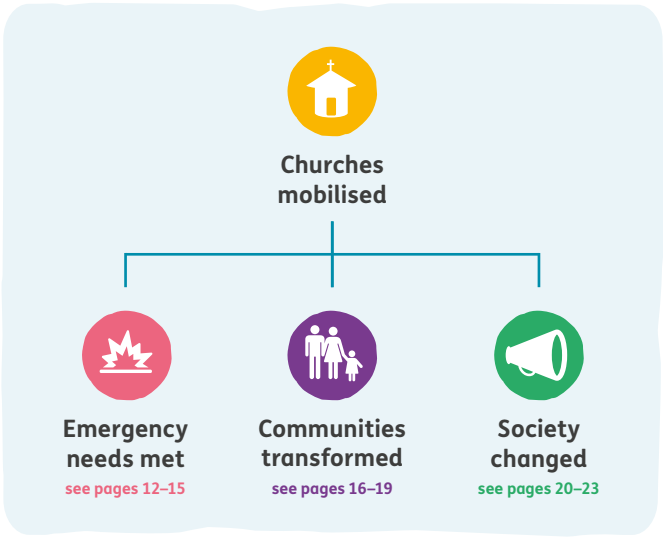
Tearfund is a Christian relief and development agency committed to eradicating poverty. Tearfund's call over the last 50 years has remained constant: to follow our biblical mandate to see people lifted out of material and spiritual poverty.

Our vision is to see people freed from poverty, living transformed lives and reaching their God-given potential.

Our mission is to follow Jesus where the need is greatest, responding to crises and partnering with local churches to bring restoration to people living in poverty.

Our values remain unchanged: we seek to be Christ-centred, compassionate, courageous, truthful and servant-hearted.

In pursuit of our vision, there are four main outcomes we want to see:



We see mobilising the church as fundamental to achieving the other three outcomes. In our report, starting on page 10, we use these four outcomes as a means of reporting the expenditure on our charitable activities. We recognise it is difficult to make full allowance for the overlaps and interconnections between these outcomes and we are currently reviewing whether this is still the most appropriate method of reporting.

Pascaline, with her daughter Colise. Colise survived a severe malnutrition case when she was a baby. Today she has fully recovered with the support of Tearfund's partners
Photo: Paul Mbonankira/Tearfund

Our corporate priorities

These are the key priorities that we have agreed for the medium term, that we consider we are uniquely placed to deliver, and that will enable us to contribute to transformational change in the countries in which we work.

Partnerships and principles

Our partners are local churches, denominations and Christian national and international NGOs who agree with our Statement of Faith and meet our partnership criteria. Our operational programmes, which are directly implemented and overseen by Tearfund staff, are undertaken in countries affected by protracted and/or recurrent crises, where the availability and capacity of partners is limited.

Tearfund is a member of various alliances and networks that provide important support. These include: the Disasters Emergency Committee, BOND (a network of organisations working in international development), Micah Network, the Integral Alliance, the Start Network, Joint Learning Initiative and the Evangelical Alliance.

Tearfund upholds a set of corporate Quality Standards which reflect the organisational characteristics we aspire to and the relevant external and internal accountabilities, standards, codes, guidelines and principles we're committed to. Please visit **tearfund.org/qualitystandards**

With a shared Christian identity and common goal to reduce poverty and injustice, the Tearfund Family brings together agencies in the UK, Ireland, Belgium, France, Germany, the Netherlands, Canada, USA, Australia and New Zealand.

Tearfund and its partners work with the most vulnerable and marginalised people around the world, regardless of race, religion, ethnicity, ability, age, gender, sexuality or nationality, and the Trustee Directors ensure that the activities undertaken contribute to the charity's aims and objectives. The Trustee Directors are therefore confident that Tearfund meets the public benefit requirements of the Charity Commission in our reporting.

Photos (top to bottom): Distribution of emergency response kits for those affected by the deadly earthquake that struck Haiti in August 2021
Photo: Richard Pierrin/Tearfund.

A farming cooperative self-help group growing maize in Rwanda
Photo: Pete Dawson/Tearfund.

Abigael, harvesting vegetables in her market garden in the commune of Ouarkoye in Burkina Faso
Photo: Jonas Yameogo/Tearfund

To achieve our outcomes, we will continue to scale up our work in order to see continued impact across our three corporate priorities:

Church and Community Transformation (CCT)

Unlocking the potential of local churches and communities, to catalyse change in even the most remote areas in a cost-effective, holistic and sustainable way.

We believe that local churches – wherever they are in the world – begin a lifelong journey when they embrace and commit to living out a theology of what we call 'integral mission'. This journey strengthens and inspires them, changes mindsets and brings about 'whole-life' transformation in both the church and the community.

The church's response to local needs is to approach poverty holistically and from within the community, helping people to realise their potential and recognise the resources God has given them. Through the pandemic, our CCT approaches have proven to be pivotal in preparing and equipping churches with foundational theology that has enabled them to continue to respond and catalyse transformation in their communities. Our focus has been on supporting our network of trainers and community volunteers, envisioning new denominations and churches, and continuing to strengthen our processes to ensure we see real impact in varied contexts, from urban settings to oral cultures.

Fragile States

Committing to places of protracted crisis and conflict for the long haul, to see communities thrive as peace, hope and relationships are restored.

Crisis- and conflict-affected countries represent the most complex contexts we work in. They are vulnerable to innumerable shocks and hazards, alongside deep systemic injustice, political turmoil and fragility. Since 2020, Covid-19, economic pressures and deepening inequality have only made these countries more fragile. In 2021/22 we have worked hard to address immediate needs, ensure equitable access to basic services, and increase the resilience of the most vulnerable people.

We have also focused on addressing harmful social norms and behaviours which underpin fragility and conflict. To do this we have used faith-based approaches to prevent and respond to violence against women and girls, improve equality between men and women in the home, champion women's rights and voices in decision-making, and empower women to generate income for their families. We have also used faith-based approaches to bridge divides, reduce fear and mistrust between different groups, break cycles of violence and trauma at household and community level, and bring healing and hope to survivors of violence.

Environmental and Economic Sustainability (EES)

Committing to relief and development that is environmentally and economically sustainable, that reduces exposure to risk, and lessens the impact of risk.

We are called to take care of the whole of God's creation, and we believe environmental sustainability goes hand in hand with economic development and people's livelihoods. The Covid-19 pandemic has taught us how vulnerable our economic system is. If we continue to exploit and damage the natural environment, life will only become harder for people who rely on it to make a living.

During the last year, we have seen that our EES approach has been effective in creating 'green' jobs, whether through waste management and recycling, climate-smart agriculture, or self-help groups teaching livelihood skills to help people generate an income. We recognise that recovery from the pandemic will take years, and climate change is exacerbating tensions over land, pasture and water, and fuelling migration. That is why we are directing our attention and efforts to support those who are most vulnerable and focusing on creating economic opportunities for them that also benefit the environment.

Strategic report

The Trustee Directors present the strategic report which details our progress made against our key objectives set last year and our aims for 2022/23.

The role of the church

We believe that God has chosen the church as his partner in his mission to bring lasting, whole-life transformation to people, communities and creation, and we have the privilege of accompanying churches worldwide in the desire to see the whole of creation restored.

For Tearfund, poverty is holistic: not just economic or physical but also social, environmental and spiritual. We believe poverty is rooted in broken relationships: with God, self, others and wider creation. Overcoming poverty means restoring these relationships. God's mission of restoration will be complete when Jesus comes again. Until then, the church is called and commissioned to continue that mission. Therefore, mobilising and supporting churches is at the heart of what we do.

We are committed to envisioning and equipping the church at local, national, regional and global levels. We believe, and have seen, that an active and flourishing church partnering in God's mission leads to:

Communities transformed: When churches lead communities through a process of Church and Community Transformation, they can identify the underlying causes of poverty and overcome them together. When churches are equipped in disaster preparedness and resilience-building, the poorest communities become resilient to shocks and stresses, and are able to recognise and use local resources to help them flourish. Identifying and addressing the underlying causes of broken relationships, the church works to bring peace and unity so that communities can contribute to better futures for themselves and others.

Emergency needs met: An equipped, mobilised church that understands its biblical mandate is ready to respond when a crisis or natural disaster affects community structures and systems. Churches respond to the immediate needs and build resilience to future shocks.

Society changed: Tearfund supports churches to find their voice and challenge social, political, economic and environmental systems and policies that underpin poverty. We work together to ensure these are just and that they work for the poorest communities, ensuring everyone's access to basic needs, reduced inequality and sustainable growth.

In our understanding of church we include individual Christians, denominations, church congregations, church leaders and Christian partners.

A church service at the Diocese of Matana, Burundi
Photo: Paul Mbonankira/Tearfund

We want to see emergency needs met

We help build disaster-resilient communities by working with local churches and partners, and through our own teams, to help communities prepare for and respond to emergencies.

What is our approach?

Our belief in God's restoration plan compels us to respond to disasters and conflicts as an expression of love for those in need.

The Covid-19 pandemic continues to cause unprecedented suffering as restrictions and economic shocks threaten to push millions back into poverty. The poorest communities are also suffering the worst impacts of climate change, including rising temperatures and environmental degradation. And conflict and violence continue to cause misery, including this year in Afghanistan, Burkina Faso, Chad, DRC, Ethiopia, Mali, Myanmar, Yemen and Ukraine.

We've also responded to devastating natural and climate-related disasters, including the volcanic eruption in DRC, an earthquake in Haiti, flooding in Pakistan and tropical storms in southern Africa.

We equip and support churches and local partners to ensure responses are locally-led and contextually appropriate. Our direct access to communities through these links and networks is what makes us distinctive. At the heart of our approach is mutual learning, resilience and a hope mindset. So we also work closely with communities to reduce the risk of future disasters, strengthen coping mechanisms and address underlying vulnerabilities. Where necessary, we also work directly through our own operational programmes currently in DRC, South Sudan and CAR.

We hold ourselves accountable to people affected by disasters, ensuring clear channels of communication so that communities can participate fully and give feedback. We coordinate with networks and peers within the humanitarian sector to ensure best practice across our work.

This year, we've supported:

1,682,600

people directly through our emergency responses, including:

10,200

displaced people supported after the volcanic eruption in Goma, DRC

43,100

people benefited from cash transfers to meet their immediate needs in emergency situations across the world

22,300

people reached through our emergency response programmes in Afghanistan

Dheve and her family outside their home in a refugee camp in Ituri, eastern DRC
Photo: Arlette Bashizi/Tearfund

ROOPS
CAMPING
BOYS ONL

Our year

These are the key objectives we set ourselves last year for *emergency needs met*, with examples of how we met them, what we learnt and where we can go further.

1. Adapting resources and gender inclusion

Work alongside church leaders and denominations in West Africa, developing contextually relevant actions to help them prepare for disasters and reduce disasters' impact

The pandemic has prompted reflection with colleagues across West Africa, which has helped us identify areas where the local church needs strengthening in its disaster preparedness and response.

One area is the adaptation of existing tools and resources to make them more accessible for churches. *Disasters and the Local Church* is being adapted for online learning, to provide churches in disaster-prone areas with a resource they can use in ways appropriate for their context. We will pilot this in the coming year, working alongside Church and Community Transformation (CCT) facilitators. Feedback from local church networks in each of our regional clusters will inform the final design.

This also created energy to address gender inclusion in our CCT work. We are now integrating learning from our Transforming Masculinities approach, which works with both men and women to address harmful concepts of gender and masculinities. Our goal is to increase gender sensitivity among CCT facilitators and consequently to see women taking the lead in community-level disaster preparedness and response. Bringing women's knowledge, skills and capacities to bear is likely to have a positive impact for the whole community.

2. Supporting capacity-strengthening initiatives

Support the rollout of the Disaster Management Capacity Assessment programme in Haiti and four countries in Asia, and review findings from the same programme in West Africa

The Disaster Management Capacity Assessment programme has continued to support capacity-strengthening initiatives in West Africa, and new programmes have started in Asia and Haiti. Though the West Africa review has been delayed due to the pandemic, the programme will continue to expand in Asia, southern/eastern Africa and Eurasia in the coming year.

In Nepal, there is already evidence of the programme's impact. One partner has launched a new digital Initial Disaster Rapid Assessment (IDRA) process. So far this has provided them with needs assessment information within 24 hours of ten recent localised disaster events. This has enabled them to respond quickly: sometimes they have been the first agency on the ground. In Burkina Faso, another partner has been able to leverage and manage donor support due to training its team on writing proposals and cash-programme delivery. They were able to respond swiftly following a terrorist attack in Solhan, providing almost 3,500 people with cash for food, clothes and medicines.

3. Resources for regional staff

Strengthen our regional staff and the guidance they receive, to help them respond to new complex emergencies, building on lessons learnt from Covid-19

A review of Tearfund's Covid-19 response highlighted the continued need to strengthen our teams and partners in their ability to respond when disaster strikes. This is something Tearfund prioritises, so this year has had a significant focus on supporting and strengthening our staff across the world, to ensure they are prepared to respond to emergencies quickly, appropriately and with maximum impact.

Every context is different, so we have developed a variety of relevant humanitarian learning and training resources in multiple languages to meet the differing needs of our staff globally. This resourcing has ranged from online courses and webinars to mentoring, leadership development and external training. We have worked closely with our country teams and staff to ensure they have the knowledge and skills they need to assess, plan for and respond to complex emergencies in their specific context.

4. Building communities' resilience

Equip churches and church networks to build communities' resilience and help them prepare for and respond to disasters

We are passionate about strengthening those at the heart of vulnerable communities so they can respond to disaster. Often that includes helping them see their own potential and the resources they already have. Maria from Zimbabwe explains powerfully how her community's response to drought has changed through CCT blended with some disaster preparedness training: 'We thought dependency on handouts was our only way out. However, with these new Bible studies we have realised that God has already provided us with many resources that we can use to prepare for and overcome droughts.' Two short words are key here: We can.

Subsequent training enabled Maria's community to establish connections with meteorological services so they could be forewarned of storms and droughts, and also to gradually save up their own emergency funds.

Another example is our work with a community in Nepal that is prone to flooding from the Bakaiya River, as well as lightning and earthquakes. Through its involvement with CCT (known as Sangsangai in Nepalese), local people have grown in confidence, learnt basic first aid and been trained to assess risks and make suitable preparations.

What we learnt

An evaluation of Tearfund's global Covid-19 response found that our extensive network of faith-based and local partners contributed significantly to our ability to reach those in need quickly, effectively and appropriately. We also learnt the importance of contextualisation: for example, the public health information materials that had the most impact were those that had been tailored to the local context.

We know we can go further

Climate change is increasing the frequency of disasters and communities' vulnerability to their effects. For this reason, we are committed to expanding our work in environmental sustainability, in particular, reducing our carbon footprint when we respond to new emergencies and designing environmentally sensitive programmes. We hold ourselves accountable to the Climate and Environment Charter for Humanitarian Organisations, that we signed in September 2021.

Going forward in 2022/23

We aim to:

- improve our ability to reach disaster-affected populations in difficult and fragile settings, by expanding our operational approaches: for example, combining direct response and working with partners
- continue work to establish regional Emergency Response Registers (ERRs) to help identify and train Tearfund and partner staff who are able to respond to crises at short notice
- develop e-learning resources for church leaders, to strengthen the ability of local churches to respond when disaster strikes

> **'...this year has had a significant focus on supporting and strengthening our staff across the world'**

When all seems lost

Setilus was in the market when the earthquake struck. She knelt on the ground and prayed until the shaking stopped.

The quake that hit Haiti in August measured 7.2 on the Richter scale and it devastated Setilus's neighbourhood in Les Cayes. Her home was completely destroyed and her nephew was killed, his body found buried in the ruins the next day.

More than 2,000 people lost their lives as a result of the earthquake and thousands were injured. Homes, schools, churches and hospitals were reduced to rubble.

'Since the earthquake I feel I can't do anything on my own,' says Setilus. 'My whole body has been shaking: people tell me it's shock.'

Our partner RIHPED (Haitian Integral Network for Advocacy and Sustainable Environment) responded quickly. In fact, Tearfund helped establish RIHPED specifically so we could help deliver a rapid response in disaster-prone regions.

RIHPED provided about 2,500 people with food and hygiene kits and gave 5,250 people an immediate cash transfer, including Setilus. This money allowed people to prioritise their emergency needs, using it to rebuild their homes or to start a small business.

For Setilus, it meant she could buy food while she recovered and rebuilt her life. 'This gift is like a treasure for me,' she says.

Setilus, who was supported by Tearfund's partner RIHPED in the aftermath of the earthquake
Photo: Richard Pierrin/Tearfund

We want to see communities transformed

Our partnerships with local churches and organisations are powerful in helping to transform communities, addressing the root causes of poverty specific to their context and ensuring that everyone, especially marginalised groups, are included.

What is our approach?

Local churches begin a lifelong journey when they embrace and commit to partnering in God's mission to bring restoration.

This journey empowers them, changes mindsets and brings about transformation in both the church and the community. The church seeks 'whole-life' change, and responds to the needs of their local community holistically and from within. Their destination is what we refer to as 'Church and Community Transformation' (CCT) as people realise their potential and recognise the resources God has given them.

CCT approaches vary and are adapted for every different country and church context. They need to be locally-owned to be effective: there is not a set of fixed steps that works everywhere. But we know that, universally, local church leaders and facilitators are key agents of change as they walk closely with individuals and communities.

Again this year, we've seen churches stepping up and responding to crises, conflicts, Covid-19 and climate change. These responses have included: peacebuilding, livelihoods, water and sanitation, climate-smart agriculture, self-help groups and savings groups, waste management and small-scale enterprises, and changing social norms and negative behaviours – particularly related to gender-based violence. All of these initiatives are locally-owned and led by churches and local partners. We have seen that their close collaboration at the heart of community brings transformational change.

* The figure of 1,296,919 is the precise number of individuals we have verified as having been reached directly through our work to transform communities. The methodology we use to determine our reach has changed over the last two years: calculations are now based on our direct reach through initiatives we have funded directly. Many more people are reached indirectly through our influencing and catalysing approaches, be this through envisioning or strengthening networks and movements of churches, denominations, theological institutions, individuals and other social actors. Going forward, we are committed to reporting also on the number of individuals reached indirectly through this influencing approach, which is an expression of our calling to integral mission. Our indirect reach will therefore be significant and we will explore methods such as the multiplier effect to determine this figure.

This year, we're celebrating:

1,297,000*

people reached through community development, including:

1,092

self-help groups formed this year

399

individuals empowered and equipped to drive change in their community

268

peacebuilding champions mobilised in conflict-affected countries

Abigael, selling her produce in Perakuy village in Burkina Faso
Photo: Jonas Yameogo/Tearfund

Our year

These are the key objectives we set ourselves last year for *communities transformed*, with examples of how we met them, what we learnt and where we can go further.

1. Environmental and Economic Sustainability projects scale up

Scale up our Environmental and Economic Sustainability (EES) work in Nigeria (recycling), Yemen (solar power), Mozambique (environmental livelihoods) and across Latin America and the Caribbean (creation care and livelihoods)

In Yola, north-east Nigeria, our three-year 'Trash to Cash' project, funded by the Norwegian Government (NORAD), has set up a social enterprise gathering and recycling plastics. It will provide an income for 3,000 households in vulnerable riverbank communities when the project is fully operational in 2023.

In Yemen, meanwhile, our local partner is training people in how to build household solar units, and then set up their own businesses. Ongoing research into their business models will help replicate this project in other nations.

Tearfund in Mozambique, with our local partners United Church of Christ in Mozambique (ICUM) and the Youth Skills Development and Occupation Association (ADHOJOMA), are working with local churches, schools and communities on reforestation. So far, more than 4,000 drumstick trees (Moringa oleifera), Aloe vera seedlings and other species have been planted in Manica province. The project is generating an income by producing soaps and skincare products made from these trees and plants. In parallel, solar panels and solar house lights will be installed to reduce deforestation.

Across Latin America and the Caribbean we've started a three-year programme to engage and equip country offices and partners to undertake innovative EES projects. So, for example, in Bolivia, projects focusing on recycling and ecologically sound agriculture are developing. Meanwhile in Brazil, there is powerful advocacy to engage the church and environmental leaders on the issue of water.

2. Peacebuilding programmes

Support others to help build relationships between communities in conflict and across social divides in ten countries

Our movement of local peacebuilders continues to grow, with new groups formed in Mali, DRC, Haiti and Chad. In Chad and Mali we brought together 140 leaders from different faiths to work together to reduce tensions over the election period.

In Burundi we are seeing the success of 'integrated programmes'. Building on teachings of Church and Community Transformation (CCT) principles, they progress to work on gender equity, support for survivors of gender-based violence, peacebuilding and savings group programmes in the same location. Already, these programmes are bringing peace to hundreds of households, and mobilising communities to start new livelihood initiatives and even work together to build health centres and church buildings.

In 2021/22 we continued to consolidate our work around gender norms through both the *Transforming Masculinities* approach, which aims to shift harmful gender norms and the *Journey to Healing* approach, through which Tearfund supports survivors of sexual and gender-based violence. In Nigeria, an evaluation of our Masculinities, Faith and Peace family planning project with Christian and Muslim couples indicated a 40 per cent reduction in intimate partner violence compared with control sites. There was also a statistically significant 40 per cent increase in perception of positive relationships between Muslims and Christians in participating communities.

3. Training church facilitators

Mobilise 1,200 new church members and train them to lead transformative processes in their communities

This year, 2,718 new church facilitators have been trained and are now active in leading churches and communities through a CCT process. A review of the impact of Covid-19 on our CCT work found that success was strongly linked to the facilitators' ability to adapt and respond to changing situations. This has continued to be an area of investment for us. In Zimbabwe, where there are 129 new facilitators, an evaluation showed that over 60 per cent reported increased household income, improved wellbeing, better personal relationships and strengthened social connections.

In addition, 261 people have been equipped as trainers so they can support members of different churches to become CCT facilitators. These new trainers include cohorts in Nigeria, Mali, Chad, Sierra Leone, Uganda and across Asia.

We have also launched online training for CCT, partnering with Eagles in Malawi to pilot a six-month training project to equip 35 trainers. This is proving highly successful so it will be scaled up in the coming year.

4. Scaling up CCT

Develop a clear strategy for how to mobilise denominations towards CCT

We believe that denominations are key to scaling up our CCT approaches and enabling greater impact and transformation around the world. Denominations have strong connections and networks, a long reach and the ability to influence their local churches and church leaders. We have set out a strategy that aims to engage 500 denominations in the next three years, so that we can see greater scale and impact.

As part of this, we have drawn up a set of 13 key recommendations for how best to engage denominations. These include: scoping the state of the church in the relevant country using the World Christian Database; selecting a proven CCT process, approach or concept; and having a clear 'end in mind' that denominations should own so they scale up CCT with their own resources. These 13 recommendations need to be adapted for the local context and strategies decided with CCT staff support.

In several countries, Tearfund teams and partners have already responded creatively: Niger is holding a national envisioning event for the major denominations, Bangladesh has started training five new denominations, and Nigeria saw more than 8,000 people attending a denominational engagement event.

What we learnt

Working with both faith leaders and community members to address negative social norms and mindsets such as attitudes of dependency needs to be an important part of our livelihoods programmes.

To strengthen economic sustainability, climate-smart agriculture and other environment-related livelihoods programmes should integrate financial management and business training. Connecting the products and services that communities provide to real markets helps them achieve better incomes.

We know we can go further

We are firmly convinced of the importance of involving women and young people closely in our peacebuilding work. This has proved harder than anticipated, however, due to a number of barriers including literacy levels. We will be more deliberate in identifying obstacles and adapting our programming accordingly. Wherever possible, we will try to ensure our peacebuilding work builds on programmes that address gender inequality.

Going forward in 2022/23

We aim to:

- support projects that produce green jobs, demonstrate sustainability and reduce inequality in programmes in at least 15 countries
- see 28,000 churches mobilised and achieving transformation in their community
- help build relationships between communities in conflict and across social divides in 15 countries

> **‘...these programmes are bringing peace to hundreds of households’**

Restoring broken relationships

Conflict engulfed the Central African Republic (CAR) after the overthrow of the government in 2013, and sexual violence became a weapon of war. A painful legacy has been a rise in gender-based violence (GBV) and widespread disrespect for women.

Jerine experienced this first hand. ‘My husband had no good word for me and I did not trust him,’ she says. ‘My eldest son would speak back to me angrily and was no longer listening to me.’

Through our Transforming Masculinities approach, Tearfund worked with community and church leaders to help restore relationships within families and communities. Selected people within the community were trained to become Gender Champions who facilitate community dialogues on gender norms and promote behaviour change.

Their input has been life-changing for Jerine. ‘Now, my husband and I are able to plan together and support one another. We both changed. My son is more respectful too.’

The Transforming Masculinities approach is being supported through UK Aid Match in Bangui, Ombelle Mpoko and Lobaye, with more than 200,000 people reached so far. We also work with our partners to support those who have suffered GBV, as well as with organisations and government institutions offering counselling, psychosocial support and rehabilitation.

Jerine and her community have been impacted by the Transformative Masculinities approach, which works towards improving attitudes on gender norms and preventing sexual- and gender-based violence
Photo: Diane Igirimbabazi/Tearfund

We want to see society changed

We partner with local, national and international churches and organisations to see systems and policies changed so that they tackle poverty and injustice and protect the whole of creation.

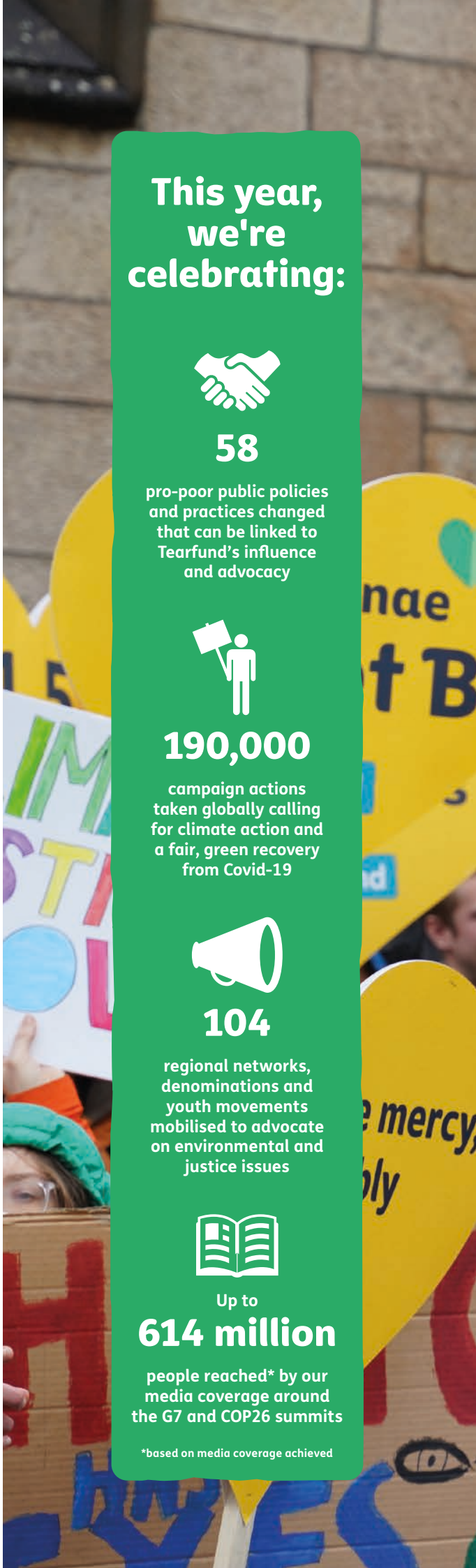
What is our approach?

For decades now, we have worked alongside vulnerable communities to bring their needs and concerns before those who have the power to change their situation. We consider it part of our biblical mandate as Christians to make the voices of those on the margins heard.

So we equip and support communities to ensure that their priorities are brought to the table so that decision-makers, whether at local planning meetings or international summits, can act upon them. We use advocacy and influence – with the church, government and the private sector – to challenge injustice and demand change, and we help our partners to do the same.

We inspire Christians in the UK and globally to campaign, pray and live out the change they want to see more widely, including through the international Renew Our World movement that we helped establish. Engaging the church with issues such as the climate crisis and its impact on the poorest communities is key to our work.

We leverage the church's reach and influence to amplify the voices of more vulnerable communities through our networks and advocacy movements. By working with local churches, we ensure that changes in policy, systems and theological thinking translate into change at community level.



This year, we're celebrating:

58

pro-poor public policies and practices changed that can be linked to Tearfund's influence and advocacy

190,000

campaign actions taken globally calling for climate action and a fair, green recovery from Covid-19

104

regional networks, denominations and youth movements mobilised to advocate on environmental and justice issues

Up to

614 million

people reached* by our media coverage around the G7 and COP26 summits

*based on media coverage achieved

Supporters and staff at the march on the Day of Climate Action
Photo: Chris Hoskins/Tearfund

Love our global neighbours
tearfund
Act justly, love mercy, walk humbly
Micah 6:8
tearfund
There's nae Planet B
tearfund

Our year

These are the key objectives we set ourselves last year for *society changed*, with examples of how we met them, what we learnt and where we can go further.

1. Influencing climate change commitments

Influence the UK and other governments to significantly scale up and deliver on their climate change commitments, especially through the G7 and UN climate negotiations in 2021

We won the Sheila McKechnie David & Goliath Award for our successful campaign urging the UK Government to end fossil fuel financing overseas. Building on this success, we worked with the UK Government to press other countries to follow suit.

Around the G7, we played a key role within the Crack The Crises coalition, and led on the Wave of Hope action which reached 82 million people. Our G7 report, *Cleaning up their act?*, had widespread media coverage, including in the *Financial Times*, and was politically influential.

Our prayer and church service resources engaged thousands of people. Our staff were in Glasgow for the UN climate conference COP26, alongside partners and allies from the world's poorest communities. We prayed, lobbied and met with decision-makers, provided updates to supporters and the media, and coordinated Tearfund supporters to join marches around the UK. Although the G7 and COP26 did not go far enough in their commitments, we achieved some key policy wins, such as a pledge to 'phase down' coal being mentioned in a summit agreement for the first time.

2. Campaigning for a green and fair recovery

Call for a green and fair recovery to the pandemic, for the key role of local faith actors to be recognised, and for equitable vaccine distribution; and support our partners and allies to do the same

We continued our *Reboot* campaign to call on the UK and other governments to invest in a green and fair recovery to the pandemic. We also worked with The Justice Conference and Renew Our World to launch the *Reset21* campaign, with similar aims.

We called for recognition of the role local faith leaders have played in helping communities respond to and recover from the pandemic, including at a World Bank summit and a World Health Organization forum. We also joined the People's Vaccine Alliance to call for free, fair and equitable access to Covid-19 vaccines, and we supported partners worldwide to do the same, including in Brazil and Ethiopia where they ran successful campaigns and other advocacy initiatives. In Nepal, we advocated for local actors to be included in the government's Covid-19 response, and we produced a report with public policy recommendations for the government's response to the ongoing crisis.

3. Mobilising networks and movements

Mobilise regional networks and movements to advocate and influence decision-makers on environmental and justice issues

We continued to work with the Renew Our World movement and national movements in more than 20 countries to advocate on climate, waste and injustice. Together, we saw deep engagement of supporters and activists on these issues, and policy and practice changes in 17 countries, as well as at a regional and global level. Our advocacy work calling on fast-moving consumer goods companies to address their plastic pollution was successful, with both Coca-Cola and PepsiCo committing to reduce virgin plastic.

We launched Climate Leadership training for church networks and worked with 16 groups to launch the *Abundant Africa* report, which presents a big, collective vision for a renewed Africa. We organised an online Justice Conference attended by 2,266 people from around the world, followed by a *Climate of injustice* webinar series. We also worked with theological education organisations in Latin America and the Caribbean, Africa and Asia to incorporate Environmental and Economic Sustainability theology into their curricula. Furthermore, we supported networks and movements to campaign on other issues of injustice, including the rights of migrants in Latin America.

Tearfund played a crucial role in negotiations on a new UN Treaty to stop plastic pollution. We ensured that the Treaty mandate included the impact of plastic pollution on people in poverty, and that the central role of waste pickers was recognised.

4. Engaging with youth

Intentionally engage with youth around church mobilisation and use mechanisms that encourage youth engagement and leadership (such as e-learnings, movements etc)

We continued to run our Young Theologians programme with 14 emerging theologians from around the world. The programme has given the young theologians experience and exposure that sets them up for long-term influence in the church around poverty and other justice issues. We have been building strong relationships with youth-focused organisations globally to equip young people with a holistic understanding of mission and justice.

We are also taking steps to ensure that youth engagement is part of every aspect of our advocacy and influencing work. For example, engaging young people is already a priority in our country and regional strategies in the Latin America and Caribbean region. Likewise, our Church and Community Transformation (CCT) work in Nepal is largely youth-focused, and so too is our peacebuilding work globally.

What we learnt

By targeting our policy reports at the media and including testimony from those directly affected by emergencies, we could put more pressure on decision-makers and achieve much greater impact.

We and our partners have had to learn to be agile in responding to the increasing inequality of Covid-19 vaccine distribution, because of the adverse effect this has had on the world's poorest people.

We know we can go further

The G7 and COP26 made some significant progress in tackling climate change, but commitments made did not go far enough. Continuing and scaling up our advocacy efforts, alongside many other charities, movements and allies, will be important in the next few years.

Going forward in 2022/23

We aim to:

- grow a movement of Christians in the UK and global church to help ensure the 2022 African COP delivers financial support to communities hit hardest by the climate crisis
- work with multinational companies so that they commit to implement policies that will improve the livelihoods of waste pickers and uphold their human rights
- scale up advocacy and influencing across our work on Fragile States and CCT

> **'Although the G7 and COP26 did not go far enough in their commitments, we achieved some key policy wins'**

A greener, fairer future

Tearfund Nigeria had set out our big vision for national renewal in the wake of the pandemic through a Nigeria *Reboot* campaign and the policy proposals in the 'Nigeria Green Papers' which we developed with church denominations and peer agencies.

We then chose Plateau State in central Nigeria as a 'testing ground' to model at a local level the policy and practice changes we were lobbying for nationally. Plateau State is known as the nation's breadbasket but rising levels of poverty and inequality, exacerbated by Covid-19, have threatened this reputation.

Our partner Jos Green Centre mobilised young people to collect 50,000 pieces of plastic waste – and then involved them in building a new youth-led community livelihoods centre, integrating recycled plastic in its design. This proved that environmentally sustainable development could address other social issues such as high youth unemployment, and gave our advocacy credibility.

On the back of this, Jos Green Centre was invited to draft a Bill on waste separation, with our support, which has gone before the Plateau State Assembly, and Tearfund Nigeria has collaborated with the state government to develop a Green Growth Strategy. We and our partners also supported the state government to conduct a green audit of public policy across key ministries.

Presentation of the Plateau state Green Growth Strategy
Photo: Samuel Attah/Tearfund

Our supporters

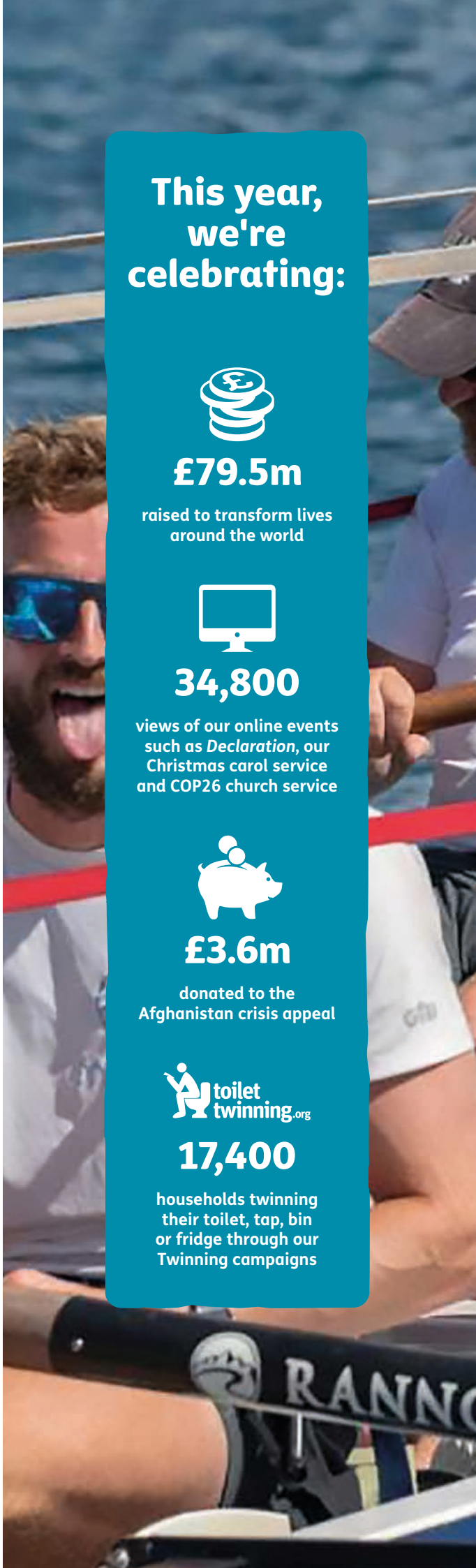
Our supporters are at the heart of who we are as an organisation and all that we do, so we work hard to nurture relationships with them and connect them with all that God makes possible through their partnership, generosity and prayers.

What is our approach?

Time and again, we are overwhelmed by the generosity and passion of Tearfund supporters. They are absolutely central to our work: we see them as partners in mission. Through their prayer, fundraising, regular giving, donations to emergency appeals, campaigning and lifestyle changes this year, our supporters have played a crucial role in bringing God's love and practical help to millions of people. So we work hard to connect them to the communities served by their generosity and to share the impact that their support has had on individuals and communities in the greatest need.

Our Christian faith defines who we are as an organisation and how we interact with others, including our supporters. It matters to us that every aspect of our fundraising and our spending should express our Christian values of integrity, accountability and gratitude.

Our supporters' views are vital to us as we seek to communicate and fundraise in a way that honours both supporters and the communities we work with. Supporters have many opportunities to feed back, including in paper and online surveys, on our website and in answer to our emails. We take their responses seriously and circulate a summary of their feedback each month across the organisation, including to the Executive Team.



Graham Stuart and fellow rowers who rowed across the Atlantic ocean (see page 27 for details)
Photo: Rannoch Adventures

RANNOCH

Our year

These are the key objectives we set ourselves last year to *engage our supporters*, with examples of how we met them, what we learnt and where we can go further.

1. Engaging new churches

Implement plans to engage a broader range of churches in the UK

We have begun reaching out to a wider range of churches in the UK and are encouraged to have built relationships with a number of new churches and networks this year. We are grateful for opportunities to visit churches and speak at church events and conferences where we have been able to share Tearfund's mission and explain priorities such as environmental sustainability.

We are particularly excited to have launched The Well, a powerful initiative working with Black Majority Churches to tackle extreme poverty and injustice, and to have organised *Declaration*, a multimedia prayer event, for the second year running.

We were encouraged that 2,700 churches signed up to use our COP26 resources, and many churches have told us they have found these materials helpful as they consider their own response to climate change.

2. Launching a new fundraising campaign

Launch a campaign enabling supporters to help those affected by climate change and highlighting the church's vital role in this

November 2021 saw the UN climate talks (COP26) held in Glasgow. Working with the Global Advocacy and Influencing Group, Tearfund engaged more than 600 churches to pray, act and give in response to climate injustice. More than 50 of these churches declared a climate emergency and many young people engaged their churches and politicians on this issue through our *Take a Stand* campaign.

To build on communications around COP26, Tearfund's harvest and Christmas appeals centred on the theme of 'pushed back into poverty', highlighting the way climate change is reversing decades of development. Both harvest and Christmas appeals highlighted the vital role of the local church in supporting communities to adapt and respond to the impact of climate change, and our supporters gave generously to both appeals.

3. Enhancing supporters' online experience

Continue to respond in agile ways to the changing fundraising environment through the use of digital and online activities

Many in-person events were cancelled or postponed due to Covid-19, so we've continued to adapt our events and campaigns to allow supporters to connect with us in different ways. *The Big Quiz*, our Christmas carol service and *Declaration* are examples of successful online or hybrid events this year. Each event has been an opportunity for creative solutions and learning.

We've continued to improve our website, prioritising updates that will give our supporters a better experience, with more accessible and relevant content. We've revamped some of our regular emails and worked on reducing the total amount of emails we send to supporters by introducing a round-up email each month. We have also refreshed *One Voice*, our weekly prayer email. We have created a new social media channel on TikTok to connect with a younger audience.

Our fundraising practices

We are so thankful for the trust that supporters have in Tearfund, and we want to honour this trust by showing integrity and accountability in our fundraising and communications.

We continue to be registered with the Fundraising Regulator, and had no failures to report against its practices or standards this year. Our Compliance and Data Protection Groups ensure we are considering these vital areas in our fundraising. We ensure that all supporter-facing staff understand how to protect and respond appropriately to potentially vulnerable supporters.

Supporter complaints are reviewed monthly, and reported quarterly to our Executive Team and the Board's Global Fundraising and Communications Committee. In 2021/22 we received 403 complaints about our fundraising, which represented 0.22 per cent of all enquiries we received this year. We define a complaint as any instance where an expectation has not been met, however unreasonable, or where something reflects poorly on Tearfund, whether we're responsible for it or not. We are not aware of any complaints made to the Fundraising Regulator.

Our fundraising is carried out by centrally-employed staff. The exception to this is our contract with Kingsley Management Consulting to run Toilet Twinning. We hold regular governance meetings with them to review plans, budget, forecasting and strategy.

What we learnt

We have listened to supporters' feedback concerning the frequency of our communications, and this year we reduced the number of emails that we sent. We have had positive feedback about this approach, and will continue to work towards providing relevant and timely information for our supporters.

We know we can go further

We are going to do more work on search engine optimisation to ensure that people find what they need from us in the places they expect to, and will continue to make our website and communications more accessible and relevant to our supporters. We also recognise the need to engage supporters both in-person and online so we will continue to hone our approach, including by developing more hybrid events.

Going forward in 2022/23

We aim to:

- continue to develop and build on our engagement with a broader range of churches in the UK
- launch a new fundraising campaign that allows us to increase awareness of Tearfund among new audiences and help us expand our frontline work with churches across the world
- grow and deepen supporter engagement in prayer and campaigning as integral components of Tearfund's whole-life response to poverty

> **'Tearfund engaged more than 600 churches to pray, act and give in response to climate injustice'**

Rower's heart for climate justice

Professor Graham Stuart is not easily daunted but the challenge he set himself was huge.

At a time of life normally associated with more leisurely pursuits, Graham decided to row across the Atlantic to raise money for Tearfund.

And in doing so, this consultant cardiologist had pitted himself against an even greater challenge: the climate crisis. His goal was to support our work helping vulnerable communities adapt to the changing climate.

'The reaction of my family and colleagues has largely been supportive,' Graham says. '[But] some thought I was completely mad.'

So, for 41 days from December 2021, Graham stepped aside from his work at Bristol Children's Hospital and the Bristol Heart Institute, and his professorship at the University of Bristol.

And he joined a team of 12 rowing the 2,600 miles between the Canary Islands and the Caribbean – and raised almost £20,000.

'I think climate change is probably the biggest problem facing humanity,' says Graham, who's been a Tearfund supporter since his teens. 'And we really have to do something about it.

'Climate change is an example of where we have to show love to our neighbours in a very practical sense. It's a matter of justice.'

Graham Stuart, completed his challenge to row the Atlantic ocean in 41 days
Photo: Rannoch Adventures

Snapshots of our supporter family

Kezzie's marathon-running career ends on a high for Tearfund

Kezzie took up running after she retired and has completed numerous marathons, half-marathons and 10ks over the past few years. She's hung up her marathon running shoes now, but not before running the London Marathon in support of Tearfund. We were honoured that Kezzie chose to run her last-ever marathon for us. Kezzie not only ran it in an amazing time – five hours and 26 seconds – but she also came seventh in her age category and raised over £600 for Tearfund!

Young family moved by Afghans' plight fundraise with sweet treats

Siblings Esther and Nathan, who are nine and seven, saw some images on the news of people in Afghanistan and wanted to do something to help. With their three-year-old brother, Matthew, and a little help from Mum, they set about making chocolate apples and toffee apples. 'They set up a table at the end of our driveway on a lovely sunny Saturday at the end of October,' says their mum, Rachel. 'We were delighted that so many people stopped and bought apples. We were all sold out in less than three hours!'

Emma's art for justice's sake inspires campaigners at COP26

In Spring 2021, Tearfund supporter and activist Emma Major created 40 abstract paintings and associated haiku poems as a form of prayer around caring for creation. Emma's paintings went on to feature in exhibitions at churches in Reading and Earley before travelling to St George's Tron in Glasgow, Tearfund's base during COP26 in November.

During the two weeks of the UN climate summit, hundreds of people enjoyed the paintings as they visited St George's Tron for prayer meetings, services, concerts and talks. And sales of the paintings raised £1,000 for Tearfund's climate justice work overseas. The paintings and poems are soon to be published in a book alongside additional reflections and prayers, 'to increase awareness and action around climate justice,' says Emma.

Anglesey scouts make short shrift of sponsored bathroom clean

The cubs and scouts of 1st Llanfairpwllgwyngyllgogerychwyrndrob-wllllantysiliogogogoch rejoice in the longest name – and the longest group name badge – in European Scouting. Now they have another boast: they've twinned the toilets and tapstand at their campsite in Anglesey.

The group decided to support our Toilet Twinning and Tap Twinning campaigns, which provide safe toilets and clean water in remote and vulnerable communities. So they asked relatives and friends to sponsor them to clean their bathrooms at home for a fortnight. Goronwy had loo-cleaning lessons from his grandma. 'I felt happy that I was helping to raise money for people who don't have much money compared to us,' he says. Now their campsite facilities have certificates of latrines and water facilities they've helped fund, and their uniforms have a new Toilet Twinning badge on the sleeve.

Photos provided by Tearfund supporters

Board and Committees' highlights

The Board committees are made up of people with specialist knowledge and expertise who meet four times a year. They report into the quarterly Board meetings.

The Safeguarding Committee provides Board oversight of how Tearfund's safeguarding culture develops, how cases are handled and how learning is embedded. It supports the Board in overseeing how Tearfund's safeguarding policies and procedures are shaped and implemented.

The Theology Committee serves to ensure that Tearfund's response to injustice and poverty reflects God's heart. Its role is to help the organisation gain an ever-deeper understanding of what it means to play a part in God's plan to redeem and restore the world. It exists to help Tearfund stay 'on track' with its biblical mandate.

The Global Fundraising and Communications Committee seeks to support, pray for and bring challenge into the work of the Global Advocacy and Influencing Group and the Global Fundraising Group. The committee plays an oversight role: bringing its expertise to envision and encourage, and to balance risk.

The International Impact Committee ensures a regular review of Tearfund's corporate outcomes with a particular focus on the effectiveness, impact, distinctiveness and sustainability of the work being undertaken. This means we will always be learning and improving how we work, and ensuring we are focusing our efforts where we can achieve the best outcomes.

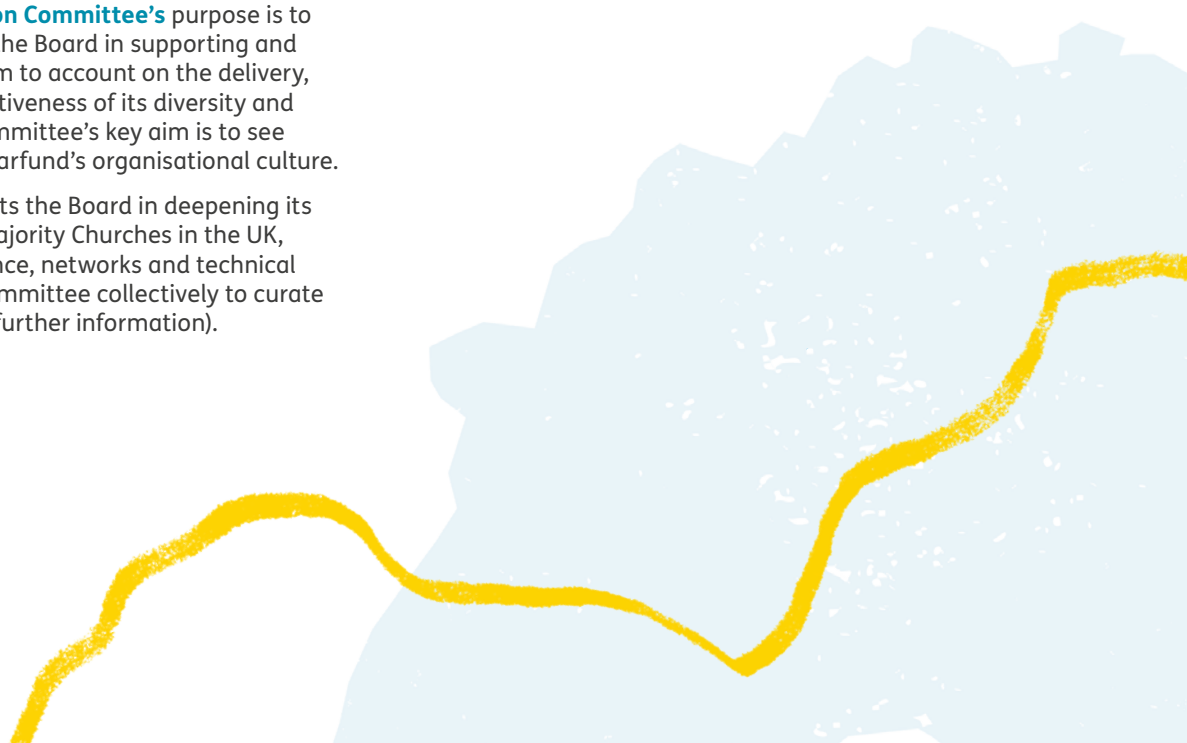
The Audit Risk and Finance Committee aims to promote and ensure good governance, sound financial management and disciplined risk-taking, working closely with Tearfund management, to make sure resources are stewarded well.

The Diversity and Inclusion Committee's purpose is to act with and on behalf of the Board in supporting and holding the Executive Team to account on the delivery, implementation and effectiveness of its diversity and inclusion strategy. The committee's key aim is to see measurable changes in Tearfund's organisational culture.

The Well Committee assists the Board in deepening its engagement with Black Majority Churches in the UK, bringing together experience, networks and technical expertise to enable the committee collectively to curate The Well (see page 26 for further information).

Over the year, the Board – both directly and through its committees – continued with its governance responsibilities: strategic engagement and direction; setting and monitoring performance against risk appetite and policy; and general oversight and accountability. As questions of decolonisation, legitimacy, and focus of power and decision-making are rightly being raised in this sector, the Board has spent time reflecting on these matters and their implications for Tearfund and its work over the medium and longer term. It was delighted to welcome the new Trustee Directors, Catherine de Souza and Yemi Oduslolu, who have further strengthened the range of diverse voices and experience at Board meetings; this has enhanced the richness and depth of debate, and the robustness of decisions taken.

Among the many other matters considered this year, the Global Fundraising and Communications Committee and the Board spent time considering the strategic role that prayer plays in Tearfund's mission, and how to build this more intentionally into its work and planning. The International Impact Committee focused a meeting on how best to strengthen the measurement and reporting of the impact of Tearfund's work. The Board celebrated the establishment of a new Board committee to oversee and support the work of The Well. And in the light of the overwhelming needs around the world today, and our desire to work in some of the most difficult contexts, the Board continued to monitor the wellbeing of staff and the framework of expectations and support in place for them.



Stakeholder engagement

Trustee Directors are required to explain how they consider the interests of key stakeholders and the broader matters set out in Section 172 of the Companies Act 2006 in promoting the success of the company for the achievement of its charitable purposes.

In order to assist Trustee Directors with these duties, all papers submitted to the Board identify the areas of S172 to which they relate. This statement focuses on matters of strategic importance and the level of information disclosed in this statement is consistent with the size and complexity of the business.

General confirmation of Trustee Directors' duties

Tearfund's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. This is set out in the Governance Manual Section 4, and Appendix 8, page 14. These sections explain the roles and responsibilities of the seven Committees and highlight some of their principal areas of involvement and decisions taken during 2021/22. When making decisions, each Trustee Director ensures that they act in good faith to best promote the company's success for the achievement of its charitable purposes, and in doing so will have regard (among other matters) to:

S172(1) (a) 'The likely consequences of any decision in the long term'
Tackling deep-rooted challenges needs long-term vision and commitment. In reaffirming the three core areas of our work, namely Church and Community Transformation (CCT), Fragile States, and Environmental and Economic Sustainability (EES), the Board ensures Tearfund has a clear strategic focus (see page 9). Each of these corporate priorities has detailed three-year plans and the Board receives regular reports on their progress and challenges.

Over this past year, once again, we've seen churches continuing to step up and respond to crises, conflicts, Covid-19 and climate change. These responses have included peacebuilding, livelihoods, water and sanitation, climate-smart agriculture, self-help groups and saving groups, waste management and small-scale enterprises, and changing social norms and negative behaviours particularly related to gender-based violence. Our business plan, approved in March 2021, set out our key objectives for the year with a focus to continue supporting churches and local partners in community-owned and community-led processes. We've continued to see that CCT is a very valuable method which prepared the church for protecting communities during the pandemic and for caring for the most vulnerable. As countries are opening up, there are more opportunities for in-person meetings, training, and visits with partners, churches and communities. We are using this opportunity to review with partners and churches our plans and strategies over the coming year in order to continue to adapt and adjust to external factors. We are keenly aware of the impact of ongoing conflicts around the world and their longer-term repercussions for individuals and communities, along with climate change, and the endemic nature of Covid-19. The conflict in Ukraine is also increasing food insecurity around the world, with significant impacts on the cost of living affecting the most marginalised and vulnerable. We will continue to monitor this and are factoring this into our current and future plans.

S172(1) (b) 'The interests of the company's employees'
The Board recognises that Tearfund employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are located in the world. The annual staff survey is one of the Board's principal tools to measure employee engagement, motivation and commitment to Tearfund, with a consistently high response rate. It enables the Board to understand how we are learning from survey findings to strengthen Tearfund culture and values, and informs decision-making, from pay and benefits to health, safety and wellbeing. During the pandemic we have supported staff to work remotely and carried out more frequent surveys to ensure that the impacts on wellbeing are understood and risks mitigated where possible. Where we have returned to our offices, we have ensured all relevant guidance and requirements have been followed, in order to protect staff and have safe working environments. Over this past year we have moved towards hybrid working and this will continue into the coming financial year. As we move to hybrid as a 'new normal', we will continue to ensure that all staff can engage from all around the world. This will build on the gains we've made through virtual working to move towards being a fully global organisation. We will continue to support staff in this transition, in particularly ensuring the health, safety and wellbeing of all.

Towards the end of 2021/2022 we've seen an increase in staff travelling as more countries have opened up. This has allowed key staff to travel and meet for the purposes of strategy, audit, evaluations, and partner and project visits. As travel increases, we are monitoring our environmental commitments, as well as continuing to ensure the safety and security of our staff.

S172(1) (c) 'The need to foster the company's business relationships with suppliers, customers and others'
Tearfund's key business relationships are with: churches and other partners; the communities with whom we work; our suppliers; and our donors and supporters. This is not an exhaustive list: other key stakeholders include Tearfund Family members and the Charity Commission. Our engagement with these stakeholders is referenced within this report.

In order to deliver our mission and strategy, and to create impact at scale, we need to work with others. We will continue to work in our traditional way through in-country partners, and at the same time build our capacity to work through partnerships, alliances, networks and movements, both Christian and secular. We will continue to position Tearfund as a thought leader in faith and development through these relationships.

There is growing recognition of the role of youth in acting, engaging, leading and being agents of change on climate, environmental and sustainability issues. We have therefore decided to increase our focus on youth engagement, leadership and action, particularly in our EES work (see page 22).

The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on pages 24–28. We are strengthening relationships with our suppliers by entering into framework agreements and clear contractual terms and conditions. We will continue to roll out our global procurement system over the coming year, giving greatly enhanced visibility over our supply chain. The Board receives regular updates on stakeholder engagement, ranging from aspects of our corporate priorities work to supporter surveys which underlie our global fundraising strategy.

S172(1) (d) 'The impact of the company's operations on the community and the environment'
In the Business Plan approved by the Board in March 2021, we explain how we are increasingly seeing overlaps and interconnections between our corporate priorities. It would not be unusual to see an EES project taking place in a fragile state using CCT methodology, or for communities to understand their environmental and economic responsibilities and opportunities as a consequence of our work on root causes in fragile states. Community transformation is reaffirmed as one of the main outcomes we want to see, with the poorest communities resilient to shocks and stresses, working for peace and unity, and contributing to better futures for themselves and others (see pages 16 to 19).

Our EES work happens at community, national and global levels, as we build movements of people to pursue a world which brings together the aims of meeting basic needs, living within environmental limits, and non-acceptance of inequality. Our advocacy efforts are focused on waste, climate and environment and many of these have been effective in getting through to those global policy and decision-makers who can influence significant change. We are continuing to develop the reporting of our own environmental performance (see page 37).

S172(1) (e) 'The desirability of the company maintaining a reputation for high standards of business conduct'
It is crucial that Tearfund maintains its reputation for high standards of conduct, not least because local churches around the world are affected by our work and reputation. Reputation is one of the six areas of impact that we use to evaluate all corporate risks, to ensure it informs all key decision-making. We remain committed to financial and risk management, compliance, safeguarding and good governance. We are committed to a focus on the charity's impact and have made more investments this year to enable and plan for a large impact study on our CCT approaches in 2022/2023. In March 2021 a new Board Evaluation process was adopted following the 2020 Governance Review of recommended practice set out in the Charity Governance Code. A similar process to evaluate Committee effectiveness will begin in 2022/23.

In September 2021, the Board discussed the Board annual evaluation and had an update on the Chair's appraisal. The evaluations showed a good level of effectiveness and so the recommendation was made that further Board-level annual evaluations alternate 'light touch' with in-depth reviews. The CEO and Board Officers were developing a rolling succession plan for trustees and, following discussion, there was a recommendation that the Chair should consider establishing a Board Nominations/Development Committee to support the Board's governance.

In December 2021, a report to the Board demonstrated that all actions from the 2020 Governance Review were now complete or were ongoing. The Board noted the following items as yet to be implemented: diversity, skills and experience-mapping for the Board and Committees; and consideration of issues around our stakeholders: namely, identification, communication with and accountability to them.

Last year we reported on the strategic dashboard to track our top-level key performance indicators (KPIs) and qualitative data and to monitor how well we are outworking our strategy. This has been implemented this year and we are collecting data against the outcomes we want to see – churches mobilised, emergency needs met, communities transformed and society changed – and to measure our operational, organisational and financial health. The KPIs include: both quantitative and qualitative measures of impact; staff survey results; carbon emissions; and key income and expenditure data.

S172(1) (f) 'The need to act fairly as between members of the company'
is not relevant to Tearfund's organisational structure, as the charity is run in the interests of its charitable objects rather than in the interests of its members.

Structure, governance and management

**Tearfund is a registered charity in England and Wales and in Scotland.
It is also a registered company limited by guarantee in England and Wales.
It is governed by a memorandum and articles of association.**

Organisation

The Board of Trustee Directors holds formal, all-day meetings four times a year, as well as other ad hoc meetings and events. The Board is ultimately responsible for strategic decisions, having taken advice from the Chief Executive and Executive Team. Trustee Directors are appointed by the Members at the Annual General Meeting. The Trustee Directors may also appoint a Trustee Director to serve until the next Annual General Meeting, at which time they cease to hold office but are eligible for election. The procedures for appointment and induction of Trustee Directors are set out in the Tearfund Board manual.

Trustee Directors' recruitment is undertaken by the Board in consultation with the Chief Executive and Executive Team. An induction programme is run for new Trustee Directors and, following the loosening of Covid travel restrictions, regular opportunities will be given to visit overseas programmes to gain a wider appreciation of Tearfund's work.

In March 2019, the Board carried out a re-evaluation of the skills and experience required to be present in the Trustee Directors. Where key gaps were identified, these have now been filled. The Board also set targets for diversity within its membership which were achieved during 2021/22. The targets for Board membership include:

- Not to fall below one third of either gender
- At least one third Black, Asian or Minority Ethnic.

The current composition of the Board of Trustee Directors and the committees is set out on page 40 to 41. Trustee Directors are appointed for three years and serve a maximum of three terms unless exceptional circumstances apply. As permitted by the Articles of Association, the Trustee Directors have the benefit of a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and remains in force. The company also purchases Directors' and Officers' liability insurance in respect of itself and its Trustee Directors. Trustee Directors receive no remuneration for acting in this capacity.

During 2020/21, a review was undertaken of the governance practices and arrangements of the Board compared to the Charity Governance Code. The review found that most of the recommended practices in the Code are in place. Where recommendations for improvements were made, the Board agreed an action plan to address them. The action plan was reviewed in December 2021 and further actions were agreed in relation to the few areas which remained outstanding.

The Board has delegated approval for day-to-day operational decisions up to certain financial thresholds to the Chief Executive and other Executive Team members under a Scheme of Delegation to enable them to coordinate and direct Tearfund's work worldwide. All decisions above these thresholds must be approved by the Board. The Board has also reserved to itself certain important decisions, such as major initiatives, appointment of the Chief Executive and approval of the long-term objectives and strategy.

Members

The Members constitute the ultimate authority within Tearfund's governance structure. They are appointed at the invitation of the Trustee Directors, with a focus on people who have a longstanding association with Tearfund and who care deeply for its mission and ministry. They are entitled to attend all general meetings, including the Annual General Meeting (AGM). They receive the *Annual Report* and financial statements, elect or re-elect Trustee Directors, appoint auditors and fix the remuneration of the auditors. Regular contact is maintained with Members through quarterly communications and informal contact with the management and Trustee Directors.

Employees

The work of Tearfund overseas and in the UK relies on the commitment and hard work of its valued staff. Communication links are maintained through team briefings and other internal channels such as specific communications on particular matters of concern and weekly 'In Touch' emails to all staff. Tearfund holds regular meetings with staff representation bodies, the Staff Council in the UK and the Southern and East Africa Staff Council, to consider and act on the views and concerns of employees, and to consult on relevant issues. We are in the process of setting up a Staff Council in East and Central Africa, and councils in other regions will follow.

The CEO and other directors frequently engage with staff, sharing information about the work of Tearfund and about operational, financial and other factors impacting our work. We also hold regular question-and-answer sessions for staff with the CEO and executive directors to ensure that employees have the opportunity to hear about and ask questions on matters affecting them. When reaching key decisions, the directors are always careful to consider employee interests and the impact that their decisions will have on our staff and the communities we serve.

Volunteers

The financial statements do not reflect the considerable and vital support given to Tearfund by more than 1,300 volunteers in the UK, and countless more overseas. Their help is at the heart of Tearfund's work: they bring life to the organisation and help it to operate effectively. The many roles they undertake include encouraging prayer, campaigning, acting within their local churches and communities, enthusing others, engaging with local media and

championing lifestyle changes. We celebrate the enormous contribution made by so many of our volunteers in organising or participating in fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund's approach and the Board is very grateful for their commitment and contribution.

Internal control and risk management

The Trustee Directors have overall responsibility for Tearfund's system of internal control. Such a system can provide only reasonable, and not absolute, assurance against errors or frauds. There is a clear delegation of the Trustee Directors' authority through the Chief Executive to the rest of the organisation.

The Audit, Risk and Finance Committee receives regular reports from the Head of Internal Audit, whose team works in accordance with an agreed plan based on an assessment of areas of greatest risk. The external auditor meets with the Committee once a year.

Tearfund operates a rolling three-year planning and budgeting process with an annual budget approved by the Board of Trustee Directors. Significant changes are subject to specific approval. A full re-forecast of the expected results is undertaken midway through the year, with additional forecasts prepared as required. The financial reporting systems provide monthly comparison of actual results against budget and forecast.

Over the past three years, the Trustee Directors have overseen the implementation of an organisation-wide risk management system to integrate risk management into Tearfund's main corporate activities for setting strategy, allocating resources, monitoring performance, and making decisions in the pursuit of the organisation's objectives. The system includes a comprehensive Risk Management Policy, Risk Appetite Statement and Risk Management Procedure, which provide clear accountabilities, structures, guidance, training and processes for managing risks to stakeholders' and the organisation's objectives. During 2021/22, most of the final elements of the system were implemented, so the focus in 2022/23 will be embedding the system as part of normal operations and governance.

Tearfund maintains a comprehensive risk register which identifies the major strategic and operational corporate-level risks and how they are being managed. The top risks are shown on pages 38 to 39. The key risks are reviewed quarterly by the Executive Team and by the Audit, Risk and Finance Committee, who report key considerations to the Board. The Head of Risk and Compliance works with the Executive Team to compile an Annual Review of Corporate Risks and Risk Appetite, which is presented to the Board. The Trustee Directors are satisfied that systems are in place to monitor, manage and mitigate Tearfund's exposure to major risks. They consider that maintaining Tearfund's general reserves within the range stated on page 42, and reviewing internal controls and risks through an internal audit programme will provide Tearfund with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of Tearfund's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity.

Fraud is prevalent in many of the countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential frauds or other irregularities are required to be reported to the finance director, who chairs the Financial Wrongdoing Review Team and maintains a register of the irregularities, actions taken and results. This register is reviewed regularly by the Audit, Risk and Finance Committee. All frauds are reported to the Charity Commission. Tearfund employs a full-time investigations and safeguarding manager to advise and coordinate prevention and response to fraud and other types of wrongdoing. Our approach to safeguarding is set out in detail on pages 34 to 35.

Remuneration

Tearfund's pay policy seeks to balance our Christian values with the ability to attract and retain the best people in our sector. We do this by market reviews of our salary scales every two to three years. We draw data from a number of charity sector-specific pay surveys, including Birches Group, Croner Reward and XpertHR. For the countries in which we operate, benchmark data is obtained for each country. In the UK this data is based on the following criteria:

- location
- organisations with an income of around £80 million
- organisations of between 200 and 499 employees
- median pay levels.

Under our current pay policy we aim to pay staff working outside the UK at the mid-point of market benchmark data. For staff working in the UK, we aim to pay between the 37.5th percentile and mid-point of the market benchmark data.

We take inflation into account by considering yearly increases based on available finances, although we acknowledge that it would be unaffordable for us to keep up with the very high current levels of global inflation. We also consult with the Staff Council and carry out a survey of similar organisations in the sector. Tearfund's Executive Team is in the top grade of the UK salary structure. The Board sets the salary for the Chief Executive. Details regarding employees with emoluments above £60,000 can be found on page 59.

Health and safety

Tearfund has a Health and Safety Policy in place in respect of both UK and international operations, and the Board reviews Tearfund's performance annually. A Health, Safety and Wellbeing Risk Register is maintained and reviewed every six months by a management committee.

Tearfund Scotland

We are required by the Office of the Scottish Charity Regulator to report separately upon the activities that Tearfund has undertaken in Scotland. These activities are led by a team based in Tearfund's Glasgow office. We receive funding from the Scottish Government and Scottish trusts. We raise funds from individuals and other organisations throughout Scotland, and raise other support including campaigning and prayer. Tearfund does not have grantmaking activity in Scotland.

Our commitment to safeguarding

We are deeply committed to following Jesus' example in treating everyone with care and respect. We want to help build a world where healthy relationships are restored and where violence, harassment and abuse are not tolerated.

It is of paramount importance to us that we safeguard and protect all our partners, representatives, staff, supporters and, above all, the communities we serve: some of the world's most vulnerable people.

Safeguarding policies and procedures

We have in place a robust suite of policies and procedures aimed at preventing abuse and harm. In line with the Charity Commission's expectations, we review and update our Safeguarding Policy annually. We also regularly revisit our Whistleblowing and Personal Conduct policies.

Our Safeguarding Committee provides Board oversight of how Tearfund's safeguarding culture develops, how cases are handled and how learning is embedded.

Our committee is made up of two trustees and members of Tearfund's Safeguarding and Whistleblowing Review Team. They support the Board in overseeing how Tearfund's safeguarding policies and procedures are developed and implemented. An important aspect of their work is reviewing all reported safeguarding incidents across Tearfund and its partners globally: monitoring how investigations are managed, providing support and advice, identifying and mitigating risks, and reviewing learning and outcomes.

This year, the committee has supervised the completion of an action plan which has further strengthened Tearfund's response should our staff become the victims of sexual or violent physical assault. The committee has helped improve and make clear the safeguarding responsibilities of those we contract to work with the communities we serve.

We are committed to training our staff, representatives and partners on safeguarding good practice. Our mandatory e-learning on safeguarding children and adults at risk is completed by all staff each year, and by Board members at regular intervals. The training is updated annually to take into account learning from past incidents and emerging sector good practice. Our network of country, cluster and directorate 'focal point' personnel have received additional in-depth training during 2021/22. We have an ongoing programme to ensure that all partners with whom we work receive training and embed good safeguarding practice into their organisations. We continue to review safeguarding practice through our compliance and internal audit functions.

We continue to strengthen safer recruitment practices in line with sector good practice: we carry out Disclosure and Barring Service (DBS) checks for UK staff to ensure that all relevant staff and representatives are securely vetted and safely recruited to work with children and vulnerable adults. We use a third-party provider to carry out international criminal record checks, and to ensure that our pre-employment checks for non-UK citizens are robust. We are a member of the sector's Misconduct Disclosure Scheme which enables participating agencies to ask for a detailed conduct statement for potential recruits in relation to sexual abuse or harrasment misconduct in previous posts. We are committed to responding to such checks about former Tearfund employees.

We actively encourage our staff, representatives and members of communities in which we work to report safeguarding concerns and incidents when they occur, as well as to report any allegations of historic incidents they may become aware of. We have a number of mechanisms in place to ensure concerns and incidents can be safely reported, including a dedicated confidential safeguarding and whistleblowing email and an independently administered 24/7 whistleblowing hotline, Safecall, with the option to report in more than 100 languages. These mechanisms are advertised through accessible posters displayed in our offices, our partners' offices and Tearfund projects, communication updates, training events and the 'Safeguarding and reporting concerns' page on our website. We have improved access to safeguarding-incident reporting for staff by including a link on the opening page of our Corporate Hub. We are also working more closely with regional leaders to discuss safeguarding culture in each region and we monitor safeguarding cases reported.

We also recognise that members of communities may not wish to use emails or phone lines to report incidents. We are committed to developing practices with our staff and partners to involve communities in the design of all feedback mechanisms and protective measures, as well as communicating the standards of behaviour they can expect. This work goes hand in hand with Tearfund's Quality Standards.

We continually monitor advice and information circulated by our regulators. In November 2021, the Charity Commission published an updated version of its guidance, 'Safeguarding and protecting people for charities and trustees'.

This update includes a new section on managing the safeguarding risks when operating online.

During Covid-19 restrictions, Tearfund developed an improved safeguarding risk assessment for online events, designed to keep staff and participants safe. This work ensured we were already adhering to Charity Commission advice and guidance when it was published.

Supporting survivors

We take a 'survivor-centred' approach to safeguarding and will work sensitively with the survivor

to ensure that whenever possible, their wellbeing and interests are prioritised. We keep our processes of support under review to ensure we follow sector best practice.

Handling complaints and concerns

In accordance with our case-management process, all safeguarding complaints and concerns are reviewed initially by our Safeguarding and Investigations Manager and then by the full Safeguarding and Whistleblowing Review Team. This team is formed of key senior staff from our International Group, HR and Legal teams and includes the Director of People & Talent who is Tearfund's Safeguarding Officer. Our Board Safeguarding Committee also provides invaluable oversight, advice and scrutiny of safeguarding cases.

The level of safeguarding incidents reported remained low during 2021/22. The Covid-19 pandemic has impacted communities' access to Tearfund staff and our partners, and we believe this is the underlying reason for the reduced reporting rates.

Assessment of safeguarding risks

We continue to develop and strengthen our approach to assessing our projects, programmes, activities and events (including online) for potential safeguarding risks, and develop appropriate measures to mitigate them. We continue to implement a standardised risk assessment framework which helps staff and partners carry out risk assessments in a methodical and consistent way.

Tearfund has developed a Safeguarding Risk Appetite Statement which allows us to categorise risk in a measured and consistent manner. The categorisation of risk guides our policy, process and practice. Safeguarding risk is also included in our Corporate Risk Register.

2021/22 Review of cases

We work in more than 50 countries through 227 partners and have reached 1.7 million people through our response to disasters and 1.3 million people through our community development work this financial year. We carried forward four cases from 2020/21 and during this period we received 15 new safeguarding cases through our safeguarding channels. We investigated and closed 13 cases; and six cases remain as open investigations at the year end. Of the 19 safeguarding cases dealt with during the year:

- six cases involved Tearfund members of staff or representatives
- seven cases involved staff or representatives of Tearfund's partners
- six cases were safeguarding incidents in the community in which Tearfund or our partners were working, but not involving Tearfund or its partner staff or representatives. Although we did not have direct control over or responsibility for these incidents, we sought to influence the wider community to provide support and protection for those people affected.
- a further three cases reviewed were not classified as safeguarding allegations following investigation

Child safeguarding

None of the 19 cases investigated related to the safeguarding of a child involving either a Tearfund member of staff or representative. One case involved the sexual abuse of a child by a member of partner staff. Three cases involved the abuse of a child by a member of the community. In all substantiated cases the perpetrators were dealt with appropriately by Tearfund, the partner and/or reported to local authorities. The needs of the survivors were prioritised and appropriate support offered. Tearfund's partners were encouraged and supported to offer similar support to survivors. In addition, the alleged perpetrators were given the opportunity to ask for support during the investigation process.

Adult safeguarding

Eight of the 19 cases investigated this year related to the safeguarding of adults at risk and involved either a Tearfund member of staff or representative, or a member of partner staff. Five of the cases were investigated and closed; three cases remain ongoing. Of the five closed cases, one involved allegations of sexual abuse, exploitation and harassment by a member of partner staff towards another partner staff member. Tearfund followed up all the cases with the partners and offered support as appropriate. We proactively encouraged and supported our partners to consider and meet the support needs of survivors.

Lessons learnt

We are committed to improving our safeguarding continually. In 2021/22 we implemented a number of actions to address safeguarding learning points we had identified. These included:

- developing a forum for our safeguarding focal points to raise issues and seek assistance
- developing a theological resource for staff and partners to help challenge harmful cultural practices which can lead to safeguarding incidents
- working with partners to develop safer recruitment practices
- strengthening our advice, training and support to staff on how to respond to physical and sexual assaults, and how to stay safe when travelling
- exploring how we ensure safeguarding risks are mitigated when working with networks and non-grant making relationships

As an organisation we remain committed to being proactive in seeking learning from all reports received via our safeguarding channels. We will always follow up to ensure agreed actions are implemented and reviewed, and take all steps possible to make certain that those who come into contact with Tearfund are protected from harm.

Definitions

Child safeguarding
A child is anyone under the age of 18.

Adult safeguarding
We acknowledge that anyone we support may be 'at risk' due to the unequal power relationship between Tearfund or partner staff and volunteers, and the vulnerable people we work with. Furthermore, Tearfund has identified that any adults who are in a relationship where there is unequal authority or power dynamics may be at risk of abuse.

Diversity and inclusion report

At Tearfund, we believe that every person is created in the image of God. This truth is fundamental to the ways in which we interact with each other and all those we serve – regardless of their background, experience or beliefs.

Broken relationships have led to marginalisation and exclusion, and this is not God's plan. We are committed to ensuring diversity and inclusion remain at the heart of Tearfund's work, creating a culture where people feel they belong – for both our staff and the communities we serve around the world.

The Board has continued to take steps to seek a diverse range of candidates as they recruit new trustees. The latest appointment to the Board is a leader within the Black Majority Church in the UK. He brings significant expertise and experience that will help ensure we not only diversify representation but also connect with new and emerging audiences. Both these are key to our long-term success.

Key progress in our work this year on diversity and inclusion includes:

- our Diversity and Inclusion Committee being constituted and now meeting on a quarterly basis
- the launch of The Well (see page 26) and The Well Board Committee (see page 29). Members of this committee are invited to sit on all the other Tearfund Board committees, to ensure representation, mutual learning and sharing of ideas.
- updating our statement on and commitments to anti-racism
- the launch of mandatory e-learning on unconscious bias for all UK staff, senior staff in country teams, and Trustee Directors
- positive action to increase diversity in our UK recruitment
- setting preliminary recruitment targets to help diversify our workforce in the UK

Looking ahead, our key commitments to greater diversity and inclusion include:

- continuing to report our progress against the requirements of the Charity Governance Code
- pursuing accreditation or other best practice standards in diversity and inclusion
- training the Board in diversity and inclusion in the next financial year
- continuing to review our policies and practices across human resources, recruitment, staff and leadership development, theology, communications, advocacy and programming as we pursue diversity and inclusion for everyone

You can read our Diversity and Inclusion Statement in full at **tearfund.org/diversity-inclusion**

Disability inclusion

We are committed to equality, diversity and inclusion in the recruitment, training, promotion and career development of people living with a disability.

Recruitment

Tearfund's Recruitment and Equal Opportunities policies are reviewed regularly. They state that all candidates will be treated fairly, with dignity and respect.

- We take great care at all stages of the recruitment process to avoid unlawful discrimination and to ensure that equality of opportunity is an integral part of the process.
- Candidates disclose any disability at the application stage. However, to ensure full and fair consideration of their application, this information is only visible to the recruitment team and not to the line manager or other members of the interview panel. Recruiting managers and interview panel members will shortlist candidates for interview based only on their aptitudes and abilities as demonstrated in their application form.
- The recruitment team asks all shortlisted candidates if they need any reasonable adjustments to be made for their interview, presentation and/or assessment (where applicable).
- Once an offer of employment is made, all successful candidates are required to have a medical assessment. Where appropriate, our occupational health provider makes recommendations for any reasonable adjustments that Tearfund then acts on.

Employment

Tearfund's Equality, Diversity and Inclusion Policy states that it applies to all aspects of employment with us, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

The policy says that if people are living with a disability, we encourage them to tell us about their condition so that we can consider what reasonable adjustments or support may be appropriate.

Tearfund aims to ensure that people with disabilities are given equal opportunity to obtain employment. In doing so, we will fully consider making reasonable adjustments to working practices, equipment and premises to ensure that a person living with a disability is not put at a substantial disadvantage due to their disability. Should staff become disabled in the course of their employment, every effort will be made through reasonable adjustment, retraining or redeployment to enable them to remain in employment.

If a staff member or a candidate feels that they have been unfairly discriminated against, they may raise a complaint under Tearfund's Complaints Policy.

We have achieved 'Committed' status as part of the UK Government's Disability Confident employer scheme.

Environmental performance report

Climate change is hitting people living in poverty the hardest and preventing them from flourishing.

We have a long history of working on environmental issues and our commitment to 'walk the talk' around the climate emergency means that we need to keep our carbon footprint as small as possible.

Our Environmental Policy guides our actions and decision-making as we continue to focus on ways to improve our environmental performance.

This year, we have:

- set ourselves a target in 2022/23 to reduce our flights by 30 per cent for all UK teams from a 2019/20 baseline
- moved our default UK pension scheme to an Environmental Social and Governance (ESG)-focused fund
- signed the Climate and Environment Charter for Humanitarian Organizations which commits us to a number of targets across the different areas in which we work
- undertaken an environmental survey of all staff to help us understand better what they feel about environmental sustainability and to identify where staff would like more information and help
- updated our intranet to make it easier for staff to access information about our emissions and environmental performance

We continue to explore ways within our current systems and processes to improve our environmental data collection. We have learnt to make better use of technology for things such as meetings, training and conferences, to maintain our relationships and deliver our strategy, and we will continue with some of these practices into the future.

Greenhouse gas emissions and energy-use data for Tearfund UK

for the period of 1 April 2021 to 31 March 2022

We have followed the 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting guidance' (2019), and 'UK Government greenhouse gas conversion factors for company reporting' (2021) to produce these figures relating to our carbon footprint in the UK.

		Unit	2021–22	2020–21	2019–20
Energy consumption	Used to calculate the emissions below	kWh	346,000	357,000	467,000*
Emission sources					
Scope 1	Combustion of gas	t/CO_2e	10.3	11.0	17.3
Scope 1	Combustion of fuel for transport purposes	t/CO_2e	0.03	0.1	1.1
Scope 2	Purchased electricity	t/CO_2e	60.7	72.4	99.3
Scope 3	Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	t/CO_2e	9.7	1.5	13.6
Total gross based on above		**t/CO_2e**	**80.7**	**85.0**	**131.3**
Intensity ratio	Tonnes of CO_2e per full-time equivalents	t/CO_2e	0.2	0.2	0.3

Energy efficiency action

Emissions this year have remained low because of the restrictions on travel and office access due to Covid-19, which have resulted in reduced energy and fuel consumption.

*There was an error in the energy consumption figures provided for the 2019/20 report which has now been rectified.

Risk management framework

The Trustee Directors have identified the most important potential risks and uncertainties that may seriously affect the performance, future prospects or reputation of Tearfund, and how we plan to manage and mitigate them.

Identified risk	Management and mitigation
Christian distinctiveness: actual or perceived loss of our core Christian identity or ways of working	• distinctively Christian guiding documents: Vision, Mission, Values, Characteristics, Theory of Poverty, and Statement of Faith • priority given to working through local church partners wherever possible • brand guidelines for fundraising and supporter communications • prayer, worship and devotions central to working practice; weekly corporate prayers led by staff around the world • appointment process for trustees, key staff and other representatives includes exploration of Christian identity • Theology Team and Board Theology Committee, with strong international representation and engagement
Safety, security, health & wellbeing: loss of life, health, safety or wellbeing of staff, volunteers or others under our duty of care	• policies and procedures for Security, and for Health, Safety and Wellbeing • security training for all international staff and those who travel • country Safety and Security Plans • Emergency Response and Crisis Response Plans are documented and tested • pastoral and wellbeing care structures and resources; regular communications to staff and managers about caring for wellbeing • dedicated Safety and Security Team, and regional safety and security advisers • accountabilities and processes for committees of the Board and management to review risks and mitigations • specific focus on wellbeing implications of high level of simultaneous change
Safeguarding: abuse or other harm of a child or adult-at-risk	• policies, procedures and mandatory annual staff training on Safeguarding and on Whistleblowing; regularly reviewed and communicated • independent reporting hotline is publicised to staff, partners and communities • safeguarding manager and network of trained safeguarding focal points • minimum standards for partner safeguarding policies • Board Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice • safeguarding risk assessments on all partner projects and all areas of Tearfund operations • safer recruitment practices, including background checks, references and interview questions
Major programmes: failure to deliver on key outcomes of a high-profile donor-funded project	• Programme Design Approval process • country office accreditation scheme to identify country offices with the capacity to implement large donor grants • monthly reviews of progress are made on donor-grant spending • finance manager and grants officer roles in all country offices that receive donor funding • partner capacity assessments are used to identify suitable partners to receive donor funding
Funding: large unexpected shortfall in unrestricted income, or unexpected cost	• healthy reserves position; reserves policy and position are reviewed regularly • annual budget set to maintain adequate reserves to cover key risks to income and costs • management accounts are reviewed monthly by Executive Team and Board officers, and quarterly by the Board • diversified and reliable income sources from long-term and new supporters and donors

Identified risk	Management and mitigation
Impact: not measuring or demonstrating impact in our work adequately	• Board International Impact Committee • dedicated Impact and Effectiveness Team, and regional/country office roles • corporate strategic dashboard used by Executive Team and Board to track key performance indicators and our impact • design, monitoring and evaluation system is used for all projects and programmes • independent research and meta-studies are used to validate and enhance our impact across our corporate priorities • corporate and country strategy processes are used to align work and outcomes with corporate priorities and impact objectives
Sanctions and terrorism: our funds are used by a sanctioned party, or for the purposes of terrorism	• policies and procedures on Financial Sanctions, Controls, Anti-Money Laundering, and Anti-Terrorism • enhanced due diligence procedures for high-risk countries • partner capacity assessments cover policies and training on countering terrorism; partners are required to make their staff aware of risks, and report any concerns, suspicions or incidents
IT security: inadequate cybersecurity and/or protection of personal data	• policies on Data Protection and Information Security • mandatory regular staff training on cybersecurity • real-time back-ups of all core systems are held in secure off-site data centre, including cold storage of core databases • data protection officer and Data Protection Group actively provide oversight and training
Financial wrongdoing: corruption, fraud, bribery or conflict of interest involving our staff or partners	• policies on Fraud, Bribery, Corruption, and Conflicts of Interest • mandatory regular staff training on fraud awareness, anti-bribery and corruption, conflicts of interest, and whistleblowing • partner assessments and partner capacity development plans are designed to help partners enhance their policies and training on fraud and bribery, conflicts of interest, and whistleblowing • Financial Wrongdoing Review Team coordinates response to all incidents; Executive Team and Board Audit, Risk and Finance Committee review all cases before closure • monitoring of partner projects and financial reports, backed up by Tearfund audits
Environmental impact: our activities have negative environmental impacts, insufficient resilience to environmental change, or fail to achieve changes to environmental policies and practices	• Environmental and Economic Sustainability (EES) corporate priority, with associated objectives, global and local advocacy work, small and large projects, and dedicated supporting roles across the organisation • comprehensive Environmental Policy, with targets for reducing our own environmental impacts • Quality Standards for our work include commitments on environmental impact, risks, resilience and adaptation to climate change • the 'Walk the Talk' group to champion environmental conduct consistent with our public stances on environmental care and justice • project proposals are required to address environmental design and impact • signatory to the Climate and Environment Charter for Humanitarian Organisations

Trustee Directors, Committee Members, Other Members, Ambassadors and Executive Team

Board of Trustee Directors

The Board of Trustee Directors is responsible for ultimate strategic decisions and is appointed by the Members at the Annual General Meeting (AGM). The Board of Trustee Directors who were in office during the year and up to the date of signing were:

Anna Laszlo[1] (Chair)
Stephanie Biden (Deputy Chair)
Antony Barnes (Treasurer from October 2021)
Jayakumar Christian
Ian Curtis (until October 2021)
John Davidson (also a director of Tearfund USA)
Catherine De Souza (from September 2021)
Sally Jones-Evans
Rt Rev Harold Miller (until October 2021)
Jean Paul Ndagijimana
Rosemary Nuamah Williams
Yemi Odusolu (from January 2022)
Harry Phinda
John Shaw (Treasurer until October 2021)
David Wesson

Committee members

Details up to 31 March 2022.
The Board recruits individuals with specific expertise to sit on sub-committees of the Board.

Audit, Risk and Finance Committee

Antony Barnes (Chair from October 2021)
John Shaw (Chair until October 2021)
Anna Beck
Stephanie Biden (until May 2021)
John Davidson (from May 2021)
Steve Foster
Robert Hardy
Joseph Kariuki
Gordon McKechnie (until October 2021)
Rosie Slater-Carr

Diversity and Inclusion Committee

Formed in June 2021

Anna Laszlo (Chair)
Stephanie Biden
Harry Phinda

Global Fundraising and Communications Committee

David Wesson (Chair)
Hilary Croft (until November 2021)
John Davidson
Catherine De Souza (from September 2021)
Sarah Douglas (from November 2021)
Yemi Odusolu (from January 2022)
Harry Phinda
Simon Poole

International Impact Committee

Sally Jones-Evans (Chair)
Adelaide Addo-Fening (from July 2021)
Ian Curtis (until October 2021)
Joanna de Berry
Fi McLachlan
Jean Paul Ndagijimana
Adam Taylor
Fletcher Tembo
Rosemary Nuamah Williams (until May 2021)

Safeguarding Committee

Stephanie Biden (Chair)
Ian Curtis (until October 2021)
John Davidson (until May 2021)
Rosemary Nuamah Williams (from May 2021)

Theology Committee

Jayakumar Christian (Chair)
Stafford Carson
Catherine De Souza (from September 2021)
Rosalee Ewell
Jim Ingram
Rt Rev Harold Miller (until October 2021)
Esther Mombo (from September 2021)
Dr Elaine Storkey (until December 2021)

The Well Committee

This committee was formed in January 2022 and all members joined on this date.

Yemi Odusolu (Chair)
Ayo Afolabi
Emmanuel Asuquo
Lotwina Farodoye
Theo Mathias-Nwaulune
Ladun Omideyi
Claudine Reid
Pam Thompson
David Wesson

Members of the Council

In addition to all of the Board of Trustee Directors the following people are also members of the charity. The Members of the Charity are referred to as Members of the Council:

Mark Andrews (until January 2022)
Robert Camp
Gary Carpenter
Steve Clifford

1 – Ex-officio on all Committees, except the Audit, Risk and Finance Committee

Ian Curtis
Dominic De Souza (from Jan 2022)
Dr Elizabeth Corrie
Graham Fairbairn
Paul German
Richard Gough
Jenny Honey (from June 2021)
Kim Hurst
Anne de Leyser
Fiona Major
Clive Mather
Gordon McKechnie
Philip McMillan
Harold Miller
Helen Mills (from November 2021)
Julia Ogilvy
Rt Rev Anthony Poggo
John Shaw
Michael Stewart
Mark Thompson
Rev Dr Chris Wright

National Advisory Committee members

Northern Ireland

Helen Mills (from June 2021, Chair from November 2021)
Phillip McMillan (until January 2022, Chair until November 2021)
Paul Coulter (until September 2021)
Johnny Currie (from June 2021)
Denise Hayward
Naomi McClelland (from June 2021)
Susie McCollough
Robin McCormick (from June 2021)
Laura McFarland (from June 2021)
Laura Nelson (from June 2021)

Scotland

Jenny Honey (Chair from June 2021)
Richard Atkinson
Chris Gbenle (from May 2021)
Dez Johnston (from May 2021)
Fiona Morrison
Ellyn Oliver
Stephen Prem (from May 2021)

Wales

Dominic De Souza (Chair from January 2022)
Mark Andrews (Chair until January 2022)
Simeon Baker (until January 2022)
Andy Bull (until January 2022)
Owain Edwards (from January 2022)
Edwin Egede (from January 2022)
Lois Franks (from January 2022)
Cadi Gwyn (from January 2022)
Iwan Robb (from January 2022)
Bethan Sharpe (from May 2022)

Ambassadors

Rev Celia Apeagyei-Collins
Guvna B
Peter Chambers
Anne Coles
Rev John Coles
Martha Collison
Liz Earle
Pete Greig
Tamsin Greig
David Gyasi
Lord Michael Hastings
Tom Herbert
Rev Siew-Huat Ong
Ruan Pienaar
Marvin Rees (from January 2022)
Rt Hon Dame Caroline Spelman
Rt Rev Ric Thorpe
Rt Hon Sir Stephen Timms MP
Will Torrent

Executive Team

The Board has delegated day-to-day operational decisions to the Executive Team:

Nigel Harris
Chief Executive

Karen Brown
Director of People and Talent

Catriona Dejean
Director of Strategy and Impact

Nigel Gavin
Director of Finance and IT

Myles Harrison
International Director (until July 2021)

Veena O'Sullivan
International Director (from July 2021)

Jane Pleace
Global Fundraising Director

Dr Ruth Valerio
Global Advocacy and Influencing Director

Independent auditors

BDO LLP
55 Baker Street, London W1U 7EU

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street,
Birmingham B3 2ES

Bankers

Barclays Bank UK plc
1 Churchill Place, London E14 5HP

Registered office

100 Church Road,
Teddington TW11 8QE

Photos: Sanjeev Bhanja/Tearfund (Nigel Harris), Will Boase/Tearfund (Liz Earle), Chris Hoskins/Tearfund (Martha Collinson and Will Torrent)

Financial review

Income and expenditure

Tearfund's total income for 2021/22 was £79.5m, down by 2% against the prior year figure of £81.4m, but nevertheless another encouraging result for a year during which the pandemic continued to cause a high level of economic uncertainty. It is particularly pleasing that unrestricted donations (excluding legacies and grants) increased by £1.7m (6%) to £29.2m. The generosity of our supporters also led to an increase in income from emergency appeals (including from DEC funds) of £3.7m (67%) to £9.1m in response to the crises in Afghanistan and Ukraine, as well as to the various global impacts of Covid-19. Income from institutional grants was down by £2.2m (8.5%) at £23.9m, mainly due to reduced US Government funding.

Total expenditure of £76.9m was slightly below the 2020/21 level of £77.8m. Our budget for 2021/22 built in caution about future income levels, but continuing strong performance during the year enabled the Board to approve additional expenditure of over £3m directed towards strategic priority areas and country programming. These additional commitments represent projects which will continue to be implemented in 2022/23.

Net income for the year is £2.6m (2020/21: £3.6m), made up of a positive timing difference of £4.6m on restricted funds and a planned deficit of £2.0m on unrestricted funds.

The consolidated results include the operations of Tearfund Trading Limited (TTL), which is a wholly owned subsidiary of Tearfund. The income generated from TTL is from a variety of sources including Toilet Twinning products.

Grants

A large part of Tearfund's work to address poverty is undertaken through making grants to partner organisations. Grants are made in the context of agreed country strategies. Project proposals received from partner organisations are subject to a formal approval process that includes a technical assessment of the project and a review of the partner's capacity and compliance policies. An agreed monitoring process is undertaken during the life cycle of all projects.

In addition, financial evaluations are carried out on all large projects and on a sample of smaller projects. A list of the top 50 partner organisations we made grants to are on our website at **tearfund.org/top50**

Reserves – general funds

General funds are needed to:

- fund working capital
- allow flexibility to respond to unexpected opportunities and challenges
- provide a cushion against variations in income and expenditure, whether seasonal or driven by events
- provide contingency against unexpected costs
- provide contingency to respond to changes in Tearfund's operating environment
- fund strategic plans outside Tearfund's normal operations

The Board of Trustee Directors reviews the level of required general funds annually to ensure that an appropriate level is held. The review takes into account the main financial risks of our operating model and environment in respect of all income streams and categories of expenditure. The target range to cover these risks in addition to routine working capital is set at between £7.0m and £10.0m for 2022/23, unchanged from 2021/22.

At the end of 2021/22 our general fund stands at £11.5m (2020/21: £9.6m), which is above the upper end of the target range. However, it should be noted that this includes £4.9m of accrued legacy income, where the timing of the actual cash receipts is uncertain. Even so, this enables us to plan with confidence for 2022/23 and continue to direct funds towards our corporate priority areas of Church and Community Transformation, Environmental and Economic Sustainability, and Fragile States, as well as to respond to emergencies and to complete the strategic projects approved in 2021/22 as mentioned in the above section on expenditure.

Designated funds

Designated funds are part of the unrestricted funds which the Trustee Directors have earmarked for a particular use. This designation does not represent a legal restriction. The Fixed Asset Fund represents the net book value of Tearfund's fixed assets to indicate that these resources are not available for other purposes. At the end of the year, the Fixed Asset Fund stood at £1.2m (2020/21: £1.6m).

The Strategic Priorities Fund enables Tearfund to run a series of projects over three years in 12 countries focusing on environmental and economic sustainability (including waste and renewable energy projects), together with investment in improved information systems and in leadership and management development and training. The balance remaining on this fund at the end of the year is £2.2m (2020/21: £5.5m).

Restricted funds

Restricted funds are subject to specific conditions imposed by donors. The year-end balances represent income which has been recorded but where the related expenditure has not yet been incurred. The majority of these funds are either institutional awards, or funds generated during emergencies or as a result of other specific appeals. In many cases these appeals generate income over a short timeframe which is then planned to be spent over a period of up to three years in line with the purpose of the appeal. At the end of the year, total restricted funds had increased to £17.4m (2020/21: £12.8m). The increase is mainly due to income received for emergency appeals relating to Afghanistan, Ukraine and Democratic Republic of Congo. For each fund, Tearfund's assets are available and adequate to fulfil its obligations.

Financial risk management

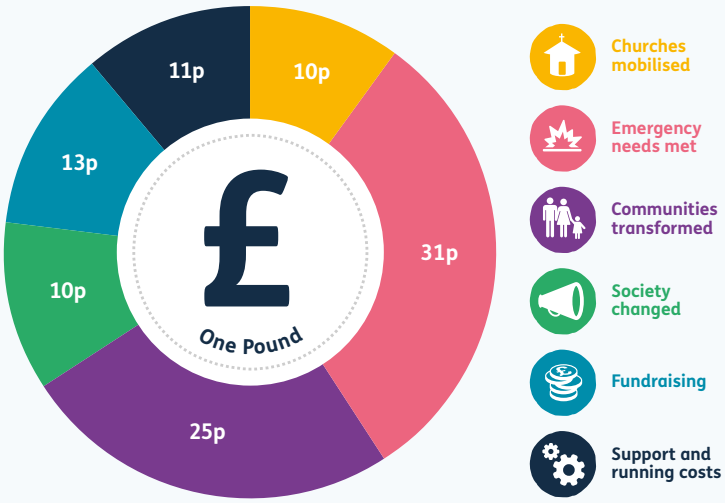
At the start of the pandemic in March 2020, we identified a key financial risk as the anticipated impacts on Tearfund income arising from the economic consequences of the pandemic. We mitigated this risk through the support and generosity of major donors, weekly tracking of income and enhanced cost control measures. Where considered appropriate, we have kept these measures in place, recognising that heightened risks to income remain in the current environment of high inflation.

Receivables relate mainly to major governmental and institutional donors, legacy income, and recoverable tax. The associated credit risk is considered to be low, as is the risk of disallowances arising from donor audits. This is borne out by recent experience. Cash flow and liquidity risks are minimised by a conservative investment policy. Additional liquidity was provided by a £6m credit facility secured against the Teddington building, but we took the view this was no longer required and it was cancelled in December 2021. We continue to own the building and are confident that the facility could be reinstated if necessary. Tearfund receives income mainly in sterling pounds and US dollars. Foreign exchange risk affects Tearfund mainly by impacting the purchasing power of donor funds in the countries where most of our charitable expenditure is incurred. Tearfund does not enter into foreign exchange contracts for speculative reasons.

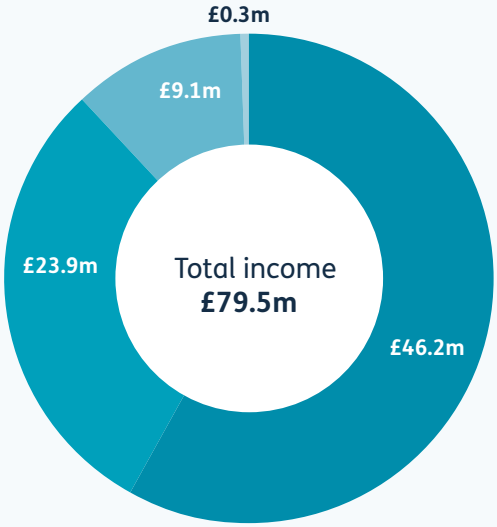
Investment policy and performance

Tearfund's investment policy is reviewed annually by the Audit, Risk and Finance Committee. Our objective is to maintain high liquidity while ensuring maximum security. To achieve this, Tearfund invests with institutions with a high security rating in fixed-term or call deposits. During the year Tearfund's sterling deposits achieved an average rate of interest of 0.17% (2020/21: 0.37%) compared with an average bank base rate for the same period of 0.19% (2020/21: 0.10%).

Where your money goes



Income



General donations	£46.2m
Government grants	£23.9m
Emergency appeals	£9.1m
Other income	£0.3m
Total income	**£79.5m**

Claudine, 38, is a teacher, farmer and church leader in Rwanda. She bought a piglet with a loan she had received from her self-help group

Photo: Tumuheirwe Jesus/Tearfund

Trustee Directors' responsibility statement

Trustee Directors' responsibilities

The Trustee Directors are responsible for preparing the Strategic Report, the Trustee Directors' Report/Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustee Directors to prepare financial statements for each financial year. Under that law the Trustee Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustee Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that period.

In preparing these financial statements, the Trustee Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the company will continue in business

The Trustee Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

In the case of each of the persons who are Trustee Directors of the company at the date when this report was approved:

- So far as each of the Trustee Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and
- Each of the Trustee Directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Anna Laszlo
Chair
29 July 2022

Independent auditor's report to the trustees and members of Tearfund

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of Tearfund ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated statement of financial position, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report

Other information

Trustees are responsible for the other information. The other information comprises the information included in the Annual Report & Accounts, other than the financial statements and our auditor's report thereon. The other information comprises: Chair's Introduction, CEO's Introduction, A united voice on climate justice and the Trustee Directors' Report (incorporating the Strategic Report). Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations, grants and legacy revenue recognition, supplier and overseas grant payments.

Our tests included:

- agreeing the financial statement disclosures complied with applicable legislation
- enquiries of the Audit, Risk and Finance Committee, management and internal audit, review of minutes of meetings of those charged with governance
- testing controls over institutional and grant income including agreeing recognition to signed contracts and grant agreements to ensure conditions have been met
- reviewing a sample of gift aid claims and ensuring these have been made in accordance with the regulations
- audit testing a sample of overseas expenditure and grant awards, ensuring these have been made in accordance with authority limits, agreements and internal control procedures
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual
- enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements
- review of the Register of Financial Wrong Doings, Serious Incident Reports submitted to the Charity Commission and performing an assessment of Whistleblowing matters and considering the potential impact on the financial statements

- vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 March 2022; and
- performing audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:
frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jill Halford

Jill Halford
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
statutory auditor
London, UK

29 July 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statements of financial activities

(incorporating an income and expenditure account)
Year ended 31 March 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Income from:							
Donations and legacies	2	34,742	44,405	79,147	33,242	47,174	80,416
Charitable activities	3	257	11	268	836	1	837
Other trading activities	5	1	26	27	15	39	54
Investment income		32	-	32	60	-	60
Total income		35,032	44,442	79,474	34,153	47,214	81,367
Expenditure on:							
Raising funds	4	11,617	1,010	12,627	10,399	819	11,218
Charitable activities	4	25,403	38,884	64,287	21,763	44,775	66,538
Total expenditure		37,020	39,894	76,914	32,162	45,594	77,756
Net (expenditure)/income for the year	6	(1,988)	4,548	2,560	1,991	1,620	3,611
Transfer between funds	14	(53)	53	-	132	(132)	-
Net movement in funds		**(2,041)**	**4,601**	**2,560**	**2,123**	**1,488**	**3,611**
Reconciliation of funds:							
Total funds brought forward at 1 April	14b	16,837	12,832	29,669	14,714	11,344	26,058
Total funds carried forward at 31 March	14a	**14,796**	**17,433**	**32,229**	**16,837**	**12,832**	**29,669**

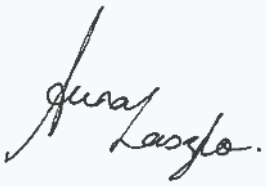
The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations. There is no material difference between the net income for the financial year stated above and its historical cost equivalent. The turnover of the company for the year was £79,447,000 (2020/21: £81,313,000). The net result of the company for the year was a surplus of £2,560,000 (2020/21: surplus of £3,611,000). There is no material difference between the entity and the group Statement of Financial Activities.

Balance sheets

As at 31 March 2022

	Note	Tearfund Group 2022 £'000	Tearfund Group 2021 £'000	Tearfund 2022 £'000	Tearfund 2021 £'000
Fixed assets					
Tangible assets	9	1,164	1,583	1,164	1,583
Long-term investments	10	-	-	5	5
Total fixed assets		1,164	1,583	1,169	1,588
Current assets					
Stocks	11	616	882	604	871
Debtors	12	9,723	8,960	9,732	8,977
Short-term deposits		18,765	14,460	18,765	14,460
Cash at bank and in hand		7,014	7,695	7,010	7,674
Total current assets		36,118	31,997	36,111	31,982
Creditors					
Amounts falling due within one year	13	(5,053)	(3,911)	(5,051)	(3,901)
Net current assets		**31,065**	**28,086**	**31,060**	**28,081**
Net assets		**32,229**	**29,669**	**32,229**	**29,669**
Funds					
Unrestricted funds:					
General fund	14a	11,475	9,626	11,475	9,626
Designated funds	14a	3,321	7,211	3,321	7,211
		14,796	16,837	14,796	16,837
Restricted funds	14a	17,433	12,832	17,433	12,832
Total funds		**32,229**	**29,669**	**32,229**	**29,669**

The financial statements on pages 49 to 68 were approved by the Board of Directors on 29 July 2022 and signed on its behalf by:



Anna Laszlo
Chair of the Board

Antony Barnes
Treasurer

Consolidated cash flow statement

Year ended 31 March 2022

	2022 £'000	2021 £'000
Net cash provided by operating activities (see below)	**3,784**	**4,700**
Cash flow from investing activities:		
Investment income received	32	60
Purchase of property, plant, equipment and intangibles	(192)	(139)
Net cash used in investing activities	**(160)**	**(79)**
Change in cash and cash equivalents in the reporting period	**3,624**	**4,621**
Cash and cash equivalents at the beginning of the reporting period	**22,055**	**17,434**
Cash and cash equivalents at the end of the reporting period	**25,679**	**22,055**
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the statement of financial activities)	**2,560**	**3,611**
Adjustments for :		
Depreciation charges	610	1,033
Investment income receivable	(32)	(60)
Loss on sale of tangible fixed assets	1	-
Decrease in stocks	266	398
(Increase)/decrease in debtors	(763)	1,131
Increase/(decrease) in creditors	1,142	(1,413)
Net cash provided by operating activities	**3,784**	**4,700**

Analysis of changes in net funds	1 April 2021 £'000	Cashflows £'000	31 March 2022 £'000
Cash at bank and in hand	7,695	(681)	7,014
Bank deposits	14,460	4,305	18,765
Interest-free loans	(100)	-	(100)
	22,055	**3,624**	**25,679**

Notes to the financial statements

31 March 2022

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, Charities Act 2011, Charities Accounts (Scotland) Regulations 2006, Charities and Trustee Investment (Scotland) Act 2005, Statement of Recommended Practice (SORP) on Accounting and Reporting by Charities effective from 1 January 2019, FRS102, and applicable United Kingdom accounting standards. The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

Consolidation
The Statement of Financial Activities (SOFA) and Group Balance Sheet consolidate the financial statements of the Charity and its wholly-owned subsidiary undertaking Tearfund Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006. The Consolidated Cash Flow Statement has been prepared for the group only, as permitted under FRS102.

Accounting estimates and key judgements
Critical accounting estimates and judgements are based on historical experience and other relevant factors, including reasonable expectations of future events. The main areas which involve such estimates and judgements include the accrual of legacy income; entitlement to grant and contract income; useful lives of fixed assets; and provisions.

Company status
Tearfund is a registered charity in England and Wales (number 265464) and Scotland (number SC037624) and is constituted as a company registered in England and Wales and limited by guarantee (company number 00994339). It is governed by its Memorandum and Articles of Association and at the year-end there were 36 members (2020/21: 34) who were each liable to contribute £1 in the event of the company being wound up.

The accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Fund accounting
The company maintains three types of funds. General unrestricted funds are funds available for use at the discretion of the Board of Trustee Directors in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Board from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. At the year-end any fund deficits are maintained only when the Trustee Directors are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure in restricted funds is shown separately in the SoFA and analysed into the main components in note 14.

Going concern
The Financial Review on pages 42 to 43 sets out Tearfund's encouraging financial performance in 2021/22 in respect of income and reserves, which enabled us to release additional funds for strategic priority areas on three separate occasions during the year with a total value of over £3m. Showing similar confidence, the Board decided that the two-year £6m credit facility, put in place in August 2020 to protect against short-term liquidity issues and secured against our Teddington building, was no longer required and it was cancelled in December 2021.

We recognise that both in the UK and globally this continues to be a time of high uncertainty and volatility marked by conflict, food shortages, cost of living increases and for some countries the continuing impact of the Covid-19 pandemic. Taking this into account, the annual review of reserves policy concluded that the target range for the general fund should be held at £7m–£10m (previously £4.5m–£6.5m, it was increased to the current level in March 2020 at the start of the pandemic).

Key points in assessing Tearfund's going concern status are as follows:

- just as the anticipated fall in income during 2020/21 did not materialise, in 2021/22 total income and unrestricted donations once again outperformed their budgets for the year. We remain very grateful for the loyalty of our supporters and the ability and agility of our fundraising teams. Our income budgets continue to seek to balance caution with an appropriate level of ambition
- the general fund balance at the end of 2021/22 was £11.5m, above the top of the target range. Our 2022/23 budget leads to a year-end balance of around £8.2m, just below the midpoint of the target range, which we believe to be appropriate in the context of both the operating risks we face and the high level of need in the communities we work with
- although the £6m credit facility has been cancelled, we are confident that it could be rapidly reinstated if required, once again using the Teddington building as security
- our experience during the pandemic provides reassurance that in a future emergency we have the ability to postpone and reduce costs on a short-term basis without damaging Tearfund's core capabilities.

In support of the going concern assessment, we have prepared cash flow forecasts for the next twelve months which are based on the approved 2022/23 budget and three-year plan. We have run stress tests on these forecasts to evaluate the impact of unexpected falls in income. We review income in detail on a monthly basis to identify any downward trends as early as possible, keeping in mind the options of delaying expenditure or making cost reductions if necessary. Having considered these matters, the Trustee Directors do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

Income
All income, including donations, legacies and investment income, is recognised in the SoFA when the Charity can demonstrate entitlement to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

Legacies
Legacies are recognised when they are measurable, probate has been granted and entitlement is clear. The fair value of the legacy income receivable is based on the information available at the time and it is the expected cash amount to be distributed to Tearfund from the estate. No value is included where the legacy is contentious or is subject to a life interest held by another party.

Grants and contracts
Grant and contract income is recognised when the Charity can demonstrate entitlement to the income. Where receipt of funding is conditional only on administrative requirements such as the submission of a claim, it has been accrued. Where there are restrictions on the time period in which funding received can be spent, or where the Charity is not yet in a position to meet the conditions of the funding, the related income has been deferred. Goverment grants relating to the furlough scheme have been recoginised in the income statement when received.

Gifts in kind
Donated gifts in kind for distribution to communities are included in income at donors' valuation or market value when received. Expenditure is recognised when gifts in kind are distributed.

Expenditure
All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Like many charities, Tearfund is unable to recover some of the VAT that is incurred on the purchase of goods and services in the UK. The amount of VAT that cannot be recovered is added to the appropriate underlying cost.

The following specific policies apply to categories of expenditure:

Grants payable
Grants payable to Tearfund partner organisations are made in furtherance of the Charity's objects. Grants are recognised as expenditure when payment is due to the partner organisation, in accordance with Tearfund's project agreement and in line with phased payment schedules.

Support costs
Support costs include functions such as general management, financial management, information technology, human resources and the cost of premises and facilities. They are allocated across the categories of charitable expenditure, governance costs and fund raising costs on the basis set out in note 4 to the financial statements.

Fundraising and publicity
Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Foreign exchange
Transactions denominated in foreign currency are translated into sterling and recorded at the rates ruling at the date of the transactions. Balances denominated in a foreign currency are translated into sterling at the exchange rates at the balance sheet date. Resulting gains or losses are included in the SoFA.

Pensions
Tearfund operates two defined contribution pension schemes. Contributions are charged to the SoFA as they become payable and invested on behalf of the employees. An overseas staff member can have, a % of the salary paid into a pension fund or a % of the salary is paid directly to the staff member, and they take responsibility for their own pension arrangements and investment. The % paid depends on the time when empoyees joined Tearfund and empoyees age. In some coutries the % is defined in legislation.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing more than £1,000 with an expected useful life of more than one year are capitalised, except laptops which are capitalised regardless of value. Assets held overseas (other than laptops) are expensed. Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful economic lives, on a straight-line basis, as follows:

Freehold land	Nil
Freehold buildings	20–50 years
Fixtures, fittings and equipment including computers	3–20 years
Motor vehicles	3–4 years

The useful economic lives and residual value of fixed assets are reviewed at the end of each accounting period. Property and land is tested annually for impairment.

Vehicles and equipment used in programmes overseas, except for laptops, are considered to have a useful economic life of one year or less. They are not capitalised but are charged in full to charitable expenditure when purchased. However, a register is maintained of these assets and reviewed regularly.

Intangible assets and amortisation
Intangible assets are stated at cost less amortisation. They are amortised on a straight line basis over 5 years, being the estimated economic useful life of the asset.

Financial instruments
Financial assets and financial liabilities are recognised when Tearfund becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Tearfund only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Tearfund has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Investments
The investment in the subsidiary is included in the Charity's financial statements at cost.

Stocks
Bought-in goods are valued at lower of costs and net realisable value. Humanitarian supplies donated to Tearfund are valued at cost, based on donor's valuation or deemed market value, with obsolete stock written off.

Cash and cash equivalents
Cash and cash equivalents include interest and non interest bearing amounts held at banks and cash at hand. Short term money deposits (32–95 days) including deposits repayable on demand and fixed term deposits are held under current assets as short term deposits.

Other financial assets and liabilities
Debtors and creditors are stated at the settlement amount after any applicable discount.

Operating leases
Costs in respect of operating leases are charged to the SoFA on a straight line basis over the lease term.

Notes to the financial statements

31 March 2022

2a. DONATIONS

	Note	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Donations from:							
Individuals		26,829	6,291	33,120	25,199	10,435	35,634
Churches		1,422	949	2,371	1,170	1,413	2,583
Trusts, companies and schools		986	3,921	4,907	1,150	4,048	5,198
Legacies		5,493	269	5,762	5,306	151	5,457
Grants	2b	12	23,862	23,874	417	25,683	26,100
		34,742	**35,292**	**70,034**	**33,242**	**41,730**	**74,972**
Appeals and emergencies:							
Individuals		-	5,307	5,307	-	3,798	3,798
Churches		-	873	873	-	311	311
Trusts, companies and schools		-	497	497	-	147	147
Legacies		-	47	47	-	-	-
		-	**6,724**	**6,724**	**-**	**4,256**	**4,256**
Via Disasters Emergency Committee		-	2,389	2,389	-	1,188	1,188
		-	**9,113**	**9,113**	**-**	**5,444**	**5,444**
Total donations and legacies		**34,742**	**44,405**	**79,147**	**33,242**	**47,174**	**80,416**

Gifts in kind of £77,000 (2020/21: £36,200) of pro-bono legal and consultancy work is included in support cost expenditure. Of this, £1,000 (2020/21: £nil) is included above in 'Individuals' and £76,000 (2020/21: £36,200) is in 'Trusts, companies and schools' income.

Notes to the financial statements
31 March 2022

2b. GRANTS INCOME

	2022 £'000	2021 £'000
United States Government	7,157	11,405
United Nations	3,416	3,015
United Kingdom Government	2,329	3,612
Dutch Government	1,751	2,833
Danish Government	873	838
European Union	841	(2)
Canadian Foodgrains Bank (including Tearfund Canada)	825	776
Norwegian Government	731	404
Canadian Government	674	-
Scottish Government	540	513
States of Jersey	233	-
New Zealand Government	81	105
Other	14	-
States of Guernsey	-	50
Belgian Government	-	5
	19,465	**23,554**
Tear Netherlands (includes funding from the Evangelical Broadcasting Co.)	4,032	2,300
Integral/Other NGOs	377	246
	23,874	**26,100**

Included within the above grants income are gifts in kind of £756,000 (2020/21: £1,023,000) which are also included in expenditure and stock. The whole amount for both years is restricted income. They consist mainly of water and sanitation products; food aid; latrines; and seeds and tools for planting.

Included within grants from the United Kingdom Government is £6,000 (2020/21: £417,000) unrestricted income related to the furlough scheme.

Included within grants income from Tear Netherlands is £6,000 (2020/2021: £nil) of unrestricted grants.

3. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Contract income contributed to the following programmes:				
ABT associates (CCT projects in Papua New Guinea)	165	-	165	-
SWIFT (water, sanitation and hygiene in the Democratic Republic of Congo)	-	-	-	800
Total contract income	**165**	**-**	**165**	**800**
Other income from charitable activities	92	11	103	37
Total income from charitable activities	**257**	**11**	**268**	**837**

The 2020/21 income of £837,000 was unrestricted, except for £1,000 of restricted income included in 'Other income from charitable activities'.

Notes to the financial statements
31 March 2022

4. TOTAL RESOURCES EXPENDED

	Grants £'000	Direct costs £'000	Support costs £'000	2022 Total costs £'000	2021 Total costs £'000
Unrestricted					
Costs of generating funds:					
Costs of fund raising	275	8,917	2,422	11,614	10,389
Fundraising trading	-	3	-	3	10
	275	**8,920**	**2,422**	**11,617**	**10,399**
Charitable activities:					
Churches mobilised	1,107	2,845	925	4,877	4,487
Emergency needs met	936	3,034	2,045	6,015	4,703
Communities transformed	2,103	4,552	1,831	8,486	7,277
Society changed	1,022	3,820	1,183	6,025	5,296
	5,168	**14,251**	**5,984**	**25,403**	**21,763**
Total unrestricted	**5,443**	**23,171**	**8,406**	**37,020**	**32,162**
Restricted					
Costs of generating funds:					
Costs of fund raising	105	880	1	986	792
Fundraising trading	-	24	-	24	27
	105	**904**	**1**	**1,010**	**819**
Charitable activities:					
Churches mobilised	1,814	1,722	-	3,536	3,896
Emergency needs met	6,512	13,070	1	19,583	23,772
Communities transformed	5,121	7,331	1	12,453	14,194
Society changed	1,727	1,585	-	3,312	2,913
	15,174	**23,708**	**2**	**38,884**	**44,775**
Total restricted	**15,279**	**24,612**	**3**	**39,894**	**45,594**
Total expenditure	**20,722**	**47,783**	**8,409**	**76,914**	**77,756**

Costs are allocated between the four charitable activities according to each programme's principle aims. Cost allocation includes an element of judgement and Tearfund has considered the cost-benefit of detailed calculations and record-keeping in calculating a best estimate of the attributable costs.

Notes to the financial statements
31 March 2022

4. TOTAL RESOURCES EXPENDED CONTINUED

	2022 £'000	2021 £'000
Grants to partner organisations by geographical region:		
Africa	10,048	10,325
Eurasia	4,663	2,940
Asia	4,198	3,575
Latin America and Caribbean	1,095	1,388
Europe	85	-
Total grants to partner organisations	**20,089**	**18,228**
Assistance in establishing Tearfund USA	633	563
Total grants	**20,722**	**18,791**

Grant management costs were £2,332,000 (2020/21: £1,772,000).

The top 15 countries and regions where grants were made:	2022 £'000	2021 £'000
Ethiopia	2,035	1,301
South Sudan	1,656	814
India	1,270	682
D.R. Congo	1,230	1,198
Bangladesh	1,211	977
Nigeria	1,197	1,076
Afghanistan	1,059	585
Rwanda	857	845
Yemen	698	963
Mozambique	584	467
Mali	531	523
Nepal	500	498
Zimbabwe	499	475
Burundi	495	672
Malawi	474	577

The top 50 partner organisations receiving grants can be found at: **tearfund.org/top50**

Support costs and the basis of their allocation are as follows:	**Principal basis of allocation to activities**	2022 £'000	2021 £'000
General management, risk and compliance	Headcount and expenditure	467	439
Financial management	Headcount and expenditure	1,523	1,487
Human resources	Headcount	2,080	1,985
Strategy & Impact	Expenditure	269	213
Information systems	Headcount and expenditure	2,724	3,017
Premises and facilities	Headcount	992	1,355
Governance	Headcount and expenditure	354	340
		8,409	**8,836**

Notes to the financial statements

31 March 2022

5. SUBSIDIARY

Tearfund has a wholly-owned trading subsidiary, Tearfund Trading Limited, which is registered in England and Wales, company registration number 03779450. The registered address is 100 Church Road, Teddington TW11 8QE.
The company undertakes various trading activities to raise funds for Tearfund. All its profits are gifted to Tearfund under a Deed of Covenant. Its results and assets for the year ended 31 March 2022 were as follows:

	2022 £'000	2021 £'000
Total incoming resources	27	54
Total expenditure	(27)	(37)
Profit for the year	**-**	**17**
Qualifying distribution	-	(17)
Retained profit/loss for the year	**-**	**-**
Total assets	18	32
Total liabilities	(13)	(27)
Funds	**5**	**5**

In 2021/22, £2,000 (2020/21: £12,000) of profits were restricted and £2,000 were unrestricted losses (2020/21: profit of £5,000).

6. NET INCOME FOR THE YEAR

Net income for the year is stated after charging the following:	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	610	1,015
Depreciation of intangible fixed assets	-	18
Auditors' remuneration – Tearfund	66	67
Auditors' remuneration – Tearfund Trading	3	3
Loss on sale of tangible fixed assets	1	-
Operating leases: land and buildings – unrestricted	60	60
Operating leases: land and buildings – restricted	931	1,008

The above is all unrestricted expenditure unless otherwise indicated.

7. EMPLOYEES AND TRUSTEES

Employee costs	2022 UK £'000	2022 Overseas £'000	2022 Total £'000	2021 UK £'000	2021 Overseas £'000	2021 Total £'000
Salaries and wages	15,605	12,124	27,729	16,310	12,702	29,012
Employee benefits	7	468	475	33	516	549
Social security costs	1,593	52	1,645	1,581	64	1,645
Other pension costs	1,633	225	1,858	1,348	185	1,533
	18,838	**12,869**	**31,707**	**19,272**	**13,467**	**32,739**

Included in the above employee costs are redundancy and severance costs of £61,000 (2020/21: £248,000). Redundancy costs are provided for when the decision has been made and the employees have been informed, and the amounts could be calculated with reasonable accuracy and the settlement is probable in the next financial year.

Notes to the financial statements
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7. EMPLOYEES AND TRUSTEES CONTINUED

Average number of persons employed during the year	2022 Number	2021 Number
UK-contracted employees based:		
In the UK	447	461
Overseas	98	111
	545	**572**
Staff based overseas on local contracts	543	665
	1,088	**1,237**

UK staff includes those personnel based at Tearfund's head office in Teddington together with those based at regional offices in the UK and those working from home. Overseas staff on UK contracts includes UK nationals working overseas as well as non-UK nationals employed to work in various countries around the world. Staff based overseas on local contracts are employed mainly on projects funded by institutions. All staff were employed across the range of activities detailed on the SoFA. No employees are employed directly by Tearfund Trading Limited.

The number of employees whose emoluments (including benefits in kind but excluding employer's pension) amounted to over £60,000 in the year was as follows:

	2022 Number	2021 Number
£60,001 – £70,000	19	13
£70,001 – £80,000	7	3
£80,001 – £90,000	4	5
£90,001 – £100,000	1	1
£140,001 – £150,000	1	1

The two highest paid individuals in the 2022 and 2021 numbers above are members of staff who work in our international programmes. Their emoluments include accommodation, school fees, medical and other benefits, which allow us to be appropriately competitive in recruiting and retaining staff in the international Non-Governmental Organisation market.

Pension payments of £182,000 (2020/21: £130,000) were made for these thirty two (2020/21: twenty three) higher-paid employees. The total emoluments received by the chief executive in the year was £87,000 (2020/21: £90,000). In 2021/22 the senior executives of the organisation earned a total of £669,000 (2020/21: £650,000) including national insurance and pensions.

Trustees
As Charity Trustees, the Board of Directors and Committee Members, who are not employees, received no remuneration for their services. During the year, four directors/committee members were reimbursed or had costs paid for by Tearfund for a total of £596 for UK travel and subsistence expenses (2020/21: two for £534). Two directors/committee members had overseas travel of £1,196 paid for by Tearfund (2020/21: none).

Indemnity insurance is provided for the Trustee Directors at a cost of £22,000 (2020/21: £11,000).

Pensions
Tearfund has a defined contribution pension plan for UK employees called the Tearfund Group Personal Pension Plan and a separate defined contribution pension plan for overseas employees called the Tearfund International Group Personal Pension Scheme. These plans operate on a non-contributory basis.

Included within creditors falling due within one year is £333,000 (2020/21: £249,000) in respect of pension contributions due to be paid to the fund managers.

Notes to the financial statements
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8. TAXATION

Tearfund is potentially exempt from taxation on its income and gains under sections 466 to 493 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Capital Gains Act 1992, to the extent that they are applied for charitable purposes. Tearfund Trading Limited pays no tax on its taxable profits as they are all gifted to Tearfund under a Deed of Covenant.

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total Tangible £'000	Total Intangible £'000
Cost					
At 1 April 2021	2,688	6,305	109	9,102	1,225
Additions	-	192	-	192	-
Disposals	-	(119)	-	(119)	-
At 31 March 2022	**2,688**	**6,378**	**109**	**9,175**	**1,225**
Accumulated depreciation					
At 1 April 2021	1,840	5,603	76	7,519	1,225
Charge for the year	76	517	17	610	-
Disposals	-	(118)	-	(118)	-
At 31 March 2022	**1,916**	**6,002**	**93**	**8,011**	**1,225**
Net book value					
At 31 March 2022	**772**	**376**	**16**	**1,164**	**-**
At 31 March 2021	**848**	**702**	**33**	**1,583**	**-**

The book value of freehold land not depreciated is £200,000 (2020/21: £200,000). Tearfund's offices in Teddington have a book value of £772,000 (2020/21: £848,000) and are insured at a value of £10,000,000 (2020/21: £10,000,000). From 1 April 2022, the insurance value has been increased to £11,000,000.

The intangible asset is the cost of the purchase of Toilet Twinning.

10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2022, Tearfund had one wholly-owned subsidiary which is registered in England and Wales.

Organisation name	Class of share of capital held	Nature of business
Tearfund Trading Limited	Ordinary	Raising funds through trading activities

Notes to the financial statements

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11. STOCKS

	Tearfund Group		Tearfund	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Goods held for distribution to communities	593	860	593	860
Goods for resale	12	11	-	-
Disaster management and IT stores	11	11	11	11
	616	**882**	**604**	**871**

12. DEBTORS

	Tearfund Group		Tearfund	
Due within one year:	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amount owed by group undertaking	-	-	9	17
Tax recoverable	867	679	867	679
Other debtors	538	1,006	538	1,006
Accrued institutional grants	2,324	2,515	2,324	2,515
Accrued legacy income	4,935	3,787	4,935	3,787
Prepayments and other accrued income	1,059	973	1,059	973
	9,723	**8,960**	**9,732**	**8,977**

13. CREDITORS

	Tearfund Group		Tearfund	
Amounts falling due within one year	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest-free loans	100	100	100	100
Other creditors	1,978	1,219	1,978	1,217
Taxation and social security	1,361	1,190	1,362	1,190
Accruals	1,605	1,397	1,602	1,389
Deferred income	9	5	9	5
	5,053	**3,911**	**5,051**	**3,901**

The interest-free loans, which have been made by supporters, are unsecured and have no set repayment date.

Deferred income balance	2022 £'000	2021 £'000
Opening balance	5	448
Released income	(5)	(445)
Deferred income	9	2
Closing balance	**9**	**5**

Notes to the financial statements
31 March 2022

14a. FUNDS MOVEMENT (2021/22)

Tearfund and Tearfund Group	1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2022 £'000
General fund	9,626	35,032	(33,674)	491	11,475
Designated funds					
Fixed asset fund	1,583	-	-	(419)	1,164
Overseas assets fund	125	-	-	(125)	-
Strategic priorities	5,503	-	(3,346)	-	2,157
	7,211	-	(3,346)	(544)	3,321
Total unrestricted funds	**16,837**	**35,032**	**(37,020)**	**(53)**	**14,796**
Restricted funds					
Appeals and emergencies:					
Afghanistan	-	3,567	(894)	1	2,674
Bangladesh	614	13	(3)	(316)	308
Burundi and Rwanda	89	-	(71)	-	18
Central African Republic	75	-	(75)	-	-
Coronavirus Emergency Appeal	667	1,797	(2,219)	-	245
Democratic Republic of Congo	-	1,183	(613)	-	570
East Africa	-	2	(2)	-	-
Haiti	-	123	(97)	-	26
Indonesia	579	1	(188)	-	392
Middle East	961	109	(128)	-	942
Myanmar	77	-	(53)	-	24
Other	239	300	(173)	-	366
Pakistan	90	-	-	-	90
Southern Africa cyclone	337	1	(300)	(38)	-
Sudan and South Sudan	181	11	(70)	316	438
Syria crisis	640	79	(117)	9	611
Ukraine	-	1,772	(144)	-	1,628
Yemen	1,801	155	(15)	-	1,941
	6,350	**9,113**	**(5,162)**	**(28)**	**10,273**

Notes to the financial statements

31 March 2022

14a. FUNDS MOVEMENT (2021/22) CONTINUED

Tearfund and Tearfund Group	1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2022 £'000
Restricted funds brought forward	**6,350**	**9,113**	**(5,162)**	**(28)**	**10,273**
Country funds	2	136	(138)	-	-
Project funds:					
Institutions and trusts	5,183	30,041	(28,864)	34	6,394
Connected Church	274	(20)	(231)	(5)	18
Other	698	2,413	(2,687)	324	748
Beneficiary funds:					
Children	-	223	(269)	46	-
Issue funds:					
Disaster management	-	1,046	(1,046)	-	-
Water and sanitation	-	1,294	(1,301)	7	-
HIV and AIDS	325	30	(30)	(325)	-
Waste Management	-	166	(166)	-	-
Total restricted funds	**12,832**	**44,442**	**(39,894)**	**53**	**17,433**
Total	**29,669**	**79,474**	**(76,914)**	**-**	**32,229**

Designated funds are set up for the following purposes:

- The fixed asset fund represents the net book value of Tearfund's tangible and intangible fixed assets to indicate that these resources are not available for other purposes.
- The overseas assets fund represents money set aside in our overseas locations for the replacement of vehicles and for the provision of renewable energy solutions. With effect from 1 April 2021 we have ceased to treat this as a designated fund.
- The strategic priorities fund represents monies set aside to fund a range of strategically important projects across multiple countries, together with investment in leadership and management development and new information systems.

Restricted funds are shown under the following main categories:

- Appeal and emergency funds comprise funds raised for specific appeals and emergencies.
- Country funds comprise funds given for specific countries.
- Project funds comprise funds given for specific projects mainly by institutional donors.
- Beneficiary funds comprise funds given for the benefit of specific beneficiary groups such as children.
- Issue funds comprise funds given for specific issues such as disaster management, water and sanitation and HIV.

Fund balances may be negative for the following reasons:

- Funds in deficit are predominantly due to the pre-financing provided to partners on institutionally-funded projects, where we expect to receive income from donors once the partners have spent the funds.

At 31 March 2022, the total deficit balances amounted to £148,286 (2020/21: £335,795).

Notes to the financial statements

31 March 2022

14a. FUNDS MOVEMENT (2021/22) CONTINUED

Transfers between funds represent:

(a) movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund and designation of funds for work on our strategic priorities.

(b) reallocations between funds reflecting the analysis of funds or balance transfers.

(c) reallocation of general funds to support programmes where additional restricted funding was not found.

Within restricted funds are the following amounts relating to money received from the following donors:

Foreign, Commonwealth and Development Office (FCDO)	1 April 2021 £'000	Income £'000	Expenditure £'000	31 March 2022 £'000
Central African Republic: AID Match	-	817	(817)	-
Haiti: AID Match	(15)	325	(246)	64
Pakistan: AID Match	2	467	(471)	(2)
FCO & Other:				
British Embassy FORD	-	30	(30)	-
Start Network:				
Burkina Faso	-	71	(71)	-
Burundi flood response	-	88	(88)	-
Democratic Republic of Congo Volcano Alert 525	-	100	(100)	-
Ethiopia IDP response Alert 538	-	220	(220)	-
Ethiopia working differently	-	15	(15)	-
Indonesia earthquake	1	-	(1)	-
Mozambique 2022	-	99	(96)	3
Nigeria evaluation	3	(3)	-	-
Nigeria Aug–21 to Sep–21	-	30	(30)	-
Rwanda Alert 526	-	65	(65)	-
Total FCDO funds	**(9)**	**2,324**	**(2,250)**	**65**
Disasters Emergency Committee (DEC)				
Cyclone Idai 2019	6	-	(6)	-
Coronavirus	(65)	1,731	(1,603)	63
Afghanistan crisis	-	658	(484)	174
Total DEC funds	**(59)**	**2,389**	**(2,093)**	**237**

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31 March 2022

14b. FUNDS MOVEMENT (2020/21)

Tearfund and Tearfund Group	1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2021 £'000
General fund	3,896	34,153	(29,148)	725	9,626
Designated funds					
Fixed asset fund	2,477	-	-	(894)	1,583
Overseas assets fund	(111)	-	(65)	301	125
Strategic priorities	8,452	-	(2,949)	-	5,503
	10,818	-	(3,014)	(593)	7,211
Total unrestricted funds	**14,714**	**34,153**	**(32,162)**	**132**	**16,837**
Restricted funds					
Appeals and emergencies:					
Asia floods	14	-	(14)	-	-
Bangladesh	258	892	(540)	4	614
Burundi and Rwanda	238	1	(150)	-	89
Central African Republic	194	-	(119)	-	75
Coronavirus Emergency Appeal	-	3,730	(3,051)	(12)	667
East Africa	33	3	(36)	-	-
Indonesia	1,140	2	(563)	-	579
Middle East	784	458	(281)	-	961
Myanmar	48	62	(33)	-	77
Other	101	4	122	12	239
Pakistan	145	-	(55)	-	90
Southern Africa cyclone	737	343	(741)	(2)	337
Sudan and South Sudan	167	18	(4)	-	181
Syria crisis	825	76	(261)	-	640
Yemen	1,429	862	(490)	-	1,801
	6,113	**6,451**	**(6,216)**	**2**	**6,350**

Notes to the financial statements
31 March 2022

14b. FUNDS MOVEMENT (2020/21) CONTINUED

Tearfund and Tearfund Group	1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2021 £'000
Restricted funds brought forward	**6,113**	**6,451**	**(6,216)**	**2**	**6,350**
Country funds	-	108	(96)	(10)	2
Project funds:					
Institutions and trusts	4,290	31,872	(30,854)	(125)	5,183
Connected Church	378	307	(395)	(16)	274
Other	563	1,677	(1,558)	16	698
Beneficiary funds:					
Other children funds	-	2,613	(2,614)	1	-
Issue funds:					
Disaster management	-	908	(908)	-	-
Water and sanitation	-	2,613	(2,613)	-	-
HIV and AIDS	-	459	(134)	-	325
Conflict and poverty	-	206	(206)	-	-
Total restricted funds	**11,344**	**47,214**	**(45,594)**	**(132)**	**12,832**
Total	**26,058**	**81,367**	**(77,756)**	**-**	**29,669**

Within restricted funds are the following amounts relating to money received from the following donors:

Foreign, Commonwealth and Development Office (FCDO)	1 April 2020 £'000	Income £'000	Expenditure £'000	31 March 2021 £'000
Central African Republic: AID Match	(3)	1,773	(1,770)	-
Haiti: AID Match	-	97	(112)	(15)
Pakistan: AID Match	(44)	277	(231)	2
FCO & Other:				
Burundi Smart CoVid	-	9	(9)	-
Democratic Republic of Congo Risk Communication	-	34	(34)	-
Start Network:				
Afghanistan	-	88	(88)	-
Bulawayo	-	100	(100)	-
Burundi flooding: Alert 421	-	150	(150)	-
Ethiopia CoVid	-	231	(231)	-
Indonesia earthquake	-	185	(184)	1
Mozambique	-	51	(51)	-
Nigeria	2	-	(2)	-
Nigeria evaluation	3	-	-	3
Nigeria Dec–20	-	50	(50)	-
South Sudan flooding	-	150	(150)	-
Total FCDO funds	**(42)**	**3,195**	**(3,162)**	**(9)**

Notes to the financial statements
31 March 2022

14b. FUNDS MOVEMENT (2020/21) CONTINUED

	1 April 2020 £'000	Income £'000	Expenditure £'000	31 March 2021 £'000
Disasters Emergency Committee (DEC)				
Indonesia tsunami	92	-	(92)	-
Cyclone Idai 2019	145	299	(438)	6
Coronavirus	-	889	(954)	(65)
Total DEC funds	**237**	**1,188**	**(1,484)**	**(59)**

15a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2021/22)

Fund balances at 31 March 2022 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,164	-	1,164
Current assets	16,167	19,951	36,118
Current liabilities	(2,535)	(2,518)	(5,053)
	14,796	**17,433**	**32,229**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,164	-	1,164
Current assets	16,157	19,954	36,111
Current liabilities	(2,533)	(2,518)	(5,051)
	14,793	**17,436**	**32,229**

15b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2020/21)

Fund balances at 31 March 2021 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,583	-	1,583
Current assets	17,568	14,429	31,997
Current liabilities	(2,314)	(1,597)	(3,911)
	16,837	**12,832**	**29,669**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,583	-	1,583
Current assets	17,553	14,429	31,982
Current liabilities	(2,304)	(1,597)	(3,901)
	16,837	**12,832**	**29,669**

Notes to the financial statements

31 March 2022

16. OPERATING LEASE COMMITMENTS

At 31 March 2022 Tearfund and the Tearfund Group were committed to making the following payments in total in respect of operating leases for land and buildings:

	Tearfund Group		Tearfund	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Within one year	683	719	683	719
In the second to fifth years inclusive	502	481	502	481
	1,185	**1,200**	**1,185**	**1,200**

17. RELATED PARTY TRANSACTIONS

A number of the trustees of Tearfund are directors and trustees of other charities and organisations with whom Tearfund has historic relationships. There were no related party transactions.

In addition, there were expenditure transfers to Tearfund Trading Limited of £nil (2020/21: £nil) in the year ended 31 March 2022. The balance owing by Tearfund Trading Limited to Tearfund at the end of the year of £9,000 (2020/21: £17,000) is disclosed in note 12.

18. ULTIMATE PARENT

The Trustees consider that the ultimate parent and controlling party of the group is Tearfund.

19. CAPITAL COMMITMENTS

At 31 March 2022 there were contracted or authorised capital commitments of £118,000 (2020/21: £nil).

tearfund.org

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TEARFUND

England & Wales - Charity number 265464

Accounts

Annual Report 2020/21

Celebrating the past year

Report and Financial Statements 2020/21
Year ended 31 March 2021

This year...

20,000
local churches mobilised

2,479,200
people reached through our emergency response

1,417,000
people reached through community development

£81.4m
raised to transform lives around the world

tearfund

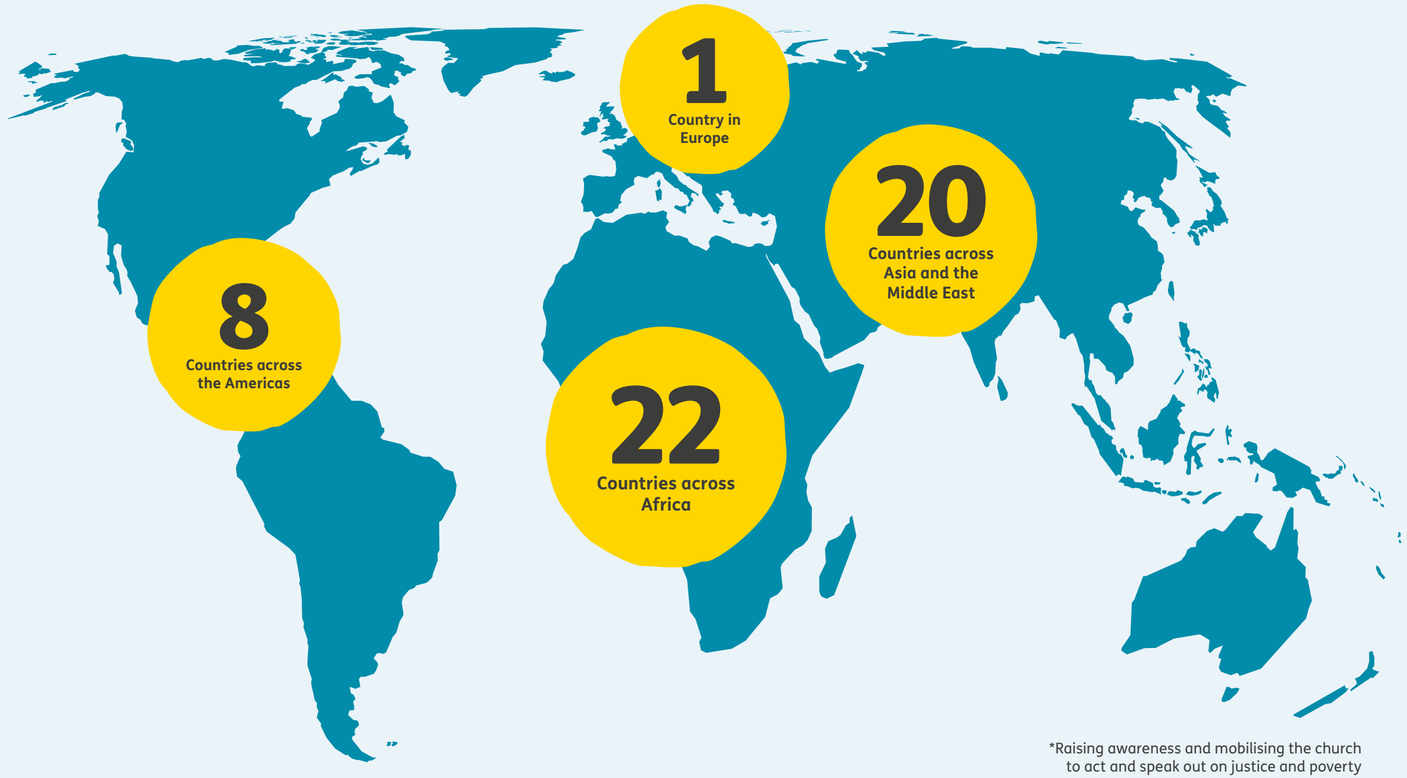
We're working in more than 50 countries to bring an end to extreme poverty...

Asia & the Middle East
Afghanistan
Bangladesh
Cambodia
Central Asian States (3)
China
India
Indonesia
Iraq
Jordan
Laos
Lebanon
Myanmar
Nepal
Pakistan
Philippines
Syria
Thailand
Yemen

Africa
Angola
Burkina Faso
Burundi
Central African Republic (CAR)
Chad
Democratic Republic of Congo (DRC)
Ethiopia
Ivory Coast
Kenya
Liberia
Malawi
Mali
Mozambique
Niger
Nigeria
Rwanda
Sierra Leone
South Sudan
Tanzania
Uganda
Zambia
Zimbabwe

Americas
Bolivia
Brazil
Colombia
Guatemala
Haiti
Honduras
Nicaragua
USA*

Europe
UK*



*Raising awareness and mobilising the church to act and speak out on justice and poverty

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Cover image: Orbisa lives in Afar, north-east Ethiopia, where Tearfund is working with Friendship Support Association (FSA) to set up solar-powered wells that will provide clean water to local villages
Photo: Chris Hoskins/Tearfund

Photos top to bottom: Cetelci Sison/Tearfund, Edouard Saidi/Tearfund, Jerome Mulambya/Tearfund, Richard Tilney-Bassett/Tearfund

08–11
We want to see the global church embrace its calling to address poverty and injustice.

12–15
We want to see disaster-affected communities supported and equipped to recover quickly and be more resilient to future disasters.

16–19
We want to see local churches and communities working sustainably and holistically to reduce poverty and build resilience.

20–23
We want to see unjust policies and practices of the powerful challenged in order to secure policies that deliver justice for poor communities.

Sharing the bread of life

In countless communities across the world, the local church has inspired projects that have sustained people throughout the pandemic. The new Kushinga Bakery in rural Karikiriki in Zimbabwe has proved a lifeline to a community cut off from normal food supplies because of lockdown.

The bakery was set up quickly but it's the culmination of years of effort and prayer invested by Pastor Kenneth Makwenda and his church. They've learnt to press on with community projects, through frustration and failure, and trust God that change would come, as Pastor Kenneth explains...

I've been a pastor for 27 years and the Church and Community Transformation programme (CCT) has changed my life. We started running CCT in about 2015, first in Zindoga then in three other places. Now it's our model for community development and we have used it as a foundation for many other programmes at church.

When we started CCT, we had very little response. One of the problems had been that any time a non-governmental organisation (NGO) comes into a community, people expect handouts. We started with big numbers but then when people realised there were no handouts coming, numbers dropped to about 20, all of them women. That was very consistent for the first few years. Our projects really struggled.

The bakery in Karikiriki came about after our training on self-help groups. Initially, it was just six women who wanted to feed their families and generate an income to educate their kids. But now, with local demand, they have got a desire to grow the business because the market is huge.

They have started small. But they could grow it easily, with more pots and pans, more flour, maybe a piece of land where they can build a proper bakery. I foresee these women supplying bread to other communities beyond Karikiriki.

It's been a new thing to see women like these working together, particularly in a community that is so politically polarised. But here are women from different churches, different backgrounds, coming together to do something.

When we started our CCT programme in Karikiriki we had about 12 people. But now we have over 60 people. The bakery project is probably one of the projects that has influenced people to think what these churches are doing is fruitful and helpful. So we have seen more women joining in.

We've also introduced a goat project through our CCT and self-help group programme. Initially it was a gift to us from the UK and the One Church network of which we're part. We ended up distributing about 206 goats in Karikiriki and Zindoga. It's something that had never happened before: most of the big things happen through NGOs, but this has happened through us, the church. And that was really a God moment.

Most of the people that have benefited from the goats project are women and children. We don't see any reason why the parents involved can't pay school fees for their children now. But I think the goat project will have a big impact on our men too. Usually, men are very practical and they want to see tangible things happening. We have started to see men responding, many coming to our meetings and some even coming to church.

CCT is now a part of our DNA as a church. It's in our curriculum for training pastors. We see ourselves as a church that will be salt and light to the community. Projects like the bakery and the goats have really impacted the community because they see the church is doing something practical that can transform people's lives.

Kenneth Makwenda, pastor of One Church in Zimbabwe
Photo: Stewart Muchapera/Tearfund

Women at the bakery in Karikiriki
Photo: Stewart Muchapera/Tearfund

Chair's introduction

I have great pleasure in introducing the Annual Report for 2020/21.

Anna Laszlo, Chair
Photo: Margaret Chandler/Tearfund

What a different place the world is from this time last year. Back then it was clear that Covid-19 would have a significant impact on the churches and communities we work with, and on ourselves. But I don't think anyone could have envisaged the scale of that impact. Here in the UK our lives have been deeply impacted: having to stay at home; having to teach our children at home; pausing work, losing work, or working far beyond normal expectations; for some of us, tragically, losing people we love. We have found this so hard. Yet, in some of the world's poorest countries, the impact has been literally devastating. For many, being told to stay at home has meant being unable to feed their children. Losing work has thrown families back into the poverty from which they felt they had escaped. We have heard from staff around the world that it is not Covid which is the biggest threat to people's lives, but the attempts to control the virus.

In this environment we have worked to respond to changing needs and priorities. We have added to and adapted our planned programmes and activities. We have pivoted and flexed. All the while, we have trusted God and worked closely through our partner and ally, the local church, to bring hope and demonstrate God's love and concern for his world, even in the deepest darkness.

Recognising the significance of the pandemic to the contexts and people we serve, and potentially to our income, we have spent time reviewing key drivers for our work and structures into the medium term. Our review, entitled 'Crisis to Kairos', acknowledges this is a time for action, for change, for transformation.

We know there will be huge secondary impacts of Covid-19, particularly on economic and social structures. A 'K-shaped' recovery looks increasingly likely, with the richest people continuing to build wealth, while the poorest people fall further into poverty. We have had big wake-up calls on racial injustice, and the need to take big decisions to protect our world and tackle the climate crisis. Youth and urbanisation will be huge drivers of change over the coming years, particularly in the majority world. We are hearing increasing calls, rightly, for a more local approach to addressing the needs of communities. The internet offers great opportunities, but there is also a risk of a 'digital divide', with those without access being excluded from paths out of poverty.

Key themes for us as we go forward include how we continue our move towards bringing decision-making closer to the countries in which we work, and strengthening leadership responsibilities and capabilities across our teams; how our operating models should change to give us greater flexibility and ability to respond; and how we develop our work and engagement with the church here in the UK. We will be taking forward this thinking over the coming year.

Internally, we were shaken by the murder of George Floyd and challenged by the global outpouring of anger and grief this prompted. We reviewed our own approaches to racial justice and recognised that we have not always acted as we should. We launched an organisation-wide programme of education on racial injustice, and have strengthened our commitment to tackle racism within our own structures. The Board is establishing a Diversity and Inclusion Committee to oversee this, and inclusion work more broadly, including setting recruitment targets over the coming year to help improve diversity within our workforce.

As they prayed back in January 2020, our Global Leadership team felt God warning we were heading for choppy waters, and assuring us that he would see us through. We are not through yet. But God's presence and provision have been astonishingly evident over this year. Having seen that, we can go forward trusting in him, knowing that, as we remain in the Vine (John 15), God will continue to guide and provide so that we can serve him wherever he leads us.

Anna Laszlo
Chair

CEO's introduction

It is a privilege for me as Tearfund's Chief Executive to present this Annual Report to you.

Nigel Harris, CEO
Photo: Margaret Chandler/Tearfund

For all of us, this has been a year like no other. The pandemic has affected everyone, but throughout the world it is the poorest, most disadvantaged and most marginalised people who have been hit the hardest. The health and economic effects of the Covid-19 crisis threaten to reverse decades of progress made in global development, pushing many millions back into absolute poverty. With the world's attention focused elsewhere, conflict and violence continue to cause misery for so many in the most fragile states. We have seen increasing political tensions and the withdrawal of freedoms in many countries in which Tearfund works. Climate change continues to be a huge challenge, requiring urgent action. The murder of George Floyd in the US highlighted the racial injustice that is endemic in our world. The shock of the seismic events of this year gives us an opportunity to 'reboot', but the world must seize this moment.

Yet we have hope that the church can bring good news to those living in poverty. We have seen churches across the world respond to the pandemic; we have seen the church speak out on issues of justice. We know that Jesus Christ brings transformation to individuals and communities who live in poverty. As Tearfund, we look forward in the hope and expectation that our God will bring the restoration of relationships. We stay true to our Christ-centred foundation. Trust has been such a strong and recurring theme for Tearfund this year. In the darkness, in the complexity, in the uncertainty, we have walked in the knowledge that Jesus holds us, that he is sovereign and that we can and must be rooted in him, not reliant on ourselves.

Over the last year, we have run an unprecedented global response to Covid-19 in virtually all of the countries in which Tearfund works. Initially, we provided support around public health messaging, working with church leaders and partners to ensure accurate, reliable and timely information. We have supplied food parcels, hygiene and sanitation products, water stations, cash and food vouchers, and we are now supporting devastated communities to rebuild livelihoods and incomes. And we are advocating for fair and equitable access to vaccines.

It has been deeply encouraging to see the response of churches that have been through Tearfund's Church and Community Transformation process. Amid the huge challenges created by the pandemic, churches have had an attitude of hope, belief and duty to help those who were in greatest need, despite many struggles of their own. They have been a witness to those around them, showing the love of Jesus in life-saving ways to their communities. We have seen the power of local churches to walk with their communities, to respond, to recover and rebuild. Our commitment is to go further, to envision and equip the church around the world to be an active player in transforming lives and bringing hope. We are committed to scaling up our work across our corporate priorities and to collaborate with the church and our partners to see long-lasting transformation.

We have seen continued impact through our advocacy and influencing work. We recognise the unique opportunity for a fairer, greener response as we look to rebuild economies around the world. Our *Reboot* campaign has sparked conversations across the UK church, and has been translated into policy asks of the UK Government. At global level, Tearfund's advocacy success on the UK Government ending fossil fuel finance overseas received praise from The Climate Coalition and recognition across the sector. We also soft-launched the Climate Emergency Toolkit in collaboration with multiple allies.

And we have seen extraordinary, sacrificial giving from Tearfund's supporters: from individuals, churches and foundations. At a time of a profound financial shock, we have been humbled by the generosity we have received. As we have responded to huge need and supported the church to bring 'good news to the poor', we have seen God provide, and we are so grateful to all who support Tearfund's work. This truly has been a year where Christians have stood in solidarity with those who live in poverty.

Let me also pay tribute to Tearfund's staff teams around the world for all their remarkable work in these unprecedented times. And as we look forward, we walk in trust, knowing that unless the Lord builds the house, we labour in vain. We seek his will and we ask for his equipping, so we may bring glory to him in all we do.

Nigel Harris
CEO

Trustee Directors' report

The Board of Trustee Directors present their annual report, together with the audited, consolidated financial statements, for the year ended 31 March 2021.

Principal activity

Tearfund is a Christian relief and development agency committed to eradicating poverty. Tearfund's call over the last 50 years has remained constant: to follow our biblical mandate to see people lifted out of material and spiritual poverty.

In our most recent business plan, we affirmed our commitment to our Christian distinctiveness, to our distinctly Christian role in the international development sector, our evangelical Christian identity, our calling and our values.

Our vision is to see people freed from poverty, living transformed lives and reaching their God-given potential.

Our mission is to follow Jesus where the need is greatest, responding to crises and partnering with local churches to bring restoration to people living in poverty.

Our values remain unchanged: we seek to be Christ-centred, compassionate, courageous, truthful and servant-hearted.

In pursuit of our vision, there are four main outcomes we want to see:

Churches mobilised

The church is envisioned, strengthened and equipped to play its part in the transformation of the poorest communities and in changing society.

Emergency needs met

Immediate needs are met when crises and natural disasters hit and community structures and mechanisms are affected.

Communities transformed

The poorest communities are resilient to shocks and stresses, working for peace and unity, and contributing to better futures for themselves and others.

Society changed

Social, political, economic and environmental systems and policies work for the poorest communities, ensuring access to basic needs, reduced inequality and sustainable growth.

In our financial statements we use these four outcomes as a means of reporting the expenditure on our charitable activities. We recognise it is difficult to make full allowance for the overlaps and interconnections between these outcomes and we will consider whether in future years there are improvements we can make to our reporting to reflect this.

Our corporate priorities

Our corporate priorities are our key strategic priorities that we have agreed for the medium term, that we consider we are uniquely placed to deliver, and that will enable us to contribute to transformational change in the countries in which we work.

To achieve our outcomes, we will continue to scale up our work, to see ongoing impact across our three corporate priorities:

Church and Community Transformation (CCT): unlocking the potential of local churches and communities, to see change happening in even the most remote areas in a cost-effective, holistic and sustainable way.

In 2020/21, we continued to strengthen and scale up CCT, working with our country and cluster teams, supporting them to implement their CCT strategies. Focus areas included developing training capacity within countries so that CCT facilitators and trainers can be trained without the need for external support. This was especially important when Covid-19 travel restrictions were in force. We invested in understanding and mapping our engagement with whole denominations for CCT scale-up. Adaptations to the regular CCT processes have continued to ensure that teams in more challenging contexts have processes that work for them. We were able to support many of the churches, denominations and networks engaged in CCT to respond to Covid-19 from a biblical perspective. Many churches were able to take Tearfund resources and adapt them to become the guidelines for their denomination.

Fragile States: committing to places of protracted crisis and conflict for the long haul, to see communities thrive as peace, hope and relationships are restored.

In 2020/21, we continued our work with country teams to develop strategies and projects that work on addressing the root causes of fragility. We had key successes in expanding our work to support faith leaders in promoting fair and peaceful elections, and addressing harmful norms, attitudes and behaviours that lead to violence in communities and households. We also worked hard to support local churches working with other faith leaders, as they collaborated to reduce intimate partner violence, especially important with the impacts of Covid-19, and to distribute personal protective equipment (PPE) and promote hygiene messaging to reduce the spread of the virus.

Environmental and Economic Sustainability (EES): committing to relief and development that is environmentally and economically sustainable and reduces exposure to and the impact of risk. We are called to take care of the whole of God's creation.

In 2020/21, despite the challenges posed by Covid-19, we were able to continue implementing 14 existing EES projects, and started two new ones. We successfully secured funding of £2 million from NORAD (Norwegian Agency for Development Cooperation) to implement a joint advocacy and waste-management project in north-east Nigeria for the next three years. On the advocacy front, we launched the *Reboot* campaign and we continued to work closely with The Climate Coalition to influence the UK Government: we launched a new policy paper on clean energy access, specifically about subsidies for distributed renewable electricity and clean cooking, and in December, the *Climate Emergency Toolkit* went live. We also won a decisive victory in December 2020, after years of campaigning and lobbying, when the UK Government committed to stop supporting fossil fuels overseas. Internally, the Walk the Talk group, who promote environmentally-friendly and sustainable ways to carry out our work, established an international subgroup to focus specifically on our cluster and country teams.

We work across six clusters:

- Asia
- East and Central Africa (ECA)
- Eurasia and North Africa (ENA)
- Latin America and the Caribbean (LAC)
- Southern and East Africa (SEA)
- West Africa

Previously, the vast majority of staff in these teams were based in the UK but over the past four years we have gradually transitioned these teams and hired people from within each cluster. The clusters are staffed and led mostly by people from that region, bringing leadership support and decision-making closer to the communities in which we are supporting change.

Our partners are local churches, denominations and Christian national and international NGOs who agree with our Statement of Faith and meet our partnership criteria. Tearfund's operational programmes are undertaken in countries hit by large-scale disasters, where the availability and capacity of partners are limited. Such programmes are directly overseen and implemented by staff members according to our policies and standards of good practice.

Tearfund is a member of various alliances and networks that provide important support to its work in a number of areas. These include: the Disasters Emergency Committee (DEC), BOND (a network of organisations working in international development), Micah Network, the Integral Alliance, the Start Network, Joint Learning Initiative (JLI) and the Evangelical Alliance.

We continue to work closely with members of the worldwide Tearfund family, looking for opportunities for greater collaboration and to increase our global reach. Over the last year, we have been working with Tearfund family members to develop and launch a shared brand. This common global brand makes us visually identifiable as members of the same global body, sharing ideas, resources and time with each other to achieve individual and shared goals.

We have referred to the Charity Commission's guidance on reporting on public benefit as we prepared this Annual Report. Tearfund and its partners work with the most vulnerable and marginalised people around the world, regardless of race, religion, ethnicity, ability, age, gender, sexuality or nationality, and the Trustee Directors ensure that the activities undertaken contribute to the aims and objectives of the charity. The Trustee Directors are therefore confident that Tearfund meets the public benefit requirements.

Strategic report

The Trustee Directors present the strategic report which details our progress made against our key objectives set last year and our aims for 2021/22.

We want to see churches mobilised

We believe that we're invited to be part of God's mission to bring lasting, whole-life transformation to people, communities and creation. We also believe that God has chosen the church as his partner in this and we have the privilege of journeying with local churches worldwide in the desire to see the whole of creation restored.

We believe that the church has a vital and distinctive role within civil society, at both local and global level, to transform the poorest communities and tackle injustice. Our key foundation is 'integral mission', which understands that God is working to restore broken relationships by responding holistically to people's needs, including economic, emotional, spiritual and physical ones. The church, as the body of Christ, is called to help fulfil this mission.

We are actively scaling up Church and Community Transformation (CCT) by inspiring denominations to work out their faith by meeting people's practical needs, and supporting them to do so. We're also extending this scale-up to other NGOs. One tool we're now using widely is the Light Wheel (a tool for measuring holistic change), which helps define what it means for a community to flourish, and proposes practical steps churches can take towards this goal.

Our teams in Asia and Africa continue their pioneering work integrating CCT into theological curriculums, which are changing fast. In Africa, we've also initiated dialogues on how to ensure theological education reflects and responds to the local context – working towards a transformational theology from Africa, for Africa.

What makes us different

As the pandemic unfolded, we were able to help churches and Christian networks respond holistically, meeting both practical and spiritual needs. In this and other disasters, churches and communities were able to act quickly and effectively through their grounding in CCT. Our biblical resources proved an important and distinctive support for them as they responded to the needs around them.

10p

in every pound goes to mobilising the local church

> 'So Christ himself gave the apostles, the prophets, the evangelists, the pastors and teachers, to equip his people for works of service, so that the body of Christ may be built up'
>
> Ephesians 4:11–12

This year, we're celebrating:

20,000

local churches mobilised

3,500

new facilitators supported and empowered to mobilise their churches and lead transformation processes

877

church leaders and theologians representing at least 34 countries taking part in 36 events online

663,000

engagements with Tearfund's learning resources (online and print)

Alison Mwale (44) was part of a group of 20 from his community in Salima, central Malawi, who took part in forestry skills training. Following the training, they planted two hectares of forest and they work to develop and maintain it. In addition to caring for the environment in his area, Alison is also an active member of the church and sings in the choir

Photo: Marcus Perkins/Tearfund

Our year

These are the key objectives we set ourselves last year, with examples of how we met them.

1. Grow our CCT facilitators' skills and confidence to bring prayer, Bible reflection and discipleship into their work

We have continued to invest in our CCT facilitators and help grow their skills, knowledge and resilience this year despite restrictions imposed in response to the pandemic. During lockdowns, CCT teams around the world responded quickly by using online platforms and social messaging services to enable Bible reflection and discipleship to continue. Some even sent out hard copies of Bible study resources to facilitators and church members.

A key development this year has been mobilising and equipping facilitators to integrate Local Houses of Prayer into their CCT process. Local Houses of Prayer is a movement wherein Christians 'adopt' a small local area, making it the focus of their prayer, witness and worship. There are now 100 Local Houses of Prayer linked to CCT in Chad alone.

Key Tearfund staff in Chad, Nigeria, Zambia and Nepal referred in interviews to noticeable trends in areas where this integration had happened. These included: stronger relationships within the church, and between the congregation and wider community; greater commitment to and understanding of integral mission; more local resources (such as people's time, equipment and finances) being mobilised; and a reduction in harmful behaviours in the community such as drug misuse.

2. Equip churches and Christians to be more inclusive in their responses to poverty and injustice, by providing theological materials and resources on diversity and inclusion

Tearfund's Theory of Poverty points towards broken relationships being at the root of all forms of poverty, and restoring these relationships is at the heart of our mission. We also believe that to see restored relationships within society, we need to model them ourselves as an organisation.

This year we have developed an accessible theological framework on 'diversity and inclusion', focusing especially on gender, disability, and race and ethnicity. A number of resources have been developed and events hosted – for staff, our partners and beyond – to enhance our engagement, understanding and knowledge on these issues.

For example, we developed two Bible studies for a Black Lives Matter toolkit for churches (in the UK and further afield) to engage people with racial justice issues. These Bible studies formed the basis of a four-day study on racial injustice on the YouVersion app, developed by Tearfund USA.

To articulate our mission more clearly, we also developed a video around Tearfund's Theory of Poverty. In Africa, online conversations that we facilitated with 13 African Christian networks inspired 580 participants from 60 theological institutions across the continent to start moving towards a more contextual curriculum. Meanwhile, our office in India hosted an online event about integral mission attended by more than 200 people.

3. Adapt our CCT approaches for oral cultures, so we reach them more effectively and have greater impact

Our pilot adapting CCT for oral cultures is yielding strong results. The training manual to help communities start their CCT journey is being rewritten so that the whole process can be facilitated entirely orally. Writing is replaced by memory aids, including the use of drama, drawings and singing. Reading is replaced by listening, repeating, and stopping at strategic moments to reflect on what has been heard and what it means.

Sixteen facilitators are going through the training process and are piloting the approach in Sierra Leone. The facilitators all reported that participation and inclusion has greatly improved and people's understanding and retention of the material has been stronger and deeper. The process is moving faster than where the original (written) content has been used, as participants are grasping concepts more readily and remembering more. This has increased the ability to reflect and put learnings into practice. Interestingly, those who are unable to read and write are, in many cases, grasping concepts quicker than those who are used to conventional facilitation techniques, which is shifting power dynamics in the churches.

The oral techniques are proving so effective that the team are also weaving them into their standard CCT training, and they report that people's enthusiasm for the process has further increased and its momentum has gathered pace.

Ministry of fun and friendship

Setting up a sports programme may not seem an obvious project for a theology graduate, but it proved a particularly effective way for a pastor in the Philippines to support his community and live out his faith during lockdown.

Pastor Ernesto* was one of 18 graduates who had recently achieved a Diploma or Certificate on CCT through two pilot courses run at the Asian School of Development and Cross-cultural Studies (ASDECS).

He was able to use the tools he had learnt during his studies to set up community sports activities featuring the games of different local cultures, including luksong baka (a form of leapfrog) and patintero, a strategic team game of 'tag'. The aim has been to bring children and young people together in a fresh appreciation of traditional Filipino games, to teach them teamwork and to have fun.

These games ran alongside income-generating projects Pastor Ernesto set up in his community, realising, much to his delight, that both of these approaches could be an integral part of the ministry of his local church.

Pastor Ernesto is just one of the seminarians learning about our CCT approach through our work with theological institutions in East and South-East Asia. Our collaboration with seminaries such as ASDECS is helping to address the growing need for qualified instructors who can teach CCT, such as Ernesto. It's important that instructors are teaching from their experience on the ground of how the process works, rather than just from 'textbook' knowledge.

*Name changed

This year

£8.4m

spent on mobilising churches

In 2020/21, we spent a total of £8.4m (2019/20 £10.6m) on mobilising churches through CCT training at theological institutions such as ASDECS.

What we learnt

Our fruitful partnership with the Anglican Alliance, a strategic ally in our efforts to scale-up CCT, has taught us the value of networks and denominations in furthering integral mission and alleviating poverty, due to their influence and reach. Covid-19 restrictions proved that technology can increase diversity and inclusion by enabling truly global gatherings with diverse voices in different languages.

We know we can go further

We want to do more to develop online training and resources. Although we provided these at local level around the world, we have been slower to provide centralised resources for CCT practitioners. This will be a focus for next year.

We also need to be more agile and work harder to bring the voices and concerns of young people into all that we do.

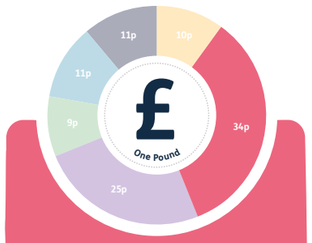
Going forward in 2021/22, we aim to:

1. develop a clear strategy for how to mobilise denominations towards CCT
2. intentionally engage with youth around church mobilisation and use mechanisms that encourage youth engagement and leadership (such as e-learnings, movements etc)
3. equip churches and church networks to build communities' resilience and help them prepare for and respond to disasters

Children playing traditional Filipino games
Photo: Cetelci Sison/Tearfund

We want to see emergency needs met

Emergencies are growing in complexity, frequency and duration, and we respond to them swiftly and effectively. We're committed to equipping local people to lead that response. So we work closely with local partners and churches to reduce disasters' impact by building communities' resilience, helping them prepare and mitigating the risks.



34p

in every pound goes to meeting emergency needs

Our approach to emergency response is born of the belief that every person is made in the image of God, with inherent dignity and worth. So we are determined to support those who are hardest to reach and those most in need. We're committed to impartiality at every stage of an emergency response and to supporting the most vulnerable, regardless of race, religion, ethnicity, ability, age, gender, sexuality or nationality.

We are passionate about equipping and supporting our local partners so that responses are both localised and contextualised. We seek to respond to immediate needs and we work hard to address underlying vulnerabilities and weak coping mechanisms that can cause or exacerbate disasters and crises.

Involving faith communities is crucial in our approach to disaster preparedness and emergency response. As the world faces the impacts of Covid-19, Tearfund continues to work with faith leaders and the local church to recover from the global pandemic and 'build back better'. We integrate resilience strengthening and disaster risk reduction within our response and recovery work. This means people are better able to anticipate, adapt to, absorb and recover from the effects of both natural and manmade disasters.

What makes us different

Our real strength lies in the long-established relationships we have with local churches and Christian networks around the world. These relationships and networks enabled us to respond to the Covid-19 pandemic in more than 40 countries this year. It is the strength of these bonds that allows us to support long-term recovery and to help communities build resilience for future disasters and crises.

'I will bless her with abundant provisions; her poor I will satisfy with food'

Psalm 132:15

This year, we're celebrating:

2,479,200

people reached through our emergency response, including:

1,378,200

reached through our Covid-19 response

203,400

reached through our emergency response programmes in South Sudan

30,000

people who received cash, food and hygiene kits in the troubled Tigray region of Ethiopia

A member of the Disaster Management Committee in a village near Nawalparasi, Nepal where UMN, Tearfund's partner, supports schools to create safe evacuation plans
Photo: Chris Haskins/Tearfund

Our year

These are the key objectives we set ourselves last year, with examples of how we met them.

1. Continue to respond to new and ongoing emergencies, with our new regional humanitarian network of staff enabling a more localised response

In a global crisis unprecedented in recent history, our Covid-19 response extended to almost every country where Tearfund works, thanks to our supporters and our partners. We worked closely with local churches and partners to spread public health information and guidance, and provide practical support including hygiene kits, handwashing stations, food and livelihoods support. We also harnessed funding for this through our Tap Twinning appeal, as well as from the Disasters Emergency Committee Covid-19 appeal which specifically supported our work in Afghanistan, Bangladesh, the Democratic Republic of Congo (DRC), South Sudan and Yemen. Through funding from the Start Network, we provided rapid assistance in Burundi, Zimbabwe, Mozambique, South Sudan and Indonesia, as well as public health messaging, hygiene kits and cash assistance in high-risk areas of Afghanistan, Ethiopia and Nigeria.

In parallel, we have provided continued support to protracted humanitarian crises in South Sudan, DRC, and Venezuelan refugees in Colombia (alongside Tearfund Netherlands in all three countries, and Tearfund Canada in South Sudan and Colombia). We have also responded to new crises such as the Beirut explosion in August 2020.

Tearfund's regional humanitarian staff have played a key role in responding to localised emergencies and supporting in-country teams and our partners. Collaboration between humanitarian colleagues in different regions has enabled peer-to-peer learning and experience-sharing, as well as mentoring and accompaniment.

2. Work with church transformation specialists to update existing church mobilisation resources by integrating disaster management

Covid-19 provided an unprecedented opportunity for faith leaders and local churches to respond directly to emergency needs. The church has been instrumental in reaching the most vulnerable and continues to respond to the pandemic, including through mobilising community resources, coordinating distributions, providing psychosocial support, reaching out to people in isolation and launching mass-awareness campaigns around key health messaging. Local faith leaders have been pivotal in countering misinformation and promoting positive health messages around transmission and prevention, thanks to the respect and trust they hold.

We have also continued to work with local churches to integrate disaster preparedness into existing church-based approaches, with a particular focus on being adaptive and contextual. For example, in Zimbabwe this has meant using indigenous practices within farming; in Haiti churches are collecting data on vulnerable groups to ensure their inclusion in essential services; and in Indonesia the focus has been on working in partnership with the wider community. All this builds resilience, ensuring that people have secure livelihoods, the most vulnerable are included and communities are working together to make the best of local knowledge and opportunities – building strong foundations in readiness for any future disaster.

3. Roll out our capacity strengthening programme to at least nine further countries, and review it after year two, to improve the process and to assess our partners' ability to respond effectively

The Disaster Management Capacity Assessment programme, which has been running since 2019, aims to strengthen partners working in humanitarian preparedness and response. The pandemic has delayed us starting the programme in certain countries and in delivering many planned capacity-sharing opportunities. Currently the programme is operating in six countries and is set to roll out in Haiti and four of our Asia cluster countries next year, subject to travel restrictions. Despite this year's challenges, much has still been achieved through new ways of working remotely and online training delivery: ten partners across West Africa were trained in monitoring and evaluation systems for emergencies, for example.

We have seen the benefits of shared learning and knowledge through the outworking of our partners' Covid-19 responses. The humanitarian crisis in Burkina Faso has meant our partners there have put into practice our training in areas such as developing proposals and reporting back to government donors, as well as devising humanitarian strategies and emergency preparedness plans; a partner whom we trained in cash programming and delivery also made good use of this training this year. In Nigeria, partners drew on previous training in accountability to make improvements in how they selected communities to work with and to introduce innovations such as complaints points where people could give feedback.

The power of the network

Lockdown restrictions brought real hardship for Pastor Nzumba Kampungu and his congregation in Katindo parish in the Democratic Republic of Congo (DRC).

Many of the 476 members of the Free Methodist Community Church found themselves without work or barely scraping a living from cross-border trade. Any who had savings exhausted them quickly.

When the church was allowed to re-open, there were other challenges: access to fresh, clean water was difficult and the church did not have the means to provide hygiene products such as soap, to help prevent the spread of Covid-19. They bought some handwashing materials – but not enough to cater for everyone in this large church.

However, the local Community Development Office put Pastor Nzumba in contact with the Tearfund office in the DRC, knowing they would be able to help. In partnership with the Anglican Church of Congo, Diocese of Goma, Tearfund was able to provide Pastor Nzumba and his church with proper handwashing facilities. Not only that, they also gave them training on how to raise awareness and influence people's behaviour to reduce the risk of Covid-19 transmission.

Through our partner, more than 45 churches in the area received similar support, as did three mosques and 11 schools. The church's involvement as a trusted source of information meant people were more open to receive public health guidance. 'I thank the Anglican Church and Tearfund for empowering us to fight against the spread of Covid-19,' says Pastor Nzumba.

This year

£28.5m

spent meeting emergency needs

In 2020/21, we spent a total of £28.5m (2019/20 £33.4m) on meeting emergency needs and supporting those such as the community in Katindo.

What we learnt

The church is most effective when it's involved in every stage of an emergency response: from initial design to mobilising volunteers; from distributing goods to supporting people's well-being. We must continue to support and strengthen the local church through contextually appropriate resources and approaches. To this end, Tearfund and partner humanitarian specialists are working with churches and communities to identify the gaps the pandemic has highlighted.

We know we can go further

A global review we commissioned highlighted the difficulties our in-country teams had in planning against uncertain or piecemeal allocation of funding and the uncertain scale of the unfolding emergency.

Going forward, we will strengthen our preparedness at country level through improved analysis of the impact of an emergency, and allocate funding to countries in clearly defined amounts, allowing them to plan more effectively.

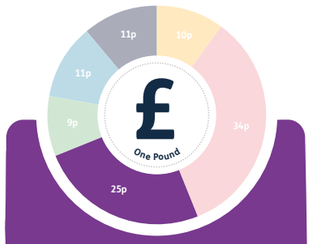
Going forward in 2021/22, we aim to:

1. work alongside church leaders and denominations in West Africa, developing contextually relevant actions to help them prepare for disasters and reduce disasters' impact
2. support the rollout of the Disaster Management Capacity Assessment programme in Haiti and four countries in Asia, and review findings from the same programme in West Africa
3. strengthen our regional staff and the guidance they receive, to help them respond to new complex emergencies, building on lessons learnt from Covid-19

Pastor Nzumba washing his hands at the new handwashing station
Photo: Edouard Saidi/Tearfund

We want to see communities transformed

Experiences tells us that our impact will be deeper and longer-lasting when we work through the local church and organisations rooted in the community. These partnerships have proven powerful and agile in adjusting to local need, addressing root causes of poverty and ensuring inclusion so everyone has the greatest chance of reaching their God-given potential.



25p

in every pound goes to transforming communities

No person, no place on this planet, is excluded from God's love: his restoration plan is for the whole of humanity and the whole of creation. We know he is there in situations where people who were already vulnerable or struggling with conflict or unrest have been hit hard by Covid-19, further jeopardising their health and their livelihoods. We know he is a friend and ally to those who are most vulnerable to the economic impacts of the pandemic, and to those worst affected by the climate emergency. We remain committed to following him to these places and serving alongside him.

Where we can, we work through local churches – challenging and equipping them for community-led change. We help them address the immediate issues, but in ways that can contribute to lasting change and whole-life transformation. Our experience this year has reinforced our belief that the church can play a key role in bringing reconciliation and peace to troubled places, even as it addresses the immediate challenges people face.

What makes us different

The local churches and organisations which we partner with know we are committed to them for the long term. It is important that we flex and adjust to address immediate needs and pressures, but many of the issues communities face will only be resolved through sustained hard work, often over years. So the focus of our partnerships is long-term change that will release people from vicious cycles of poverty for good.

'All the believers were one in heart and mind. No one claimed that any of their possessions was their own, but they shared everything they had'

Acts 4:32

This year, we're celebrating:

1,417,000

people reached through community development, including:

316

peacebuilding champions mobilised this year across five conflict-affected countries, bringing our total of peacebuilding champions to 666.

9,800

community volunteers trained to lead nearly 18,000 communities through transformative processes

135

denominations and church networks mobilised to scale up CCT with their own resources

Sara lives in Iraq, where she has received support from Tearfund's partner to help deal with the loss of her father
Photo: Ruth Towell/Tearfund

Our year

These are the key objectives we set ourselves last year, with examples of how we met them.

1. In five countries, combine all elements of our fragile states framework into our programmes, to test if greater impact can be had on root causes of fragility and conflict

This year, the number of countries that are intentionally combining different aspects of our fragile states approach has risen from three to ten. In Burundi, for example, our programmes with survivors of sexual and gender-based violence (SGBV) have incorporated work to transform harmful gender norms (including 5,000 community dialogues), improve food security and livelihoods, and enhance peacebuilding skills. New SGBV survivor groups have more than 1,000 members, while 41 new peacebuilding champions run regular peace clubs. Young people are now working across political divides to address underlying issues of poverty.

In Burkina Faso, Iraq and Nigeria, we have worked with Christian and Muslim faith leaders and local communities to combine peacebuilding, enhancing food security, inclusion, SGBV programmes, conflict resolution, and youth and women's empowerment. The fruit of this work includes a reduction in intimate partner violence and new inter-faith, cross-community sports clubs for young people. In Nigeria, churches and mosques have worked together to support the most vulnerable during the pandemic.

Recognising that elections are often times of real tension, Tearfund mobilised 555 faith leaders in Burundi, 50 church leaders in Ivory Coast, and 200 church leaders and seminary students in Brazil to promote peace to both government officials and communities. Joint messaging and advocacy by Protestant, Catholic and Muslim senior leaders in Burundi, which had not been seen for years, contributed to making the 2020 elections some of the most peaceful in recent times.

2. Start Environmental and Economic Sustainability (EES) pilot projects in at least two new countries, creating 'green jobs' and bringing protection and restoration to the local environment

This year, despite the pandemic, our partner LAMB started a new waste management project in north-east Bangladesh, as part of our EES work. They delivered more than 120 training courses on waste management to 1,499 adults and 850 school students. As a result, participants started to separate their organic and non-organic waste, for collection through services established via the project. In addition, young people formed Green Clubs, to promote good waste management and take action to protect the environment. We also started working with a new partner in Uganda called EcoBrixs whose work involves waste collection and recycling plastics into marketable products. EcoBrixs recycles 30 tons of plastic waste each year and employs 40 staff, of whom half are living with disabilities. The project provides an income for 3,000 local people who are paid by weight for the plastics they gather.

We have also secured funds from the Norwegian government to start a project in Yola, north-east Nigeria. Over the next three years, a social enterprise will be set up to recycle 377 tonnes of plastic and provide an income for 3,000 households. The goal is to improve livelihoods for young people in vulnerable riverbank communities, and to pilot a set of guiding principles for partnership between the informal waste sector and private companies.

3. Continue to build our pool of Church and Community Transformation (CCT) trainers across the world with strong links to their communities, who can work closely with churches, local leaders and communities to apply transformational CCT process

With Covid-19 restrictions, country teams had to shift to using digital technology and other means to train and support facilitators – with considerable success. In Bolivia, the CCT facilitator initiated WhatsApp prayer and Bible study groups, regularly reaching 500 people, and an app was developed to share training resources. In Nepal, the core Bible studies from their CCT process were distributed to ten denominations and a Bible training centre ahead of lockdown. These resources were then shared with congregations via screenshots and people held weekly online gatherings to discuss their application. Similarly, in West Africa, just before lockdown, facilitators quickly distributed hard copies of their Bible studies and activities for families to use at home. New Bible studies were also written to help people reflect on issues arising from the pandemic. In Malawi, our partner Eagles created an online training programme to train facilitators in the whole CCT process. Some 150 people have enrolled to date.

CCT-trained churches worldwide have stepped up significantly in responding to the pandemic, providing practical support as well as speaking up for communities. In Tanzania, for example, when the government started to bury at night those who had died of Covid-19, much to their families' distress, the bishops of our CCT partners successfully lobbied for this practice to end.

Light and life to all

Not long ago, Mervis and her husband, Sydney, watched much of their income going up in flames, literally.

They had to buy candles to allow their children to do schoolwork at home in the evening, because their community, Mufuchani in northern Zambia, is not connected to the national power grid. Much of what they earnt through their smallholding went on candles and charging their phones.

In 2018, Partners for Life Advancement and Education Promotion (PLAEP), the Chibuluma Baptist Church, and the Prison Fellowship of Zambia launched a solar energy project with Tearfund's support. The aim of the 'Light my Church, Light my Village' project was to promote the uptake of renewable solar energy and end dependence on candles.

Mervis belongs to a PLAEP-supported savings group, which gave credit to its members to help them pay for small home solar systems. Through this project, Mervis and Sydney bought a system which provided them with three large lights and two phone-charging ports.

Over the past nine months, the couple have saved enough to buy materials to build a run where they intend to keep broiler chickens for sale.

'Thanks to the solar lights, the children's school performance has improved,' says Mervis. 'Once fully charged, the lights can work for more than eight hours and this enables the kids to study after a long day at school.'

To date, the project has provided solar systems to 289 homes in Copperbelt province.

This year

£21.5m

spent on transforming communities

In 2020/21, we spent a total of £21.5m (2019/20 £20m) on transforming communities through projects such as 'Light my Church, Light my Village'.

What we learnt

We have learnt to adjust to Covid-19 restrictions using online meeting platforms and social messaging services, digital tools and telephones. But we also recognise that the commitment of passionate, motivated individuals at local level was key to this success. We will draw lessons about what can be done remotely and effectively, and also focus on supporting local champions for those things that cannot be done virtually.

We know we can go further

We want to do more to enable and equip young people to engage in peacebuilding, recognising the significant relationship between youth and drivers of conflict and fragility.

We want to focus more on economic resilience in our EES work, especially in post-pandemic recovery.

We plan to be more strategic in how we engage with denominations in order to achieve significant scale-up of CCT.

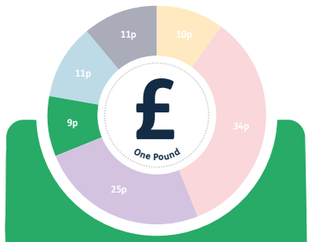
Going forward in 2021/22, we aim to:

1. scale up our EES work in Nigeria (recycling), Yemen (solar power), Mozambique (environmental livelihoods) and across Latin American and the Caribbean (creation care and livelihoods)
2. support others to help build relationships between communities in conflict and across social divides in ten countries
3. mobilise 1,200 new church volunteers and train them to lead transformative processes in their communities

Mervis' child completing his homework in the evening after school, thanks to the solar-powered light
Photo: Jerome Mulambya/Tearfund

We want to see society changed

We want to see systems and policies change so that they tackle poverty and injustice and ensure that the whole of creation is protected. We hold decision-makers to account on these issues, and call on them to create political space for reform. We partner with local churches, national partners and international organisations to amplify the call for change.



9p

in every pound goes to helping change society

We're passionate about seeing the needs and opinions of the world's most vulnerable people brought to the table, so that decision-makers hear and act upon them. So we equip and support communities to make their case. We use advocacy and influence – with the church, government and the private sector – to bring poverty and injustice to light and to demand change. We influence decision-makers directly and help our partners to do the same.

In parallel, we inspire Christians in the UK and globally to campaign, pray and live out the change they want to see more widely. Renew Our World, the international advocacy movement we helped establish, now has expressions in 20 countries and counting, contributing to national and global action.

This year, we launched our *Reboot* campaign, to engage Christians and church leaders to ask the UK Government for a green and fair recovery from the pandemic, consistent with international climate obligations. This has led to faith leaders calling for international debt cancellation. We also encouraged and equipped churches in at least 25 countries to call on governments to meet the needs of communities worst affected by the pandemic in a green and fair way. This resulted in policy wins in countries such as Brazil, Malawi, Nigeria and the Democratic Republic of Congo.

What makes us different

We leverage the church's long reach and influence to ensure that the voices of more vulnerable communities are heard at local, national and international levels, amplifying them through our networks and advocacy movements. By working through local churches rooted in communities, we ensure that changes in policy and systems translate into change at community level.

Through Bin Twinning partnering with EcoBrixs, plastic waste is being collected to be turned into bricks in Uganda, promoting recycling whilst also providing employment opportunities
Photo: Richard Tilney-Bassett/Tearfund

This year, we're celebrating:

49

policies and practices changed to the benefit of people in poverty

285,500

campaign actions taken globally

20,000

people participating in our online training and mobilising events

+45 million

as the potential readership* of our *Rubbish Campaign* report, *The Burning Question*

***based on media coverage achieved**

Our year

These are the key objectives we set ourselves last year, with examples of how we met them.

1. Influence policymakers at UN climate talks, rescheduled for 2021, to address the climate emergency; inspire and equip Christians to pray and act on climate change and plastic waste

COP26, the UN climate talks to be held in Glasgow in November 2020, were postponed for a year due to the pandemic. As a result, we pivoted our advocacy on the climate emergency to focus on a green and fair recovery. We launched the *Reboot* campaign with: a *Restoring Societies* paper; a *World Rebooted* resource for church leaders; and campaign actions for supporters, including a weekly prayer update with 1,700 subscribers.

In January 2021, we launched The Climate Emergency Toolkit in collaboration with ten other organisations, church leaders and activists, to help churches advocate on climate change ahead of COP26. Research we conducted with Youthscape Centre for Research highlighted Christian young people's attitudes to faith, church and climate, which we used to push churches for greater climate action.

Our partnership with The Climate Coalition in the UK helped secure several notable campaign wins. These included the UK Government accelerating the phase-out of petrol and diesel cars and committing to stop supporting fossil fuels overseas. Together, we also organised the world's first online climate lobby involving more than 15,000 people and more than 280 MPs. Following our groundbreaking report *The Burning Question*, on the links between plastic pollution and climate change, Nestlé announced it had cut its plastic footprint by ten per cent.

2. Contribute towards an international movement for change, supporting movement-building in strategic countries and contributing thought leadership on a restorative economy

An important part of our global movement-building work has been supporting youth leadership and activism. Working with others, we've supported young leaders in eight countries through training, mentoring, convening and providing a platform for their voices to be heard. We also developed an evaluation tool that helps movement-builders to measure and understand the movements they are engaged in, and to plan for growth and impact. The tool is now used in at least nine countries and we are sharing it with other practitioners globally as part of our thought leadership.

Following our training in Brazil, young activists started a petition against mining on indigenous lands. It attracted more than 63,000 signatures, and held policymakers to account on various environmental policies, including protecting the Camboatá forest in Rio.

Also with Tearfund support, young activists from seven African countries developed and shared policy points with the chair of the African Union, Cyril Ramaphosa, ahead of the African Union Summit in December. In Nigeria, Christian youth organisation Yola Renewal Foundation took Muslim youth through Tearfund's Live Justly course, which combines a focus on peacebuilding with environmental and economic sustainability work. Meanwhile, our partner Jos Green Centre engaged hundreds of youth online in post-Covid-19 strategy discussions around green jobs, gaining coverage in local media.

3. Further catalyse local and regional efforts to uphold the rights of migrants and build on our pioneering church-led campaign in Latin America

Together with 64 partner organisations from across the region, we continued our church-led campaign, *As Born Among Us*, to support the eight million migrants and refugees in Latin America. The campaign, which now spans 12 countries, has mobilised 300 local churches to respond to the needs of migrants and refugees and advocate for their rights, including in relation to their legal status, their access to health care and access to support relating to Covid-19. For example, 55 faith leaders advocated at regional and national level for new laws and practices to protect migrants and meet their needs. Tearfund has gained recognition in the region as a thought leader and reliable partner on the issue, and recently convened 33 churches to share best practice in caring for migrants.

In light of Covid-19, we had to cancel our planned regional conference on 'Church and migration'. Instead, we delivered a very successful online Global Theological Forum on this theme. This brought together 81 strategic thinkers and young theologians from 38 countries to discuss migration and the church's response. As a result of this forum, church and theological partners in Central America are planning to replicate the *As Born Among Us* campaign in their region and in the US.

When foreigners become neighbours

Millions of Venezuelans have been forced to abandon their homeland due to political and economic turmoil and an ongoing humanitarian crisis. Most have stayed within the Latin American region but many have faced discrimination, racism and closed borders.

The *As Born Among Us* campaign takes its name from Leviticus 19:33–34 where God calls for foreigners to be treated as if they are 'native-born'. It calls on the church to respond to migrants in a spirit of acceptance, inclusion, welcome and love, and uses social media to connect and influence.

Tearfund's joint work with faith communities, government authorities and civil society has meant migrants have received coordinated practical assistance, in the form of deliveries of food and household essentials, as well as emotional and spiritual support. An innovative and free app provides: information on their legal rights in each country; a directory for humanitarian and comprehensive support; and spiritual encouragement including Bible reflections.

For families facing the 'double emergency' of displacement and Covid, the support has been life-changing. Equally dramatic has been the change in attitudes towards migrants, including within the church. 'I want to thank the campaign... for bringing us an important teaching, that each of us are equal... sons and daughters of the same God and part of the same family,' says Pastor Débora Fahur from Sao Paulo, Brazil.

As Born Among Us has also contributed to policy change. Advocacy by coalitions of churches and migrant organisations led to more than 24,000 stateless children being given Colombian nationality, for example.

What we learnt

We've had to learn to adapt rapidly and shift the focus and delivery of our advocacy during the pandemic while remaining true to our vision and ethos. We saw that giving partners and allies freedom to work within their own communities enabled us to pivot swiftly in our emergency response. We learnt, as during the Ebola epidemic, that timely engagement of local faith leaders can influence public policy powerfully.

We know we can go further

We need to do even more to advocate for governments to prioritise the needs of the most vulnerable in their response to the pandemic.

Inspired by the Black Lives Matter movement, we need to make stronger connections in our advocacy between racism, global poverty and environmental damage, and to amplify more powerfully the voices of people of colour.

This year

£8.2m

spent on changing society

In 2020/21, we spent a total of £8.2m (2019/20 £9m) on changing society and supporting campaigns such as the *As Born Among Us* campaign.

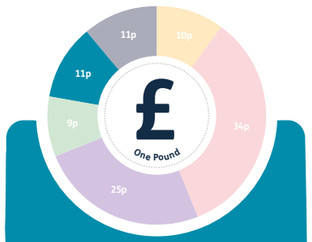
Going forward in 2021/22, we aim to:

1. influence the UK and other governments to significantly scale up and deliver on their climate change commitments, especially through the G7 and UN climate negotiations in 2021
2. call for a green and fair recovery to the pandemic, for the key role of local faith actors to be recognised, and for equitable vaccine distribution; and support our partners and allies to do the same
3. mobilise regional networks and movements to advocate and influence decision-makers on environmental and justice issues

Food baskets are delivered to migrant families in the city of Cartagena, Colombia
Photo: Edrei Cueto/Tearfund

Our supporters give generously

Our supporters are at the heart of who we are as an organisation and central to all we are able to do. It is a key priority for us to build and nurture relationship with them, and connect them with the communities God is transforming through their partnership, generosity and prayers.



11p

in every pound is invested in fundraising

We are so thankful for the commitment and passion of our wonderful supporters who are integral to all we achieve, in Jesus' name. Despite the difficult circumstances of this year, supporters have generously shared their resources in so many different ways: praying, giving regularly, pledging legacies, responding to financial appeals, promoting Tearfund's work in their churches and workplaces, fundraising, campaigning and changing their lifestyles to improve the lives of those in the communities we serve.

The relationship we have with our supporters is two-way. We want to honour them by listening, learning and communicating regularly with them. We actively seek their feedback, on our website and in our emails, and we will liaise with people individually following complaints or regular giving cancellations. We collate supporter feedback each month and circulate it widely across the organisation, including to the Executive team and Board.

We try to ensure that every conversation and communication we have with supporters underlines just how vital they are to our work: we are passionate about helping them see the difference their gifts and prayers make. And we want our supporters to understand the power they have as campaigners to create change in their own lives and in society. We also recognise and value the trust that supporters have in Tearfund. So we endeavour always to be accountable and transparent, by stewarding supporters' gifts diligently, monitoring our impact and reviewing our costs and spending regularly.

What makes us different

Our faith is integral to our identity and how we respond to others, including our supporters. We see our supporters as our family in Christ, partners in our mission, fellow travellers. We work hard to ensure that every aspect of our fundraising and our spending expresses our Christian values of integrity, accountability and gratitude.

This year, we're celebrating:

£81.4m

raised to transform lives around the world

£284,891

raised through the *Big Quiz Night* in which 462 churches participated

146,326

views of our online events, such as *Tearfund Live* and *Tearfund Carols*

toilet twinning.org

10,071

taps twinned since our *Tap Twinning* appeal launched on 20 March 2020

A young fundraiser and her family took *The Climb* outdoors, using their daily exercise in May 2020 to walk, bike and run up and down their local hills, with a combined target of 29,029ft – the height of Everest

Photo provided by Tearfund supporters

Our year

These are the key objectives we set ourselves last year, with examples of how we met them.

1. Introduce our latest campaign to supporters, highlighting our work in the Middle East and our corporate priority of fragile states

We had planned to launch our *Home* campaign focusing on refugees in the Middle East, and our work in fragile states, in April 2020. However, we took the decision to delay until September, following lockdowns in the UK.

The launch's delay gave us extra time to tailor the way we communicated the theme to reflect concerns and circumstances arising from the pandemic, underscoring where Covid-19 had impacted our work.

A coordinated launch in September 2020 saw the first-ever *Tear Times* takeover, with the whole magazine devoted to the Middle East. This sat alongside a Harvest appeal featuring Lebanon and a campaign to recruit new supporters featuring Iraq. Both *Tear Times* and the Harvest appeal were very successful and we learnt valuable lessons about recruiting new supporters during lockdown.

2. Invest in digital communications and fundraising to capitalise on the growth of online fundraising and to introduce Tearfund to new and younger audiences

We treated Covid-19 as an incentive to accelerate our investment in digital fundraising. We adapted several existing products, such as *Big Quiz Night*, so they could be run online and we launched new digital-only fundraising campaigns, including *The Climb* and *21 for 21*.

As face-to-face events were not possible, we switched to hosting online events to engage with our supporters, which led to many generous gifts and new regular givers.

We also reflected on how we can communicate Tearfund's brand and the transformational impact of our work more effectively to supporters and new audiences. We invested in a new website, to improve our supporters' online experience, with a particular focus on accessibility. This investment will help us improve our online fundraising and personalise communications more effectively in future.

3. Review and update our strategy for engaging with churches in the UK to build stronger, mutually supportive relationships

Teams in Global Advocacy & Influencing and Global Fundraising worked together to develop a new UK Church Engagement Strategy to ensure we present Tearfund clearly and consistently to all UK churches.

We are passionate in our aim to equip churches and individuals to act justly, pray boldly, give generously and live well on this earth. In particular, we want to increase Tearfund's presence in growing church networks, Black Majority Churches, and with younger audiences.

We know that, even before the pandemic, the UK church was facing significant pressures including declining numbers and stretched finances. When lockdown restrictions forced churches to close this year, the UK church landscape changed dramatically. We recognise that it is vital that Tearfund adjusts in response through digital innovation and new initiatives that better serve and support church leaders.

Our fundraising practices

Maintaining a close relationship of trust and respect with our supporters remains our priority.

We continue to be registered with the Fundraising Regulator. There are no failures to report against its practices or standards this year. We carefully review and monitor our fundraising activity and how we treat the information we hold about our supporters. We are especially aware of responding appropriately to any supporters who may be vulnerable, and we provide clear and regular training on this for all supporter-facing staff.

We record all complaints received and report them quarterly to our Executive team and the Board's Global Fundraising and Communications Committee. In 2020/21, we received 502 complaints about our fundraising, which represented 0.25 per cent of all enquiries we received this year. These were all managed and resolved internally. We define a complaint as any instance where an expectation has not been met, however unreasonable, or where something reflects poorly on Tearfund, whether we're responsible for it or not. No complaints were made to the Fundraising Regulator.

Our fundraising is carried out by centrally employed UK-based staff. The exception to this is our contract with Kingsley Management Consulting to run Toilet Twinning. We hold regular governance meetings with them to review plans, budget, forecasting and strategy.

Digital connections broaden young people's horizons

As churches closed during lockdowns, screens became our main source of community. The Youth and Emerging Generation (YEG) team saw an opportunity to use digital platforms to gather and mobilise young people and young adults – and seized it.

As we pivoted to online events and programmes, we saw instant success with the creation of Emerging Influencers. This is a six-week online programme that connects 17- to 23-year-olds, develops their theological understanding of justice, and encourages them to make a difference. Lockdowns may have shrunk our worlds but we introduced young people to theologians, leaders and practitioners from around the globe: Ecuador, Haiti, USA and South Africa, to name but a few.

Throughout, the YEG team mentored and encouraged the group to make a tangible difference. In the last year, Emerging Influencers have raised £185,000 for Tearfund, prayed passionately for an end to poverty and made lifestyle changes that positively impact the climate crisis.

The programme has had a deep impact on participants. One said, 'To know that there are others like me who love the Lord and want to make a greater change in our world has been so encouraging.'

The team is now running the programme for a fifth time, with more planned for later in 2021.

'It has been a privilege to be a catalyst for youth engagement over the last year, and to remind young people that they have a meaningful part to play in Jesus' global story of restoration,' says Dot Tyler, Head of Youth and Emerging Generation Team.

What we learnt

Covid-19 has taught us the importance of being agile as our plans were seriously disrupted by restrictions on church services and the cancellation of festivals such as *Big Church Day Out*. We learnt to adapt quickly, for example providing an online version of *Big Quiz Night* and running new online events such as *Tearfund Live* and *Tearfund Carols*.

We know we can go further

We are acutely aware that our supporters do not represent the whole UK church. We need to become more diverse. Over the coming year, we will continue to prioritise engaging with a wider group of churches and supporters.

We know that we need to build on the success of our week-long prayer event, *Declaration*, featuring dynamic worship leaders and speakers of colour.

Going forward in 2021/22, we aim to:

1. implement plans to engage a broader range of churches in the UK
2. launch a campaign enabling supporters to help those affected by climate change and highlight the church's vital role in this
3. continue to respond in agile ways to the changing fundraising environment through the use of digital and online activities

Participants of the Emerging Influencers programme on a video call
Photo: Emma Borquaye/Tearfund

Great supporter stories

Pounding the pavement brings fresh perspective

Ola took on our fundraising challenge, *The Walk*, because he was moved after learning about the arduous treks people such as Orbisa in Ethiopia take every day to find water.

He set himself a target of walking five miles a day – and recruited his ten-week-old son to join him, albeit in his buggy. Together, father and son raised almost £500 for our work.

'It was a bit of a challenge to walk at night after work,' Ola says. 'But it gives me that head space I need and looking at nature gives me a completely different thing to focus on.'

Climate activists lobby MPs online

In June our supporters joined others from The Climate Coalition in the first-ever virtual mass lobby of parliament, calling on MPs to push for a green and fair recovery to the pandemic.

Dr David Golding had met his MP, Sir Alan Campbell, at a Tearfund reception in 2018 (pictured). This time they met online – but the meeting was just as powerful. David says, 'We had a brilliant meeting and our MP promised to bring our proposals to the attention of the Prime Minister. What sticks in my memory is sixth-former Anna's closing plea, "I ask you not to let my generation down!"'

Creative cake-making and compassion for Yemen

Phoebe may be little but she's made a huge impact, thanks to her creativity in the kitchen.

The four-year-old decided she wanted to raise money for our Yemen appeal, the world's worst humanitarian crisis this year.

So she busied herself in the kitchen, with a bit of help from Mum, and produced delicious brownies which she then sold and posted to friends.

In total, she sold 184 packs of her cakes and raised an amazing £1,981.

Making the best of lockdown to twin bins and loos

Graham, who's 81, decided to make the most of his enforced isolation during lockdown by taking on a sporty fundraising challenge.

Graham set himself the target of climbing his stairs 500 times to support the Democratic Republic of Congo, an 'often forgotten' country close to his heart.

He split the £270 he raised in sponsorship between *Toilet Twinning* and *Bin Twinning*, a new fundraising campaign we launched in September to support waste-management and recycling projects overseas.

Big-hearted Doris shares her big birthday

Doris's 100th birthday coincided with lockdown but she decided to celebrate her big day by sharing it with some of the world's poorest people.

Instead of asking for gifts for herself, Doris invited family and friends to donate to Tearfund. And, despite not being able to have a party, she raised a staggering £1,136.

Photos provided by Tearfund supporters

Featured event: Declaration

This January, we held a week-long schedule of prayer, teaching and worship events, online and on Christian TV channel TBN. We would like to thank the following for helping make this event a reality:

Rev Yemi Adedeji
Chisom Akurienne
James Aladiran
Jordan Amadi-Myers
Celia Apeagyei-Collins
Michael Ayo
Samuel Bella
Mark Beswick
Pastor ChiChi Bismark
Pastor Yvonne Brooks
Minister Nicky Brown
Rev Leondre Douglas
Pastor Bruce Dyer
Shemara Fletcher
Becca Folkes
Bishop John Francis
Elder Juanita Francis
Rev Roshard Gibbons
Karen Gibson MBE
Pastor Susan Graham
Pete Greig
Bishop Delroy Hall
Lord Michael Hastings
Pastor Agu Irukwu
Pastor Les Isaac OBE
Krish Kandiah
Rev Betty King
Jenny Lee
Angie Le Mar
Bishop Wayne Malcolm
Minister Leoné Martin
William McDowell
Rev Dr Otis Moss III
Pastor Peter Nembhard
Jason Nicholson-Porter
Oliver Nyumbu
Sarah Ogunji
Abbiih Oloyede
Pastor Jonathan Oloyede
Sarah Onduko
Apostle Jacqueline Peart
Dr Garrett Pennant
Claudine Reid MBE
Rev Sharlette Reid
Pastor Leke Sanusi
Pastor Bryan Scott
Rev David Shosanya
Emmanuel Smith
Naomi Sterling
Selina Stone
Samuel Titi-Lartey
Archbishop Justin Welby
Pastor Michael White

Live worship being filmed at the TBN studio
Photo: TBN UK

Stakeholder engagement

Trustee Directors are required to explain how they consider the interests of key stakeholders and the broader matters set out in Section 172 of the Companies Act 2006 in promoting the success of the company for the achievement of its charitable purposes. In order to assist Trustee Directors with these duties, all papers submitted to the Board identify the areas of S172 to which they relate. This statement focuses on matters of strategic importance and the level of information disclosed in this statement is consistent with the size and complexity of the business.

General confirmation of Trustee Directors' duties

Tearfund's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Pages 34–38 explain the roles and responsibilities of the five Committees and highlight some of their principal areas of involvement and decisions taken during 2020/21. When making decisions, each Trustee Director ensures that they act in good faith to best promote the company's success for the achievement of its charitable purposes, and in doing so will have regard (among other matters) to:

S172(1) (a) 'The likely consequences of any decision in the long term'
Tackling deep-rooted challenges needs long-term vision and commitment. In reaffirming the three core areas of our work, namely Church and Community Transformation (CCT), Fragile States, and Environmental and Economic Sustainability (EES), the Board ensures Tearfund has a clear strategic focus (see page 7). Each of these corporate priorities has detailed three-year plans and the Board receives regular reports on their progress and challenges.

In September 2020 the Board considered whether the impacts of the Covid pandemic required Tearfund to make adjustments to any of these long-term plans and priorities, specifically in relation to CCT. While the effect of lockdowns had been to disrupt and delay many of our planned activities, including training and mobilising events across the globe, it was exciting to see the many creative ways that communities and partners were able to adapt, notably by shifting to virtual interactions. Churches which were just beginning their CCT journey saw more clearly that they had a role to play that went well beyond the spiritual support to the communities around them. Moreover, we experienced a strong demand for Tearfund information and resources from churches where we had no previous connection or relationship. We concluded that CCT has been shown to be a very valuable method to prepare the church for protecting communities during the pandemic and for caring for the most vulnerable during this time. It will be key for us to work on how we help the church to translate the short-term Covid-focused interest into long-term transformational change. We built on these decisions in the Business Plan (approved in March 2021) when we specifically sought to apply the learnings from the pandemic to each of the corporate priorities.

S172(1) (b) 'The interests of the company's employees'
The Board recognises that Tearfund employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are located in the world. The annual staff survey is one of the Board's principal tools to measure employee engagement, motivation and commitment to Tearfund, with a consistently high response rate. It enables the Board to understand how we are learning from survey findings to strengthen Tearfund culture and values, and informs decision-making from pay and benefits to health, safety and wellbeing. During the pandemic we have supported staff to work remotely and carried out more frequent surveys to ensure that the impacts on wellbeing are understood and risks mitigated where possible.

We have reported previously that Tearfund was in transition to becoming a much more global organisation, with the geographic cluster model anchoring our work more clearly in-region. During 2020/21 this trend accelerated as virtual working, enforced by Covid lockdowns, ensured that all global participants in meetings were present on the same basis as everyone else, a hugely positive development.

S172(1) (c) 'The need to foster the company's business relationships with suppliers, customers and others'
Tearfund's key business relationships are with: churches and other partners; the communities with whom we work; our suppliers; and our donors and supporters. This is not an exhaustive list – other key stakeholders include Tearfund family members and the Charity Commission. Our engagement with these stakeholders is referenced within this report.

In order to deliver our mission and strategy, and to create impact at scale, we need to work with others. We will continue to work in our traditional way through in-country partners, and at the same time build our capacity to work through partnerships, alliances, networks and movements, both Christian and secular. We will continue to position Tearfund as a thought leader in faith and development through these relationships.

There is growing recognition of the role of youth in acting, engaging, leading and being agents of change on climate, environmental and sustainability issues. We have therefore decided to increase our focus on youth engagement, leadership and action, particularly in our EES work.

The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on pages 24–29. We are strengthening relationships with our suppliers by entering into framework agreements and clear contractual terms and conditions. We will continue to roll out our global procurement system over the coming year, giving greatly enhanced visibility over our supply chain. The Board receives regular updates on stakeholder engagement, ranging from aspects of our corporate priorities work to supporter surveys which underlie our global fundraising strategy.

S172(1) (d) 'The impact of the company's operations on the community and the environment'
In the Business Plan approved by the Board in March 2021, we explain how we are increasingly seeing overlaps and interconnections between the corporate priorities. It would not be unusual to see an EES project taking place in a fragile state using CCT methodology, or for communities to understand their environmental and economic responsibilities and opportunities as a consequence of our work on root causes in fragile states. Transformation of communities is reaffirmed as one of the main outcomes we want to see, with the poorest communities resilient to shocks and stresses, working for peace and unity, and contributing to better futures for themselves and others (see pages 16–19).

Our EES work happens at community, national and global levels, as we build movements of people to pursue a world which brings together the aims of meeting basic needs, living within environmental limits and non-acceptance of inequality. Our advocacy efforts are focused on waste, climate, and environment and many of these have been effective in getting through to those global policy and decision makers who can influence significant change. We are continuing to develop the reporting of our own environmental performance (see page 46).

S172(1) (e) 'The desirability of the company maintaining a reputation for high standards of business conduct'
It is crucial that Tearfund maintains its reputation for high standards of conduct, not least because local churches around the world are affected by our work and reputation. Reputation is one of the six areas of impact that we use to evaluate all corporate risks, to ensure it informs all key decision-making. In September 2020 the Board discussed the results of a review by the Internal Audit team into Tearfund's compliance with the Charity Governance Code. The review concluded that the majority of the recommended practices set out in the Code are in place, while recommendations for further improvements included a continuing focus on evaluation of the charity's impact; the nature and frequency for review of feedback received from the communities we serve; and confirmation of the format for an annual review of Board effectiveness.

Last year we reported on the development of a strategic dashboard to track our top-level key performance indicators (KPIs) and qualitative data and to monitor how well we are outworking our strategy. In the Business Plan approved by the Board in March 2021, we set out the details of these KPIs. They are designed to demonstrate progress in meeting the outcomes we want to see – churches mobilised, emergency needs met, communities transformed and society changed – as well as to measure our operational, organisational and financial health. The KPIs include both quantitative and qualitative measures of impact; staff survey results; carbon emissions; and key income and expenditure data.

S172(1) (f) 'The need to act fairly as between members of the company'
is not relevant to Tearfund's organisational structure, as the charity is run in the interests of its charitable objects rather than in the interests of its members. Nevertheless we meet and engage with our members at Tearfund's Annual General Meeting.

Structure, governance and management

**Tearfund is a registered charity in England and Wales and in Scotland.
It is also a registered company limited by guarantee in England and Wales.
It is governed by a memorandum and articles of association.**

Organisation

The Board of Trustee Directors holds formal, all-day meetings four times a year, as well as other ad hoc meetings and events. The Board is ultimately responsible for strategic decisions, having taken advice from the Chief Executive and Executive team. Trustee Directors are appointed by the Members at the Annual General Meeting. The Trustee Directors may also appoint a Trustee Director to serve until the next Annual General Meeting, at which time they cease to hold office but are eligible for election. The procedures for appointment and induction of Trustee Directors are set out in the Tearfund Board manual.

Trustee Directors' recruitment is undertaken by the Board in consultation with the Chief Executive and Executive team. An induction programme is run for new Trustee Directors which will include visiting overseas programmes to gain a wider appreciation of Tearfund's work when Covid restrictions allow.

In March 2019, the Board carried out a re-evaluation of the skills and experience required to be present in the Trustee Directors. Where key gaps were identified, these have now been filled.

The current composition of the Board of Trustee Directors is set out on pages 48–49. Trustee Directors are appointed for three years and serve a maximum of three terms unless exceptional circumstances apply. As permitted by the Articles of Association, the Trustee Directors have the benefit of a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and remains in force. The company also purchases Directors' and Officers' liability insurance in respect of itself and its Trustee Directors. Trustee Directors receive no remuneration for acting in this capacity. Details of Board committees are set out on pages 34–38.

During 2020/21, a review was undertaken of the governance practices and arrangements of the Board compared to the Charity Governance Code. The review found that most of the recommended practices in the Code are in place. Where recommendations for improvements were made, the Board agreed an action plan to address them. The actions which have not already been completed will be addressed during 2021/22.

The Board has delegated approval for day-to-day operational decisions up to certain financial thresholds to the Chief Executive and other Executive team members under a Scheme of Delegation to enable them to coordinate and direct Tearfund's work worldwide. All decisions above these thresholds must be approved by the Board. The Board has also reserved to itself certain important decisions, such as major initiatives, appointment of the senior executives and approval of the long-term objectives and strategy.

Members

The Members constitute the ultimate authority within Tearfund's governance structure. They are appointed at the invitation of the Trustee Directors, with a focus on people who have a longstanding association with Tearfund and who care deeply for its mission and ministry. They are entitled to attend all general meetings, including the Annual General Meeting (AGM). They receive the Annual Report and financial statements, elect or re-elect Trustee Directors, appoint auditors and fix the remuneration of the auditors. Regular contact is maintained with Members through quarterly communications and informal contact with the management and Trustee Directors.

Employees

The work of Tearfund overseas and in the UK relies on the commitment and hard work of its valued staff. Communication links are maintained through team briefings and other internal channels such as specific communications on particular matters of concern and weekly 'In Touch' emails to all staff. Tearfund holds regular meetings with a staff representation body (the Staff Council) to consider and act on the views and concerns of employees, and to consult on relevant issues. We are in the process of piloting a Staff Council in Southern and East Africa and aim to establish Staff Councils in each of our other five clusters.

We also hold regular information-sharing and question-and-answer sessions throughout the year with the CEO and executive directors to ensure that employees have the opportunity to hear about and ask questions on matters affecting them. The CEO and other directors frequently engage with staff, sharing information about the work of Tearfund and about operational, financial and other factors impacting our work. When reaching key decisions, the directors are always careful to consider employee interests and the impact that their decisions will have on our staff and the communities we serve.

Volunteers

The financial statements do not reflect the considerable and vital support given to Tearfund by more than 1,750 volunteers in the UK, and countless more overseas. Their help is at the heart of Tearfund's work: they bring life to the organisation and help it to operate effectively. The many roles they undertake include encouraging prayer, campaigning, acting within their local churches and communities, enthusing others, engaging with local media and championing lifestyle changes. We celebrate the enormous contribution made by so many of our volunteers in organising or participating in fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund's approach and the Board is very grateful for their commitment and contribution.

Internal control and risk management

The Trustee Directors have overall responsibility for Tearfund's system of internal control. Such a system can provide only reasonable, and not absolute, assurance against errors or frauds. There is a clear delegation of the Trustee Directors' authority through the Chief Executive to the rest of the organisation.

The Audit, Risk and Finance Committee, which meets four times a year, receives reports from the Head of Internal Audit, whose team works in accordance with an agreed plan based on an assessment of areas of greatest risk. The external auditor meets with the Committee twice a year.

Tearfund operates a comprehensive, rolling, three-year planning and budgeting process with an annual budget approved by the Board of Trustee Directors. Significant changes are subject to specific approval. A full re-forecast of the expected results is undertaken midway through the year, with additional forecasts prepared as required. The financial reporting systems provide monthly comparison of actual results against budget and forecast.

In 2019/20, the Trustee Directors approved a new Risk Management Policy for Tearfund that committed the organisation to implementing an organisation-wide risk management system, including comprehensive policy measures regarding roles and responsibilities, processes and culture. During 2020/21, key measures implemented were:

- Board approval of a corporate Risk Appetite Statement to guide staff and management on the types and amounts of risk Tearfund is willing to take in pursuit of its vision, mission and objectives. This has been shared with staff via facilitated workshops on how the statement can guide decisions and changes to processes in each part of the organisation.
- Annual objectives for most roles now include responsibilities for risk management.
- Risk registers are being implemented over three years across all directorates, regional offices, and most country programmes. Ten were completed this year; fifteen more are planned for next year.

Tearfund maintains a comprehensive register which identifies the major strategic and operational corporate-level risks and how they are being managed. The top ten are shown on page 44–45. The key risks are reviewed quarterly by the Executive team and by the Audit Risk and Finance Committee, who report key considerations to the Board. A full review by the Board is held as part of the annual three-year planning process. The Trustee Directors are satisfied that systems are in place to monitor, manage and mitigate Tearfund's exposure to major risks. They consider that maintaining Tearfund's general reserves within the range stated on page 50, and reviewing internal controls and risks through an internal audit programme will provide Tearfund with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of Tearfund's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity.

Fraud is prevalent in many of the countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential frauds or other irregularities are required to be reported to the finance director, who chairs the Financial Wrongdoing Review team and maintains a register of the irregularities, actions taken and results. This register is reviewed regularly by the Audit, Risk and Finance Committee. Serious frauds are reported to the Charity Commission, including all frauds with a potential financial impact of £20,000 or more. Tearfund employs a full-time investigations and safeguarding manager to advise and coordinate prevention and response to fraud and other types of wrongdoing. Our approach to safeguarding is set out in detail on pages 40–41.

Remuneration

Tearfund's pay policy seeks to balance our Christian values with the ability to attract and retain the best people in our sector. We do this by market reviews of our salary scales every two to three years. We draw data from a number of charity sector-specific pay surveys, including Birches Group, Croner Reward and XpertHR. We are also members of a sector pay club. For the countries in which we operate, benchmark data is obtained for each country. In the UK this data is based on the following criteria:

- location
- organisations with an income of between £40 million and £75 million
- organisations of between 200 and 499 employees
- median pay levels

Our latest full benchmarking exercise was completed in 2019. Under our current pay policy we aim to pay staff working outside the UK at the mid-point of market benchmark data. For staff working in the UK, we aim to pay between the 37.5th percentile and mid-point of the market benchmark data.

We take inflation into account by considering yearly increases based on available finances, consultation with the Staff Council and a survey of similar organisations in the sector. Tearfund's Executive team is in the top grade of the UK salary structure. The Board sets the salary for the chief executive. Details regarding employees with emoluments above £60,000 can be found on page 67.

Health and safety

Tearfund has a Health and Safety Policy in place in respect of both UK and international operations, and the Board reviews Tearfund's performance annually. A Health, Safety and Wellbeing Risk Register is maintained and reviewed every six months by a management committee.

Tearfund Scotland

We are required by the Office of the Scottish Charity Regulator to report separately upon the activities that Tearfund has undertaken in Scotland. These activities are led by a team based in Tearfund's Glasgow office. We receive funding from the Scottish government and Scottish trusts. We raise funds from individuals and other organisations throughout Scotland, and raise other support including campaigning and prayer support. Tearfund does not have grantmaking activity in Scotland.

Safeguarding Committee

Tearfund is deeply committed to protecting and safeguarding everyone who comes into contact with our work, in whatever capacity – whether they are our partners or representatives, our staff or supporters or, most importantly, the communities which we serve.

The role of the Safeguarding Committee is to provide Board oversight of how Tearfund's safeguarding culture develops, how cases are handled and how learning is embedded.

Our committee is made up of three trustees and members of Tearfund's Safeguarding Review team. We support the Board in overseeing how Tearfund's safeguarding policies and procedures are developed and implemented. An important aspect of our work is reviewing all reported safeguarding incidents across Tearfund globally and its partners: monitoring how investigations are managed, providing support and advice, identifying and mitigating risks, and reviewing learning and outcomes.

We scrutinise incidents, investigations and their outcomes, to ensure that we capture learning before cases are closed. We review cases on a quarterly basis but our committee chair and members also liaise with the Safeguarding Review team on an ad hoc basis, when required.

This year, the committee has overseen significant improvements in Tearfund's practices around safer recruitment. We now undertake comprehensive international criminal record checks on all potential employees. Moreover, we also committed to collaborating with other international NGOs to prevent abusers moving between different agencies, by joining the Misconduct Disclosure Scheme in October 2020 (see Our Commitment to Safeguarding on page 40).

The committee continued to scrutinise the ongoing embedding of safeguarding risk assessments throughout Tearfund's work. The safety and wellbeing of staff is of the utmost importance to us: to this end, we have a protocol to ensure that we provide the best possible support to any Tearfund staff or representative if they were to experience sexual assault or violence.

While we have made good progress over the last few years in strengthening policy, process and practice around safeguarding, we are far from complacent. A particular challenge arising during the Covid-19 pandemic has been a reduction in reporting of safeguarding cases, and the committee supported efforts to continue to encourage Tearfund staff and partners to report any concerns. The committee also reflected on learning points from the Parliamentary Select Committee on International Development's report on sexual exploitation and abuse in the aid sector (see Our Commitment to Safeguarding on page 40).

We continue to build an organisational culture in which there is zero tolerance of abuse and exploitation and where the needs of survivors are given the highest priority.

Fadi lost his leg during the Iraq conflict and now lives in a temporary camp
Photo: Ruth Towell/Tearfund

Theology Committee

Tearfund seeks to be an organisation that follows Jesus where the need is greatest. It cares passionately that its work should be shaped by the Bible and serve as a signpost to the kingdom of God, enabling people to 'live life to the full' as God intended.

The Theology Committee serves to ensure that Tearfund's response to injustice and poverty reflects God's heart. Our role as a committee is to help the organisation gain an ever-deeper understanding of what it means to play a part in God's plan to redeem and restore the world. Put simply, we exist to help Tearfund stay 'on track' with its biblical mandate. During the course of the year, the Theology Committee addressed the following issues:

Environmental and Economic Sustainability (EES): We continued to refine Tearfund's ongoing theological research to strengthen this corporate priority. The committee affirmed Tearfund's approach to this research. The research team actively consulted and engaged with leading thinkers, theologians and practitioners around the world, particularly those in the countries in which Tearfund works. As a result, Tearfund's emerging and developing EES theology is richer and more robust, with a strong theological foundation. It will continue to shape Tearfund's work in this area and influence wider theological thinking on related topics such as wealth creation and job creation.

Diversity and inclusion: The committee provided theological input on Tearfund's pursuit in these vital areas. Together, we explored how our faith speaks to Tearfund's commitment to nurture diversity and inclusion through our ministry among people in need, engagement with donors, churches and staff culture. It is our hope that these strong faith-foundations rooted in the word of God will enable Tearfund to be more inclusive in practical and meaningful ways.

Prosperity gospel: In some contexts where Tearfund works, this particular theology is influential and has been identified as an obstacle to Tearfund's efforts to reach out to people living in poverty, through integral mission. We reflected on prosperity gospel theology from the perspective of Tearfund's theological understanding of poverty, and explored how to equip and resource Tearfund staff to engage well with such beliefs in these contexts.

Inspired Individuals: We reviewed the theological underpinning developed for this wonderful and important aspect of Tearfund's work with key influencers and changemakers. We explored what the Bible has to say about developing leaders to be kingdom catalysts in their local context.

Overarching all these individual focuses, we continued to explore what it means to be a Christian relief and development agency moulded by its faith, and transforming our world today.

Aksa lives in rural Tanzania, where a lack of rain had led to ongoing drought and failing harvests. She has now been introduced to a highly effective form of conservation farming through a Tearfund-supported initiative
Photo: Tom Price/Tearfund

Global Fundraising and Communications Committee

Tearfund's Global Advocacy and Influencing Group and our Global Fundraising Group are focused on inspiring, informing and helping supporters to live generously, following our ever-generous God.

The Global Fundraising and Communications Committee seeks to support, pray for and bring challenge into the work of these teams.

Tearfund is continuously looking to improve the ways we engage with our supporters. This was the first year of a new three-year strategy to grow a global community of supporters who want to enter into a whole-life response to poverty through prayer, giving, campaigning or volunteering in whatever capacity they can.

Throughout the year, our committee regularly reviewed activities and performance against this plan. We played an oversight role, bringing our expertise to envision, encourage and balance risk. We encouraged the teams always to trust our faithful God and we were continually amazed at their determination, innovation and agility, even in an increasingly challenging external environment.

Some of the things which we focused particularly on this year were:

New brand proposition: The launch of our new brand proposition 'Poverty is not God's plan. You are' has been hugely successful. It is underpinned by a desire to clearly communicate our Christian distinctiveness and bring consistency to our communications.

The wider church family: We have begun work on improving our engagement and support in the wider UK church family. As we seek to partner with more UK churches in the coming years, we have been listening to friends in churches across the country, as we plan together to tackle poverty and injustice.

A switch to digital campaigning while maintaining a relational approach to fundraising: The team has embraced the opportunities of digital campaigning with successful campaigns and events. We have also significantly enhanced our online and website capabilities this year. However, given our relational approach, it has been equally important for us to reach out to our supporters on the phone and by post. Both these channels have seen increasing engagement.

The worldwide Tearfund family: We continue to oversee investments Tearfund makes in Tearfund family organisations around the world, as well as the risks and challenges associated with sharing a global brand. The Tearfund family is a global network of 11 Christian relief and development agencies. There are independent, national Tearfund agencies in the UK, Ireland, Belgium, France, Germany, the Netherlands, Switzerland, Canada, the USA, Australia and New Zealand. It is a family with a common set of values and shared ways of working, united by God's call to reduce poverty and injustice in the world.

Tearfund's fundraising and communications work is not without risk, particularly amid the challenges presented by Covid-19. We seek to balance this risk in a way that enables innovation and inspires our supporters, always remaining faithful to the core belief that ours is a ministry that invites all Christians to engage in God's kingdom purposes – today and in the future.

Noha stands on the roof of her home in Lebanon
Photo: Ruth Towell/Tearfund

International Impact Committee

Our purpose is to ensure a regular review of Tearfund's corporate outcomes with a particular focus on the effectiveness, impact, distinctiveness and sustainability of the work being undertaken.

This matters because we always want to challenge ourselves to be learning and improving how we work, and ensuring we are focusing our efforts where we can achieve the best outcomes.

Over the last year, unsurprisingly, we have had sessions at every meeting to explore and understand how we have reacted to the pandemic, rapidly reshaping our portfolio of work with our partners to meet these new needs and make them locally relevant. We have learnt, again, the power and scope of our local church and community partnerships to reach the most vulnerable.

We have also begun to ensure that we focus on supporting recovery from the pandemic, which will certainly require a long-term commitment and focus. Tearfund's distinctiveness in working with and through the local church is so powerful here: the church was there before Covid-19 struck, has been alongside communities throughout it, and will be there long after other agencies move on, staying put to heal the trauma and build sustainable recovery.

There have been other, more routine areas of the committee's work too:

Catalyst: We have tracked how our catalytic model of working is maturing in some countries where churches are ready to operate more independently. This model helps mobilise the local church, NGOs and influencers to use their own local skills, knowledge and resources to bring about change. Instead of traditional partner funding, we spend our budgets on work to envision, equip, enable, organise and influence the church and others to address issues of poverty and injustice. This requires a patient and enabling mindset more akin to movement-building, and brings new challenges of measurement and evaluation.

Church and Community Transformation (CCT) scale-up: We have reviewed how our more established rural CCT work can be scaled up at country and denominational level. We have also considered how it can be adapted to fast-growth urban contexts – so vital in many African countries dominated by young and predominantly urban population centres.

Refocused advocacy: We have seen how our environmental advocacy work has been reshaped to reflect the postponement of the COP26 climate conference – and encouraged our teams to seize the opportunity to campaign for a greener economic recovery from the pandemic.

Fragile states: We have reviewed the lessons drawn from a strategic review of our peacebuilding work in fragile states after three years of experience and pilot studies, and have been delighted to see a distinctive niche opening up for our work in these difficult areas.

Risk appetite: Drawing on the expertise and wide experience of committee members, we have supported the Board to shape Tearfund's risk appetite statements and ensure these are workable in diverse programmatic and geographic contexts.

Safety first: Importantly, we have continued to monitor the safety and security of our staff and partners overseas.

Mann Bahadur Gaha Magar is chairperson of the agricultural committee in a Nepalese village and is in charge of the maintenance of the irrigation channel
Photo: Chris Hoskins/Tearfund

Audit, Risk and Finance Committee

Tearfund seeks to make best use of the resources it has been blessed with and also recognises the paramount importance of showing supporters and wider stakeholders it is stewarding these resources well.

Against that background, our role as the Audit, Risk and Finance Committee remains to promote and ensure good governance, sound financial management, and disciplined risk taking, working closely with Tearfund management.

We have continued to address the four key priorities that we described last year: financial management, risk management, internal control and the IT systems programme. Highlights in relation to two of them include:

Financial management: The Covid-19 pandemic has required an increased focus on financial management, particularly given that the financial position at the start of the year meant that general reserves were below the Reserves Policy level. Early uncertainty around expected income, and increased challenges for us and our partners in the delivery of our programmes around the world, have been central to our discussions. The Board agreed a revised budget for 2020/21 in May 2020. During the year, we regularly reviewed financial performance and forecasts, and were encouraged by income holding up well and by the strengthening of the general reserves position. We have also reviewed and recommended to the Board:

- cash flow projections, to support Tearfund's position as a 'going concern', including recommending the establishment of a credit facility, secured on Tearfund's main office
- a revised Reserves Policy (see page 60) that takes account of the changed context and risk profile
- the proposed budget for 2021/22, confirming the appropriate application and delivery of the Reserves Policy

Risk management: Tearfund continued developing a set of statements to articulate the Board's appetite for risk. These statements were approved by the Board in December 2020 (see pages 44–45 for more details).

The importance of taking appropriate risks to achieve our purpose has heightened during the past year. A key part of the committee's role remains helping the organisation get the balance right. To do this, we rely on the valuable contribution from our trustee and non-trustee members who collectively have considerable experience of governance, risk management, internal control, financial management, legal affairs and information technology.

Farid plays football in Lebanon at a training session organised by Tearfund's partner Play for Peace, which brings together children from all backgrounds and teaches them about forgiveness, reconciliation and non-violence
Photo: Ruth Towell/Tearfund

Quality Standards

Tearfund has established a set of corporate Quality Standards in support of our vision and the delivery of our strategy. These are in keeping with the organisational characteristics we aspire to and which summarise all of the relevant external and internal accountabilities, quality standards, codes, guidelines and principles to which we are committed.

Behaviours
We expect the highest behaviour standards across all of our work. We stand against all forms of exploitation, abuse, fraud, bribery and any other conduct that is incompatible with our values. We strive to transfer power to the people we serve, and to transform our own, our partners' and communities' attitudes and practices on inclusion, conflict sensitivity, accountability, gender and learning.

Impartiality and targeting
We are committed to impartiality, providing assistance to the most vulnerable people without regard for race, religion, ethnicity, ability, age, gender, sexuality or nationality. We target our work on the basis of need alone, while remaining sensitive to underlying causes of local tensions, and proactively work to support those who would otherwise be marginalised or excluded, in particular children, elderly people and those living with disability.

Accountability
We are committed to ensuring that all our work is based upon effective communication with, participation by and feedback from the communities we serve. It is important that all interventions are transparent and based upon continuous learning. We also hold ourselves accountable to our partners, donors, supporters and colleagues, and to all those with whom we relate and interact.

Gender
In all our programmes we actively seek to challenge gender inequality and harmful beliefs and practices, and work towards gender justice. We are committed to progressing gender equality and the restoration of relationships between men and women, boys and girls, and ensuring their equal value, participation and decision-making in all aspects of life.

Empowerment
We are committed to community-led and participatory approaches to development and humanitarian response for sustainable impact that is based on root cause analysis. We encourage participation from all members of a community, and strive to support the people we work with to have agency in processes that affect their lives, ranging from local development activities through to local, national and regional advocacy.

Resilience
We are committed to helping people to understand, reduce and manage the risks they face, as well as to address the drivers of vulnerability. This includes supporting people and communities in developing resilient livelihoods, strengthening social cohesion, improving access to services, protecting environmental resources, reducing disaster risk and adapting to climate change.

Protection
We are committed to restoring relationships and building safe and secure communities. We seek to prioritise the protection of all – especially children and the most marginalised and vulnerable adults – from physical, social and psychological harm. We will take steps to assess risks, including drivers of local conflict, to avoid any adverse effects of our work that might expose people to danger or lead to abuse. We believe that community members are the best actors in their own protection, and will support their actions to stay safe, find security and restore dignity.

Technical quality
We are committed to the high technical quality of all of our work, and the work of partners, through meeting relevant national and international standards aligned with communities' own priorities. We will continuously learn to improve, and will identify and replicate good practice that is demonstrated to have relevant and positive impact.

Core Humanitarian STANDARD

As part of Tearfund's commitment to Quality Standards, we are pleased to have been awarded the Core Humanitarian Standard (CHS) since 2016.

The CHS provides assurance that Tearfund is following the highest standards within the sector to improve the quality, accountability and effectiveness of our response, and makes sure the people we serve are kept at the centre of all our work.

Our commitment to safeguarding

We are deeply committed to following Jesus' example in treating everyone with care and respect, and building a world where healthy relationships are restored and where violence, harassment and abuse are not tolerated.

It is of paramount importance to us that we safeguard and protect all our partners, representatives, staff, supporters and, above all, some of the world's most vulnerable people in the communities we serve.

Safeguarding policies and procedures

We have in place a robust suite of policies and procedures aimed at preventing abuse and harm. In line with the Charity Commission's expectations, we review and update our Safeguarding Policy annually. We also regularly revisit our Whistleblowing and Personal Conduct policies in accordance with our review schedule.

We are committed to training our staff, representatives and partners on safeguarding good practice. Each year all staff and Trustee Directors are required to complete our mandatory e-learning on safeguarding children and adults-at-risk. The training is updated annually to take into account learning from past incidents and emerging best practice in the sector. Our network of country, cluster and directorate 'safeguarding focal points' have received additional in-depth training during 2020/21. We have an ongoing programme to ensure that all partners with whom we work receive training and embed good safeguarding practice into their organisations. We continue to review safeguarding practice through our compliance and internal audit functions.

We seek to deploy safer recruitment practices in line with best practice in the sector: we carry out enhanced Disclosure and Barring Service (DBS) checks to ensure that all relevant staff and representatives are securely vetted and safely recruited to work with children and vulnerable adults. We have strengthened our pre-employment checks for non-UK citizens by procuring the services of a third-party provider, Sterling, to provide international criminal record checks.

We have also joined the sector's Misconduct Disclosure Scheme which enables participating agencies to ask for a detailed conduct statement for potential recruits in relation to sexual abuse or harassment misconduct in previous posts. We are committed to responding to such checks about former Tearfund employees.

We actively encourage our staff, representatives and members of communities in which we work to report safeguarding concerns and incidents when they occur, as well as to report any allegations of historic incidents they may become aware of. We have a number of mechanisms in place to ensure concerns and incidents can be safely reported, including a dedicated confidential safeguarding and whistleblowing email account and an independently administered 24/7 whistleblowing hotline, Safecall, with the option to report in more than 100 languages. These mechanisms are advertised through posters (displayed in our offices, our partners' offices and Tearfund projects), communication updates, training events and the 'Safeguarding and reporting concerns' page on our website. We have improved access to safeguarding-incident reporting for staff by including a link on our Corporate Hub.

We also recognise that members of communities we work with may not wish to use emails or phone lines to report incidents. We are committed to developing practices with our staff and partners to involve communities in the design of all feedback mechanisms and protective measures, as well as communicating the standards of behaviour they can expect. This work goes hand in hand with Tearfund's Quality Standards.

Tearfund received an external endorsement of the health of our safeguarding culture in the form of Keeping Children Safe Level 1 certification in 2020. In addition, our compliance with the Core Humanitarian Standard on Quality and Accountability (CHS) was independently certified by the Humanitarian Quality Assurance Initiative (HQAI) in August 2020.

We note the findings of the Parliamentary Select Committee on International Development's progress report on sexual abuse and exploitation in the aid sector, which was published in January 2021. We highlight our commitment to key points raised in that report: community awareness of the standards of behaviour they should expect, ensuring that reporting mechanisms work well at community level, strengthening investigation capacity (particularly with partners), supporting survivors, and increasing the representation of women and ethnic minorities in leadership positions.

Supporting survivors

We take a 'survivor-centred' approach to safeguarding and will work sensitively with the survivor to ensure that, whenever possible, their wellbeing and interests are prioritised. We continue to review our processes of support to ensure we follow best practice in the sector. Our internal safeguarding training courses emphasise to all staff the importance of placing the needs and wishes of the survivor at the heart of our response to incidents. Whenever possible and if they are willing, we will seek feedback from survivors in relation to how they have been treated in order to improve how we respond to incidents and support those involved.

Handling complaints and concerns

In accordance with our case management process, all safeguarding complaints and concerns are reviewed initially by our Investigations and Safeguarding Manager and then by the full Safeguarding Review team. This team is formed of key senior staff from across the organisation. Our Board Safeguarding Committee also provides invaluable oversight, advice and scrutiny of safeguarding cases (see page 34).

The number of cases received during this year is less than the previous year. The Covid-19 pandemic has impacted communities' access to Tearfund staff and our partners, and we believe this is the underlying reason for the reduced reporting rates. To try and address this issue we have communicated with staff and partners, reminding them of the importance of reporting and the key safeguarding issues to be aware of. When travel is possible we will engage in face-to-face conversations with communities to highlight what constitutes unacceptable behaviour and to encourage reporting.

Assessment of safeguarding risks

We continue to improve and strengthen our approach to assessing our projects, programmes, activities and events for potential safeguarding risks, and develop appropriate measures to mitigate them. We continue to implement a standardised risk assessment framework which helps staff and partners carry out risk assessments in a methodical and consistent way.

Tearfund has developed a Safeguarding Risk Appetite Statement which allows us to categorise risk in a measured and consistent manner. The categorisation of risk guides our policy, process and practice. Safeguarding risk is also included in our Corporate Risk Register.

During the year, the pandemic has required us to move to online events to engage with our supporters. We have developed an online events safeguarding risk assessment tool to ensure that everyone involved in these events can participate safely and enjoy the online experience.

2020/21 Review of cases

We work in more than 50 countries through 227 partners and have reached 2.4 million people through our response to disasters and 1.4 million people through our community development work this financial year. In this period, we received 16 cases through our safeguarding channels. We investigated and closed 19 cases which included seven cases carried forward from 2019/20 and one case from 2018/19; five cases remain open investigations at the year end. Of the 24 cases dealt with during the year:

- four cases involved Tearfund members of staff or representatives
- eight cases involved staff or representatives of Tearfund's partners
- seven cases were safeguarding incidents in the community in which Tearfund or our partners were working, but not involving Tearfund or its partner staff or representatives. Although we did not have direct control over or responsibility for these incidents, we sought to influence the wider community to provide support and protection for those people affected
- five cases reviewed were not classified as safeguarding allegations. These cases were referred on to the relevant teams internally to review and respond appropriately

Child safeguarding

Four of the 24 cases investigated related to the safeguarding of a child and involved either a Tearfund member of staff or representative, or a member of partner staff. Two cases involved the sexual abuse of a child by a member of partner staff. We worked with the partners to improve their policies and practice. Both of the cases have been closed. In all substantiated cases the perpetrators were dealt with appropriately by Tearfund, the partner and/or local authorities. The needs of the survivors were prioritised and appropriate support offered. Tearfund's partners were encouraged and supported to offer similar support to survivors. In addition, the alleged perpetrators were given the opportunity to ask for support during the investigation process.

Adult safeguarding

Eight of the 24 cases investigated this year related to the safeguarding of adults-at-risk and involved either a Tearfund member of staff or representative, or a member of partner staff. Three of the cases were investigated and closed; five cases remain ongoing. Of the three closed cases, two involved allegations of sexual abuse, exploitation and harassment by a member of partner staff towards another partner staff member. Tearfund followed up the cases with the partners and offered support as appropriate. The remaining closed case involved a member of the community and a member of partner staff. This case was investigated by the partner and appropriate action was taken against the staff member. We proactively encouraged and supported our partners to consider and meet the support needs of survivors.

Lessons learnt

We are committed to improving our safeguarding continually. In 2020/21 we implemented a number of actions to address safeguarding learning points we had identified. These included:

- developing a Terms of Reference for the Safeguarding Focal Point role and setting specific safeguarding objectives for them annually
- commissioning a theological resource for staff and partners, to assist in challenging harmful cultural practices which can lead to safeguarding incidents
- working with partners and communities to strengthen and develop feedback and reporting mechanisms at community level
- strengthening our advice, training and support to staff on how to respond to physical and sexual assaults, and how to stay safe when travelling

As an organisation we remain committed to being proactive in seeking learning from all reports received via our safeguarding channels. We will always follow up to ensure agreed actions are implemented and reviewed, and take all steps possible to make certain that those who come into contact with Tearfund are protected from harm.

Definitions

Child safeguarding
A child is anyone under the age of 18.

Adult safeguarding
We acknowledge that all beneficiaries may be 'at risk' due to the unequal power relationship between Tearfund or partner staff and volunteers and the vulnerable people we work with. Furthermore, Tearfund has identified that any adults who are in a relationship where there is unequal authority or power dynamics may be at risk of abuse.

Diversity and inclusion report

We want Tearfund to be a place where everyone feels welcome, respected, valued and treated fairly: where everyone feels they belong.

Our aim is to see everyone we work with flourishing, reaching their God-given potential and living life with dignity. We are committed to ensuring diversity and inclusion remain at the heart of Tearfund's work, both internally and externally.

The Board has taken steps to seek a more diverse range of candidates as they recruit new trustees, taking into account race and ethnicity, gender, age, disability and also socio-economic background. This includes the recruitment of a trustee from the majority world to the Theology Committee, and another to the International Impact Committee, and there are plans to recruit a trustee who is a leader within a Black Majority Church in the UK.

As part of its commitment to having the right mix of knowledge, skills and experience in order to be effective, the Board will be undertaking an updated skills and diversity assessment. The purpose is to identify any gaps, so they can be addressed in succession planning. Further diversity and inclusion training will be conducted with the Board during the coming financial year.

Recognising that we have more to do across all areas of diversity and inclusion, the Board made the timely decision to establish a Diversity and Inclusion Committee for an initial period of two years. Its aim is to create greater accountability structures and demonstrate an ongoing commitment to ensuring Tearfund is a diverse and inclusive organisation. The Chair is working with the Head of Diversity and Inclusion and the Global Recruitment Manager to examine Board recruitment processes to ensure they are free from bias and also support the recruitment and selection of more diverse Board members.

The Board continues to support the operational diversity and inclusion work taking place across the organisation. The Diversity and Inclusion Committee will be working with operational teams to set and oversee recruitment targets during the next financial year as we seek to improve diversity in our workforce as part of our commitment to creating an inclusive culture at Tearfund.

A watershed moment

2020 was a pivotal year in recognising the continuing impact of racial injustice across the world. Racism causes broken relationships, and broken relationships keep people trapped in cycles of poverty.

As an organisation, we have stood in solidarity with Black people and other people of colour who continue to experience discrimination and oppression because of their race and ethnicity. These are some of the practical steps we have taken this year:

- We have encouraged our supporters to go on this journey of inclusion with us, publishing our anti-racism guide that contains Bible studies, reflections and tips for taking action, as well as a list of further resources.
- Our 'Anti-racism statement', posted on social media and emailed to supporters, outlined what we are doing, and will do, in order to be an actively anti-racist organisation, including making commitments relating to more diverse recruitment.
- We recognised the impact that George Floyd's murder had on colleagues who are people of colour, as well as the impact of the reflections and debates that his death prompted. In response, we have curated spaces to support them, including listening circles, and offered them a day's leave as an opportunity to process experiences and emotions stemming from racism they have encountered personally.
- We have initiated an organisation-wide programme of education around racial injustice. This has taken the form of a series of dialogue spaces and the establishment of a book club which continues to run throughout 2021.

Alongside this, we have continued to work across human resources, staff and leadership development, theology, communications, advocacy and programming, reviewing our policies and practices as we pursue diversity and inclusion for everyone.

Disability inclusion

We are committed to equality, diversity and inclusion in the recruitment, training, promotion and career development of people living with a disability.

Recruitment
Tearfund's Recruitment and Equal Opportunities policies are reviewed regularly. They state that all candidates will be treated fairly, with dignity and respect.

- We take great care at all stages of the recruitment process to avoid unlawful discrimination and to ensure that equality of opportunity is an integral part of the process.
- Candidates disclose any disability at the application stage. However, to ensure full and fair consideration of their application, this information is only visible to the recruitment team and not to the line manager or other members of the interview panel. Recruiting managers and interview panel members will shortlist candidates based only on their aptitudes and abilities as demonstrated in the application form.
- The recruitment team ask all shortlisted candidates if they need any reasonable adjustments to be made for their interview, presentation and/or assessment (where applicable).
- Once an offer of employment is made, all successful candidates are required to have a medical assessment. Where appropriate, our occupational health provider makes recommendations for any reasonable adjustments that Tearfund then acts on.

Employment
Tearfund's current Equal Opportunities Policy states that it applies to all aspects of employment with us, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

The policy says that if people are living with a disability we encourage them to tell us about their condition so that we can consider what reasonable adjustments or support may be appropriate.

Tearfund aims to ensure that people with disabilities are given equal opportunity to obtain employment. In doing so, we will fully consider making reasonable adjustments to working practices, equipment and premises to ensure that a person living with a disability is not put at a substantial disadvantage due to their disability. Should staff become disabled in the course of their employment, every effort will be made through reasonable adjustment, retraining or redeployment to enable them to remain in the employment.

If a staff member or a candidate feels that they have been unfairly discriminated against, they may raise a complaint under Tearfund's Equal Opportunities Policy.

A member of the local community gathering fresh, clean water in Afar, north-east Ethiopia, where Tearfund are working with Friendship Support Association (FSA) to set up solar-powered wells that will provide clean water to local villages
Photo: Chris Hoskins/Tearfund

Risk management framework

The Trustee Directors have identified the most important potential risks and uncertainties that may seriously affect the performance, future prospects or reputation of Tearfund, and how they will be mitigated.

Identified risk	Mitigation
Christian distinctiveness: actual or perceived loss of our core Christian identity or ways of working	• distinctively Christian guiding documents: Vision, Mission, Values, Characteristics, Theory of Poverty, and Statement of Faith • priority given to working through local church partners wherever possible • brand guidelines for fundraising and supporter communications • prayer, worship and devotions central to working practice • appointment process for trustees, key staff and other representatives includes exploration of Christian identity • Board Theology Committee
Safety, security, health & wellbeing: loss of life, health, safety or wellbeing of staff, volunteers or others under our duty of care	• policies and procedures for Safety and Security, and for Health, Safety and wellbeing • security training for all international staff and those who travel • country Safety and Security Plans • emergency Response and Crisis Response Plans documented and tested • pastoral and wellbeing care structures; 'all staff' communications highlighting wellbeing; awareness and resources • dedicated Safety and Security team, and regional safety and security advisers • Board and management committees review risks and mitigations
Safeguarding: abuse or other harm of a child or adult-at-risk	• policies on Safeguarding, Personal Conduct, and Whistleblowing: regularly reviewed and communicated • mandatory annual staff training on safeguarding and whistleblowing • independent reporting hotline publicised to staff, partners and communities • safeguarding manager and network of trained safeguarding focal points • minimum standards for partner safeguarding policies • Board Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice • introducing safeguarding risk assessments on all partner projects and all areas of Tearfund operations • safer recruitment practices, including background checks, references and interview questions
Major programmes: failure to deliver on key outcomes of a high-profile donor-funded project	• programme Funding and Support team • programme Design Approval process • monthly reviews by region of progress made on donor-grant spending • finance manager and grants officer roles in all country offices that receive donor funding • partner capacity assessments are used to identify suitable partners to receive donor funding
Funding: large unexpected shortfall in unrestricted income, or unexpected cost	• reserves policy and position reviewed regularly • annual budget set to maintain adequate reserves to cover key risks to income and costs • management accounts reviewed monthly by Executive team and Board officers, and quarterly by Board • availability of £6m credit facility

Identified risk	Mitigation
Impact: not measuring or demonstrating impact in our work adequately	• Board International Impact Committee (see page 37) • dedicated Impact and Effectiveness team, and regional/country office roles • design, monitoring and evaluation system used for all projects and programmes • corporate and country strategy processes used to align work and outcomes with corporate priorities and impact objectives • annual business plan includes a section on impact and evidence • corporate scorecard reviewed quarterly by Executive team and Board
Sanctions and terrorism: our funds are used by a sanctioned party, or for the purposes of terrorism	• policy and procedure on Financial Sanctions, Anti-Money Laundering, and Anti-Terrorism • enhanced due diligence procedures for high terror-risk countries • partners are required to make their staff aware of risks of financing terrorism, and report incidents • partner capacity assessments cover policies and training on countering terrorism
IT security: inadequate cybersecurity and/or protection of personal data	• policies on Data Protection and Information Security • mandatory annual staff training on data protection and cybersecurity • real-time back-ups of all core systems held in secure off-site data centre, including cold storage of core databases • Data protection officer appointed and trained
Financial wrongdoing: corruption, fraud, bribery or conflict of interest involving our staff or partners	• policies on Fraud, Bribery, Corruption, and Conflicts of Interest • mandatory annual staff training on fraud awareness, anti-bribery and corruption, conflicts of interest, and whistleblowing • partner capacity assessments and plans for building up learning and knowledge cover policies and training on fraud and bribery, conflicts of interest, and whistleblowing • Financial Wrongdoing Review team coordinates response to all incidents; Executive team and Board Audit, Risk and Finance Committee review all cases before closure • monitoring of partner projects and financial reports, backed up by Tearfund audits
Environmental impact: our activities have negative environmental impacts, insufficient resilience to environmental change, or fail to achieve changes to environmental policies and practices	• Environmental and Economic Sustainability (EES) a corporate priority, with associated objectives and dedicated roles across the organisation • comprehensive new Environmental Policy, with dedicated project manager to support implementation • Walk the Talk group to champion environmental conduct consistent with our public stances on environmental care and justice • partner project proposal template includes aspects of environmental design and impact

Environmental performance report

The climate crisis is having a devastating impact around the world, causing ever more extreme and intense hazards.

We want to see people released from extreme poverty, and recognise that many are trapped because they live in places affected by environmental degradation and climate change.

Tackling climate change is therefore an essential part of our mission to see an end to extreme poverty. This is why Environmental and Economic Sustainability (EES) is one of our three corporate priorities – and why this year we've established projects that have a positive environmental impact in the areas of waste management, renewable energy and climate-smart agriculture. Integral to this focus is a commitment to improving our own environmental performance.

Our Environmental Policy commits us to reducing our greenhouse gas emissions across the following activities: transport, electricity, water, gas and paper. We have already taken many steps in recent years to improve our environmental performance and will continue to focus on ways we can make improvements across both our internal and external operations. This year, these steps have included:

- setting up an international group of environmental champions to improve environmental performance across our global operations
- making a new EES course compulsory for all new staff
- seeking to reduce our greenhouse gas emissions as much as possible and working towards absolute zero as technology and costs allow
- translating our Environmental Policy into French, Spanish and Portuguese

The past year has been a turbulent one. We have had to learn how to adapt to remote ways of working while maintaining business as usual. We have moved training, meetings, workshops and conferences online, some of which have come with logistical and connectivity challenges.

Emissions during this period have been significantly lower than previous years due to travel restrictions and office closures. The dramatic increase in homeworking globally means that some emissions such as electricity and gas have been relocated to employees' homes. The pandemic has provided an opportunity to review our practices and reconsider some of our activities, especially those related to air travel. We have learnt to adapt to more digital ways of working and will continue with some of these practices into the future.

One of our main challenges continues to be tracking our emissions and environmental impact across all the countries where we work, due to the sheer complexity of the task and needing to have systems in place to make this possible. We remain encouraged, though, by our staff's understanding and commitment to environmental matters.

Greenhouse gas emissions and energy use data for Tearfund UK

for the period of 1 April 2020 to 31 March 2021

We know that environmental issues are hitting people living in poverty the hardest, which is why environmental sustainability is not a new area for Tearfund. We have a long history of working on environmental issues where they impact on poor communities around the world.

We have followed the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (2019), and Government emission conversion factors for greenhouse gas company reporting (2020) to produce these figures relating to our carbon footprint in the UK:

	2020–21	2019–20
Energy consumption used to calculate emissions	**kWh**	**kWh**
Gas	60,000	75,000
Electricity	292,000	358,000
Transport fuel	5,000	3,000
Total	**357,000**	**436,000**

Emission sources	Tonnes of CO_2e	Tonnes of CO_2e
Combustion of gas (Scope 1)	11.0	17.3
Combustion of fuel for transport purposes (Scope 1)	0.1	1.1
Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	1.5	13.6
Purchased electricity (Scope 2 location-based)	72.4	99.3
Total gross based on above	**85.0**	**131.3**
Intensity ratio: tonnes of CO_2e per full-time equivalents	0.2	0.3

Energy efficiency action

Emissions during this period are lower than previous years due to the impact of the Covid-19 pandemic. Limited office access over this past year and travel restrictions have resulted in a decrease in office energy and fuel consumption. An error was identified in the gas calculation for 2019/20: it included both the net and gross CV (calorific value) amounts. This has now been amended to account for the gross CV amount only.

Trustee Directors, Committee Members, Other Members, Ambassadors and Executive team

Board of Trustee Directors

The Board of Trustee Directors is responsible for ultimate strategic decisions and is appointed by the Members at the Annual General Meeting (AGM). The Board of Trustee Directors who were in office during the year and up to the date of signing were:

Anna Laszlo[1] (Chair)

Philip Loney (Deputy Chair and Trustee Director until September 2020)

Stephanie Biden (Deputy Chair from October 2020)

Antony Barnes (from February 2021)

Jayakumar Christian (from September 2020)

Ian Curtis

John Davidson (also member of Tearfund USA Board)

Stephanie Heald (until September 2020)

Sally Jones-Evans

Rev Mark Melluish (until September 2020)

Rt Rev Harold Miller

Jean Paul Ndagijimana (from March 2021)

Rosemary Nuamah Williams

Harry Phinda

John Shaw (Treasurer)

David Wesson

Committee members

Details up to 31 March 2021. The Board recruits individuals with specific expertise to sit on sub-committees of the Board:

Audit, Risk and Finance Committee

John Shaw (Chair)

Antony Barnes (from February 2021)

Anna Beck (from February 2021)

Stephanie Biden

Steve Foster

Robert Hardy (from February 2021)

Joseph Kariuki (from February 2021)

Philip Loney (until September 2020)

Gordon McKechnie

Rosie Slater-Carr (from February 2021)

Michael Stewart (until September 2020)

Mark Thompson (until September 2020)

Diversity and Inclusion Committee

This committee was formed on 7 June 2021 and all members joined on this date.

Anna Laszlo (Chair)

Stephanie Biden

Harry Phinda

Global Fundraising and Communications Committee

David Wesson (Chair)

Hilary Croft

John Davidson

Stephanie Heald (until September 2020)

Rev Mark Melluish (until September 2020)

Harry Phinda

Simon Poole

International Impact Committee

Sally Jones-Evans (Chair)

Joanna de Berry (from May 2020)

Ian Curtis

Fi McLachlan

Jean Paul Ndagijimana (from March 2021)

Adam Taylor

Fletcher Tembo (from November 2020)

Rosemary Nuamah Williams

Safeguarding Committee

Stephanie Biden (Chair)

Ian Curtis

John Davidson

Rosemary Nuamah Williams (until September 2020)

Theology Committee

Jayakumar Christian (Chair from September 2020)

Stafford Carson

Rosalee Ewell

Jim Ingram

Rev Mark Melluish (until September 2020)

Rt Rev Harold Miller

Dr Elaine Storkey

Members of the Council

In addition to all of the Board of Trustee Directors, the following people are also Members of the Charity. The Members of the Charity are referred to as Members of the Council:

Mark Andrews

Robert Camp

Gary Carpenter

Steve Clifford

1 – Ex-officio on all Committees, except the Audit, Risk and Finance Committee

Dr Elizabeth Corrie

Graham Fairbairn

Paul German

Richard Gough

Kim Hurst

Anne de Leyser

Rev Iain Macaulay (until October 2020)

Fiona Major

Deepak Mahtani (passed away April 2020)

Clive Mather

Gordon McKechnie

Philip McMillan

Julia Ogilvy

Rt Rev Anthony Poggo

Michael Stewart

Mark Thompson

Rev Dr Chris Wright

National Advisory Committee members

Northern Ireland

Phillip McMillan (Chair)

Paul Coulter

Denise Hayward

Susie McCollough

Scotland

Rev Iain Macaulay (Chair until September 2020)

Carolyn Finlayson (Acting Chair from September 2020)

Richard Atkinson

Jill Brown (until March 2021)

Jenny Honey

Rev David McCarthy

Fiona Morrison

Ellyn Oliver

Wales

Mark Andrews (Chair)

Rev Simeon Baker

Andy Bull

Ambassadors

Rev Celia Apeagyei-Collins

Peter Chambers

Anne Coles

Rev John Coles

Martha Collison

Liz Earle

Rev Elfed Godding

Pete Greig

Tamsin Greig

Bear Grylls

Guvna B

David Gyasi

Lord Michael Hastings

Tom Herbert

Dr Krish Kandiah

Rev Siew-Huat Ong

Rob Parsons

Ruan Pienaar

Dame Caroline Spelman DBE

Rt Rev Ric Thorpe

Rt Hon Stephen Timms MP

Will Torrent

Executive team

The Board has delegated day-to-day operational decisions to the Executive team:

Nigel Harris
Chief Executive

Karen Brown
Director of People and Talent

Catriona Dejean
Director of Strategy and Impact

Nigel Gavin
Director of Finance and IT

Myles Harrison
International Director

Jane Pleace
Global Fundraising Director

Dr Ruth Valerio
Global Advocacy and Influencing Director

Independent auditors

BDO LLP
55 Baker Street, London W1U 7EU

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street, Birmingham B3 2ES

Bankers

Barclays Bank UK plc
1 Churchill Place, London E14 5HP

Registered office

100 Church Road, Teddington TW11 8QE

Photos: Chris Hoskins/Tearfund (Martha Collinson and Will Torrent), Will Boase/Tearfund (Liz Earle), Marc Gilgen/Tearfund (Krish Kandiah)

Financial review

Income and expenditure

Tearfund's total income for 2020/21 was £81.4m (2019/20: £85.1m), a very encouraging result considering the pandemic caused the cancellation of all face-to-face fundraising events during the year. This is a tribute both to the agility of our fundraising teams who switched rapidly to online events and programmes (see pages 24–29) as well as to the generosity of our supporters. It is all the more striking when we remember that 2019/20 income included a very generous donation from an individual supporter. Income from institutional grants (£26.1m) and legacies (£5.5m) were broadly unchanged compared to 2019/20, while emergency appeals income (excluding DEC funds) increased from £2.0m to £4.3m, mainly as a result of the appeal to fund our emergency response to the impacts of Covid-19 across the world.

The consolidated results include the operations of Tearfund Trading Limited (TTL), which is a wholly-owned subsidiary of Tearfund. The income generated from TTL is from a variety of sources including Toilet Twinning products and Christmas card sales.

Total expenditure decreased by 8.7% to £77.8m (2019/20: £85.2m) due to the effects of global lockdowns on programming activities and the implementation of cost reductions to mitigate potential income impacts arising from the economic consequences of the pandemic. This resulted in net income for the year of £3.6m, of which £2.1m represents a surplus on unrestricted funds. This includes a surplus on the general fund of £5.7m (offset by expenditure against the designated Strategic Priorities fund and depreciation of fixed assets).

Grants

A large part of Tearfund's work to address poverty is undertaken through making grants to partner organisations. Grants are made in the context of agreed country strategies. Project proposals received from partner organisations are subject to a formal approval process that includes a technical assessment of the project and a review of the organisation's capacity and compliance policies.

An agreed monitoring process is undertaken during the life cycle of all projects. In addition, financial evaluations are carried out on all large projects and on a sample of smaller projects. Details of grants made to the top 50 partner organisations are on our website at **www.tearfund.org/top50**

General funds

General funds are needed to:

- fund working capital
- allow flexibility to respond to unexpected opportunities and challenges
- provide a cushion against variations in income and expenditure, whether seasonal or driven by events
- provide contingency against unexpected costs
- provide contingency to respond to changes in Tearfund's operating environment
- fund strategic plans outside Tearfund's normal operations

The Board of Trustee Directors reviews the level of required general funds annually to ensure that an appropriate level is held. The review takes into account the main financial risks of our operating model and environment in respect of all income streams and categories of expenditure. The target range to cover these risks in addition to routine working capital is set at between £7.0m and £10.0m for 2021/22, a significant increase from the previous range of between £4.5m and £6.5m. The increase represents a deliberate strategy of strengthening our reserves as well as reflecting a more cautious approach to our organisational risk profile in light of the Covid-19 pandemic, particularly in relation to uncertainty around unrestricted income. Our reserves policy also includes a new provision, which we have not needed to use this year, that allows up to £3m of the value of the freehold office building (owned by Tearfund) to count towards the funding of reserves. This is considered appropriate, as Tearfund has access to additional liquidity by means of a £6m credit facility, secured against the building.

At the end of 2020/21 our general fund stands at £9.6m (2019/20: £3.9m), which is at the upper end of the target range. This is a stronger than expected position, attributable to the robustness of our unrestricted income streams and cost savings achieved during 2020/21, together with high donations and legacy income during the last quarter of the financial year. It will enable us to direct additional investment in 2021/22 towards our priority areas of Church and Community Transformation, Environmental and Economic Sustainability, and Fragile States, as well as responding to the global impacts of the pandemic and to other emergencies, such as the wide-ranging consequences of the volcanic eruption in the Democratic Republic of Congo.

The going concern note on page 60 gives further details.

Designated funds

Designated funds are part of the unrestricted funds which the Trustee Directors have earmarked for a particular use, without restricting or committing the funds legally. The Fixed Asset Fund represents the net book value of Tearfund's fixed assets, including the purchase of Toilet Twinning, to indicate that these resources are not available for other purposes. At the end of the year, the Fixed Asset Fund stood at £1.6m (2019/20: £2.5m).

The Overseas Assets Fund at the end of the year showed a positive balance of £0.1m (2019/20: deficit of £0.1m). This fund is used for the replacement of vehicles in our overseas locations and for the provision of renewable energy solutions in disaster responses.

The Strategic Priorities Fund enables Tearfund to run a series of projects over three years in 12 countries focusing on environmental and economic sustainability (including waste and renewable energy projects), together with investment in improved information systems and in leadership and management development and training. The balance remaining on this fund at the end of the year is £5.5m (2019/20: £8.5m).

Restricted funds

Restricted funds are funds subject to specific conditions imposed by donors. The year-end balances represent income which has been recorded but where the related expenditure has not yet been incurred. The majority of these funds are either institutional awards, or funds generated during emergencies or as a result of other specific appeals. In many cases these appeals generate income over a short timeframe which is then planned to be spent over a period of up to three years in line with the purpose of the appeal. At the end of the year, total restricted funds had increased to £12.8m (2019/20: £11.3m). For each fund, Tearfund's assets are available and adequate to fulfil its obligations.

Financial risk management

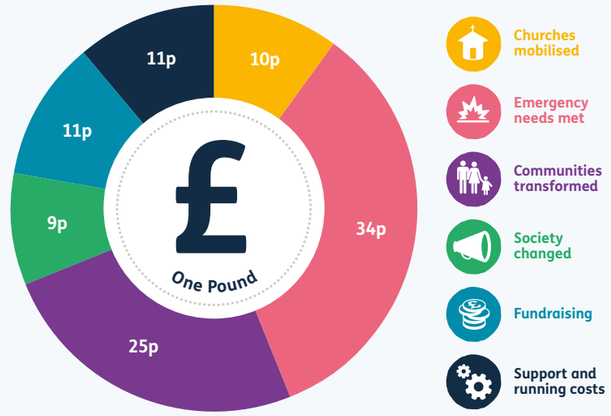
Over the past year we identified a key financial risk as the anticipated impacts on Tearfund income arising from the economic consequences of the pandemic. We mitigated this risk through the support and generosity of major donors, weekly tracking of income and enhanced cost control measures.

Receivables relate mainly to major governmental and institutional donors. The associated credit risk is considered to be low, as is the risk of disallowances arising from donor audits. This is borne out by recent experience. Cash flow and liquidity risks are minimised by a conservative investment policy and by a £6m credit facility, which is in place but unused to date. Appropriate action is taken to mitigate foreign exchange risk. Tearfund does not enter into foreign exchange contracts for speculative reasons.

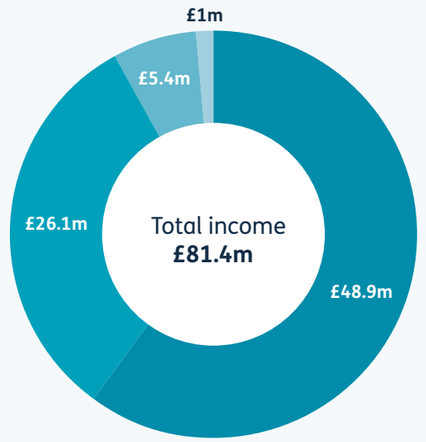
Investment policy and performance

Tearfund's investment policy is reviewed annually by the Audit, Risk and Finance Committee. Our objective is to maintain high liquidity while ensuring maximum security. To achieve this, Tearfund invests with institutions with a high security rating in fixed-term or call deposits. During the year Tearfund's sterling deposits achieved an average rate of interest of 0.37% (2019/20: 0.81%) compared with an average bank base rate for the same period of 0.10% (2019/20: 0.72%).

Where your money goes



Income



General donations	£48.9m
Government grants	£26.1m
Emergency appeals	£5.4m
Other income	£1.0m
Total income	**£81.4m**

Trustee Directors' responsibility statement

Trustee Directors' responsibilities

The Trustee Directors are responsible for preparing the Strategic Report, the Trustee Directors' Report/Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustee Directors to prepare financial statements for each financial year. Under that law the Trustee Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustee Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that period.

In preparing these financial statements, the Trustee Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustee Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

In the case of each of the persons who are Trustee Directors of the company at the date when this report was approved:

- So far as each of the Trustee Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and
- Each of the Trustee Directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Trustee Directors' Report approved by the Board and signed on its behalf by:

Anna Laszlo
Chair
14 July 2021

Rani Sara Rana cooks rice on her fuel efficient stove in a village near Nawalparasi, Nepal
Photo: Chris Hoskins/Tearfund

Independent auditor's report to the trustees and members of Tearfund

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of Tearfund ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated statement of financial position, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report & Accounts, other than the financial statements and our auditor's report thereon. The other information comprises: Sharing the bread of life, Chair's Introduction, CEO's introduction and the Trustee Directors' Report (incorporating the Strategic Report). Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations, grants and legacy revenue recognition, supplier and overseas grant payments.

Our tests included:

- agreeing the financial statement disclosures complied with applicable legislation
- enquiries of the Audit and Risk Committee, management and internal audit, review of minutes of meetings of those charged with governance
- testing controls over institutional and grant income including agreeing recognition to signed contracts and grant agreements to ensure conditions have been met
- reviewing a sample of gift aid claims and ensuring these have been made in accordance with the regulations
- audit testing a sample of overseas expenditure and grant awards, ensuring these have been made in accordance authority limits, agreements and internal control procedures
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual
- enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements
- review of Serious Incident Reports submitted to the Charity Commission and performing an assessment of any Whistleblowing matters
- vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 March 2021; and

- performing audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jill Halford

Jill Halford
(Senior Statutory Auditor) For and on behalf of BDO LLP, statutory auditor
London, UK

21 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statements of Financial Activities

(incorporating an income and expenditure account)
Year ended 31 March 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Income from:							
Donations and legacies	2a	33,242	47,174	80,416	38,091	45,525	83,616
Charitable activities	3	836	1	837	1,122	69	1,191
Other trading activities	5	15	39	54	27	78	105
Investment income		60	-	60	100	45	145
Total income		34,153	47,214	81,367	39,340	45,717	85,057
Expenditure on:							
Raising funds	4	10,399	819	11,218	11,197	982	12,179
Charitable activities	4	21,763	44,775	66,538	24,508	48,523	73,031
Total expenditure		32,162	45,594	77,756	35,705	49,505	85,210
Net income/(expenditure) for the year	6	1,991	1,620	3,611	3,635	(3,788)	(153)
Transfer between funds	14	132	(132)	-	-	-	-
Net movement in funds		**2,123**	**1,488**	**3,611**	**3,635**	**(3,788)**	**(153)**
Reconciliation of funds:							
Total funds brought forward at 1 April	14b	14,714	11,344	26,058	11,079	15,132	26,211
Total funds carried forward at31 March	14a	**16,837**	**12,832**	**29,669**	**14,714**	**11,344**	**26,058**

The result for the year for Companies Act2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations. There is no material difference between the net expenditure for the financial year stated above and its historical cost equivalent. The turnover of the company for the year was £81,313,000 (2019/20: £84,952,000). The net result of the company for the year was a surplus of £3,611,000 (2019/20: deficit of £153,000). There is no material difference between the entity and the group Statement of Financial Activities.

Balance sheets
As at 31 March 2021

	Note	Tearfund Group 2021 £'000	Tearfund Group 2020 £'000	Tearfund 2021 £'000	Tearfund 2020 £'000
Fixed assets					
Tangible assets	9	1,583	2,459	1,583	2,459
Intangible assets	9	-	18	-	18
Long-term investments	10	-	-	5	5
Total fixed assets		**1,583**	**2,477**	**1,588**	**2,482**
Current assets					
Stocks	11	882	1,280	871	1,267
Debtors	12	8,960	10,091	8,977	10,141
Short-term deposits		14,460	11,780	14,460	11,780
Cash at bank and in hand		7,695	5,850	7,674	5,826
Total current assets		31,997	29,001	31,982	29,014
Creditors					
Amounts falling due within one year	13	(3,911)	(5,420)	(3,901)	(5,429)
Net current assets		**28,086**	**23,581**	**28,081**	**23,585**
Net assets		**29,669**	**26,058**	**29,669**	**26,067**
Funds					
Unrestricted funds:					
General fund	14a	9,626	3,896	9,626	3,905
Designated funds	14a	7,211	10,818	7,211	10,818
		16,837	14,714	16,837	14,723
Restricted funds	14a	12,832	11,344	12,832	11,344
Total funds		**29,669**	**26,058**	**29,669**	**26,067**

The financial statements on pages 57 to 76 were approved by the Board of Directors on 14 July 2021 and signed on its behalf by:

Anna Laszlo,
Chair of the Board

John Shaw,
Treasurer

Consolidated cash flow statement
Year ended 31 March 2021

	2021 £'000	2020 £'000
Net cash provided by operating activities (see below)	**4,700**	**2,273**
Cash flow from investing activities:		
Investment income receivable	60	145
Purchase of property, plant, equipment and intangibles	(139)	(384)
Proceeds from the sale of property, plant and equipment	-	8
Net cash used in investing activities	**(79)**	**(231)**
Change in cash and cash equivalents in the reporting period	**4,621**	**2,042**
Cash and cash equivalents at the beginning of the reporting period	17,434	15,392
Cash and cash equivalents at the end of the reporting period	**22,055**	**17,434**
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**3,611**	**(153)**
Adjustments for :		
Depreciation charges	1,033	1,387
Investment income receivable	(60)	(145)
(Profit)/Loss on sale of tangible fixed assets	-	(7)
Decrease/(increase) in stocks	398	(1,227)
Decrease in debtors	1,131	2,479
(Decrease) in creditors	(1,413)	(61)
Net cash provided by operating activities	**4,700**	**2,273**

Analysis of changes in net funds	1April 2020 £'000	Cashflows £'000	31March 2021 £'000
Cash at bank and in hand	5,850	1,845	7,695
Bank deposits	11,780	2,680	14,460
Bank overdrafts	(96)	96	-
Interest-free loans	(100)	-	(100)
	17,434	**4,621**	**22,055**

Notes to the financial statements

31 March 2021

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, Charities Act 2011, Charities Accounts (Scotland) Regulations 2006, Charities and Trustee Investment (Scotland) Act 2005, Statement of Recommended Practice (SORP) on Accounting and Reporting by Charities effective from 1 January 2019, FRS102, and applicable United Kingdom accounting standards. The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

Consolidation
The Statement of Financial Activities (SOFA) and Group Balance Sheet consolidate the financial statements of the Charity and its wholly-owned subsidiary undertaking Tearfund Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006. The Consolidated Cash Flow Statement has been prepared for the group only, as permitted under FRS102.

Accounting estimates and key judgements
Critical accounting estimates and judgements are based on historical experience and other relevant factors, including reasonable expectations of future events. The main areas which involve such estimates and judgements include the accrual of legacy income; entitlement to grant and contract income; useful lives of fixed assets; and provisions.

Company status
Tearfund is a registered charity in England and Wales (number 265464) and Scotland (number SC037624) and is constituted as a company registered in England and Wales and limited by guarantee (company number 00994339). It is governed by its Memorandum and Articles of Association and at the year-end there were 34 members (2019/20: 34) who were each liable to contribute £1 in the event of the company being wound up.

In the application of the Charity's accounting policies, the particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Fund accounting
The company maintains three types of funds. General unrestricted funds are funds available for use at the discretion of the Board of Trustee Directors in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Board from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. At the year-end any fund deficits are maintained only when the Trustee Directors are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in note 14.

Going concern
During 2020/21 Tearfund's operations were conducted in line with a revised budget which was approved by the Board in May 2020 following the start of the Covid-19 pandemic and in anticipation of its expected financial consequences. This budget included significant cost reductions to mitigate the potential impacts of a decrease in many of our main income streams. In August 2020 we put in place a two-year £6m credit facility, secured against our Teddington building, to protect against any short-term liquidity issues. Furthermore, the annual review of reserves policy took into account the heightened economic uncertainty by increasing the target range for the general fund to £7m–£10m (previously £4.5m–£6.5m). All these measures combined to ensure that Tearfund is well-positioned to continue its business-critical activities and remain a going concern.

Key points in assessing Tearfund's going concern status are as follows:

- worst case scenarios for 2020/21 income, developed at the beginning of the pandemic, did not materialise; indeed, unrestricted donations outperformed even our pre-pandemic projections. While recognising that there is still great economic uncertainty and that the future global course of the pandemic remains unpredictable, we have once again experienced both the loyalty of our supporters and the ability of our fundraising teams to adapt to fast-changing situations
- we are working to a 2021/22 budget and three-year plan which still builds in caution about future income levels. In the light of the strong 2020/21 performance, the Board has approved increased income targets for 2021/22 and accordingly has asked management to develop plans for additional expenditure in areas of strategic importance
- the general fund balance at the end of 2020/21 was £9.6m, at the upper end of the target range. Our plans for 2021/22 unrestricted expenditure are designed to arrive at a year-end balance in the lower half of the target range, representing between two and three months of total unrestricted expenditure, which we believe to be an appropriate level to avoid unacceptable diversion of funds away from the communities we work with
- we have not needed to use the credit facility and prior to its end date in August 2022 we will consider whether there is a need for this to be renewed.

In support of the going concern assessment, we have prepared cash flow forecasts for the next twelve months which are based on the approved 2021/22 budget and three-year plan. We have run stress tests on the forecasts which in the worst case scenario show that unrestricted cash, together with drawing on the £6m of credit facility, would be exhausted by a sustained fall of 45% or more in unrestricted donations. The Board does not consider such a fall in income to be plausible.

Having considered these matters, the Trustee Directors do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

Income
All income, including donations, legacies and investment income, is recognised in the SOFA when the Charity can demonstrate entitlement to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

Legacies
Legacies are recognised when they are measurable, probate has been granted and entitlement is clear. No value is included where the legacy is contentious or is subject to a life interest held by another party. The fair value of the legacy income receivable is based on the information available at the time and it is the expected cash amount to be distributed to Tearfund from the estate.

Grants and contracts
Grant and contract income is recognised when the Charity can demonstrate entitlement to the income. Where receipt of funding is conditional only on administrative requirements such as the submission of a claim, it has been accrued. Where there are restrictions on the time period in which funding received can be spent, or where the Charity is not yet in a position to meet the conditions of the funding, the related income has been deferred.

Gifts in kind
Donated gifts in kind for distribution to communities are included in income at donors' valuation or market value when received. Expenditure is recognised when gifts in kind are distributed.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Like many charities, Tearfund is unable to recover some of the VAT that is incurred on the purchase of goods and services in the UK. The amount of VAT that cannot be recovered is added to the appropriate underlying cost.

The following specific policies apply to categories of expenditure:

Grants payable
Grants payable to Tearfund partner organisations are made in furtherance of the Charity's objects. Grants are recognised as expenditure when payment is due to the partner organisation, in accordance with Tearfund's project agreement and in line with phased payment schedules.

Support costs
Support costs include functions such as general management, financial management, information technology, human resources and the cost of premises and facilities. They are allocated across the categories of charitable expenditure, governance costs and the costs of generating funds on the basis set out in note 4 to the financial statements.

Fundraising and publicity
Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Foreign exchange
Transactions denominated in foreign currency are translated into sterling and recorded at the rates ruling at the date of the transactions. Balances denominated in a foreign currency are translated into sterling at the exchange rates at the balance sheet date. Foreign exchange gains and losses incurred in respect of overseas operations are included in the SOFA within the relevant activity expenditure.

Pensions
Tearfund operates two defined contribution pension schemes. Contributions are charged to the SOFA as they become payable.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing more than £1,000 with an expected useful life of more than one year are capitalised. Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful economic lives, on a straight-line basis, as follows:

Freehold buildings	20–50 years
Fixtures, fittings and equipment including computers	3–5 years
Motor vehicles	3–4 years

The useful economic lives and residual value of fixed assets are reviewed at the end of each accounting period. Property and land is tested annually for impairment.

Vehicles and equipment used in programmes overseas, except for laptops, are considered to have a useful economic life of one year or less. They are not capitalised but are charged in full to charitable expenditure when purchased. However, a register is maintained of these assets and reviewed regularly.

Intangible assets and amortisation
Intangible assets are stated at cost less amortisation. They are amortised on a straight line basis over five years, being the estimated economic useful life of the asset.

Financial instruments
Financial assets and financial liabilities are recognised when Tearfund becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Tearfund only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Investments
The investment in the subsidiary is included in the Charity's financial statements at cost.

Stocks
Bought-in goods are valued at lower of costs and net realisable value. Humanitarian supplies are valued at cost with obsolete stock written off.

Cash and cash equivalents
Cash and cash equivalents include interest and non interest bearing amounts held at banks and cash at hand. Short term money deposits including deposits repayable on demand and fixed term deposits are held under current assets as short term deposits.

Other financial assets and liabilities
Debtors and creditors are stated at the settlement amount after any applicable discount.

Operating leases
Costs in respect of operating leases are charged to the SOFA on a straight line basis over the lease term.

Notes to the financial statements
31 March 2021

2a. DONATIONS

	Note	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Donations from:							
Individuals		25,199	10,435	35,634	30,167	9,262	39,429
Churches		1,170	1,413	2,583	1,560	1,547	3,107
Trusts, companies and schools		1,150	4,048	5,198	844	4,328	5,172
Legacies		5,306	151	5,457	5,520	130	5,650
Grants	2b	417	25,683	26,100	-	26,417	26,417
		33,242	**41,730**	**74,972**	**38,091**	**41,684**	**79,775**
Appeals and emergencies:							
Individuals		-	3,798	3,798	-	1,180	1,180
Churches		-	311	311	-	506	506
Trusts, companies and schools		-	147	147	-	329	329
		-	**4,256**	**4,256**	**-**	**2,015**	**2,015**
Via Disasters Emergency Committee		-	1,188	1,188	-	1,826	1,826
		-	**5,444**	**5,444**	**-**	**3,841**	**3,841**
Total donations and legacies		**33,242**	**47,174**	**80,416**	**38,091**	**45,525**	**83,616**

Gifts in kind of £36,200 (2019/20: £5,200) of pro-bono legal work, which is included in support cost expenditure, is included above in 'Trusts, companies and schools' income.

Notes to the financial statements
31 March 2021

2b. GRANTS INCOME

	2021 £'000	2020 £'000
United States Government	11,405	12,581
United Kingdom Government	3,612	2,083
United Nations	3,015	5,289
Dutch Government	2,833	2,795
Danish Government	838	-
Canadian Foodgrains Bank	776	1,073
Scottish Government	513	441
Norwegian Government	404	-
New Zealand Government	105	127
States of Guernsey	50	40
Belgian Government	5	-
States of Jersey	-	142
Other	-	(49)
Irish Government	-	(2)
European Union	(2)	526
	23,554	**25,046**
Tear Netherlands (includes funding from the Evangelical Broadcasting Co.)	2,300	1,292
Integral/Other NGOs	246	79
	26,100	**26,417**

Included within the above grants income are gifts in kind of £1,023,000 (2019/20: £1,753,000) which are also included in expenditure and stock. The whole amount for both years is restricted income. They consist mainly of water and sanitation products; food aid; latrines; and seeds and tools for planting.

Included within grants income from the United Kingdom government is £417,000 unrestricted income related to the furlough scheme.

3. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Contract income from DFID contributed to the following programmes:				
SWIFT (water, sanitation and hygiene in the Democratic Republic of Congo)	800	-	800	675
Total contract income	**800**	**-**	**800**	**675**
Other income from charitable activities	36	1	37	516
Total income from charitable activities	**836**	**1**	**837**	**1,191**

The 2019/20 income of £1,191,000 was unrestricted, save for £69,000 of restricted income included in 'Other income from charitable activities'.

Notes to the financial statements
31 March 2021

4. TOTAL RESOURCES EXPENDED

	Grants £'000	Direct costs £'000	Support costs £'000	2021 Total costs £'000	2020 Total costs £'000
Unrestricted					
Costs of generating funds:					
Costs of fundraising	-	7,944	2,445	10,389	11,161
Fundraising trading	-	10	-	10	36
	-	**7,954**	**2,445**	**10,399**	**11,197**
Charitable activities:					
Churches mobilised	1,265	2,252	970	4,487	6,512
Communities transformed	2,082	3,282	1,913	7,277	8,160
Society changed	794	3,311	1,191	5,296	5,699
Emergency needs met	442	1,961	2,300	4,703	4,137
	4,583	**10,806**	**6,374**	**21,763**	**24,508**
Total unrestricted	**4,583**	**18,760**	**8,819**	**32,162**	**35,705**
Restricted					
Costs of generating funds:					
Costs of fundraising	-	788	4	792	956
Fundraising trading	-	27	-	27	26
	-	**815**	**4**	**819**	**982**
Charitable activities:					
Churches mobilised	1,735	2,159	2	3,896	4,125
Communities transformed	4,595	9,595	4	14,194	11,795
Society changed	1,075	1,836	2	2,913	3,290
Emergency needs met	6,803	16,964	5	23,772	29,313
	14,208	**30,554**	**13**	**44,775**	**48,523**
Total restricted	**14,208**	**31,369**	**17**	**45,594**	**49,505**
Total expenditure	**18,791**	**50,129**	**8,836**	**77,756**	**85,210**

Many programmes achieve benefits in a number of different areas and their costs are allocated on the basis of their principal aims. Cost allocation includes an element of judgement and Tearfund has had to consider the cost-benefit of detailed calculations and record-keeping in calculating a best estimate of the attributable costs.

Notes to the financial statements
31 March 2021

4. TOTAL EXPENDITURE CONTINUED

	2021 £'000	2020 £'000
Grants to partner organisations by geographical region:		
Africa	10,325	10,067
Asia	3,575	3,342
Eurasia	2,940	2,761
Latin America and Caribbean	1,388	1,037
Total grants to partner organisations	**18,228**	**17,207**
Assistance in establishing Tearfund USA	563	666
Total grants	**18,791**	**17,873**

Grant management costs were £1,772,000 (2019/20: £2,668,000).

The top 15 countries and regions where grants were made:	2021 £'000	2020 £'000
Ethiopia	1,301	992
Democratic Republic of Congo	1,198	937
Nigeria	1,076	1,158
Bangladesh	977	830
Yemen	963	589
Rwanda	845	549
South Sudan	814	885
India	682	689
Burundi	672	593
Afghanistan	585	318
Malawi	577	1322
Indonesia	557	532
Mali	523	360
Lebanon	502	165
Nepal	498	350

Details of partner organisations included in the top 50 receiving grants can be found at: **www.tearfund.org/top50**

Support costs and the basis of their allocation are as follows:	**Principal basis of allocation to activities**	2021 £'000	2020 £'000
General management, risk and compliance	Headcount and expenditure	439	315
Financial management	Headcount and expenditure	1,487	1,445
Human resources	Headcount	1,985	2,342
Strategy and impact	Expenditure	213	239
Information systems	Headcount and expenditure	3,017	3,657
Premises and facilities	Headcount	1,355	1,647
Governance	Headcount and expenditure	340	443
		8,836	10,088

The 2020 amount for General management, risk and compliance includes £105,000 which was disclosed last year as part of Financial management.

Notes to the financial statements
31 March 2021

5. SUBSIDIARY

Tearfund has a wholly-owned trading subsidiary, Tearfund Trading Limited, which is registered in England and Wales, company registration number 03779450. The registered address is 100 Church Road, Teddington TW11 8QE. The company undertakes various trading activities to raise funds for Tearfund and all its taxable profits are treated as qualifying distribution to Tearfund under Deed of Covenant. Its results and assets for the year ended 31 March 2021 were as follows:

	2021 £'000	2020 £'000
Total incoming resources	54	105
Total expenditure	(37)	(62)
Profit for the year	**17**	**43**
Qualifying distribution	(17)	(52)
Retained profit/(loss) for the year	**-**	**(9)**
Total assets	32	58
Total liabilities	(27)	(62)
Funds	**5**	**(4)**

In 2020/21, £12,000 (2019/20: £52,000) of profits were restricted and £5,000 were unrestricted (2019/20: unrestricted loss of £9,000).

6. NET (INCOMING)/OUTGOING RESOURCES FOR THE YEAR

Net (incoming)/outgoing resources for the year are stated after charging the following:	2021 £'000	2020 £'000
Depreciation of tangible fixed assets	1,015	1,140
Depreciation of intangible fixed assets	18	163
Permanent diminution of intangible fixed assets	-	84
Auditors' remuneration: 2021 audit – Tearfund	62	–
Auditors' remuneration: 2020 audit – Tearfund	5	54
Other assurance services – Tearfund	-	1
Auditors' remuneration: audit – Tearfund Trading	3	2
(Profit) on sale of tangible fixed assets	-	(38)
Operating leases: land and buildings – unrestricted	60	56
Operating leases: land and buildings – restricted	1,008	1,056

The above is all unrestricted expenditure/(income) unless otherwise indicated, except the profit on sale of tangible fixed assets in 2019/20 that comprises an unrestricted gain of £7,000 and a restricted gain of £31,000.

7. EMPLOYEES AND TRUSTEES
To reflect the requirements of the charities SORP, changes to this note have been made in respect of the disclosure of average number of persons employed rather than average full-time equivalent persons; and a review of the disclosure of employee benefits has led to adjustments in the reporting of the prior year costs of overseas employees.

Employee costs	2021 UK £'000	2021 Overseas £'000	2021 Total £'000	2020 UK £'000	2020 Overseas £'000	2020 Total £'000
Salaries and wages	16,310	12,702	29,012	16,292	12,462	28,754
Employee benefits	33	516	549	42	421	463
Social security costs	1,581	64	1,645	1,662	55	1,717
Other pension costs	1,348	185	1,533	1,688	213	1,901
	19,272	**13,467**	**32,739**	**19,684**	**13,151**	**32,835**

Notes to the financial statements
31 March 2021

7. EMPLOYEES AND TRUSTEES CONTINUED

Included in the above employee costs are redundancy and severance costs of £248,000 (2019/20: £296,000). Redundancy costs are provided for when the decision has been made and the employees have been informed, and the amounts could be calculated with a reasonable accuracy and the settlement is probable in the next financial year.

Average number of persons employed during the year	2021 Number	2020 Number
UK-contracted employees based:		
In the UK	461	484
Overseas	111	128
	572	**612**
Staff based overseas on local contracts	665	661
	1,237	**1,273**

UK staff includes those personnel based at Tearfund's main UK office in Teddington together with those based in Scotland, Northern Ireland and Wales. Overseas staff on UK contracts includes UK nationals working overseas as well as non-UK nationals employed to work in various countries around the world. Staff based overseas on local contracts are employed mainly on projects funded by institutions. All staff were employed across the range of activities detailed on the SOFA. No employees are employed directly by Tearfund Trading Limited.

The number of employees whose emoluments (including benefits in kind but excluding employer's pension) amounted to over £60,000 in the year was as follows:

	2021 Number	2020 Number
£60,001 – £70,000	13	16
£70,001 – £80,000	3	1
£80,001 – £90,000	5	4
£90,001 – £100,000	1	-
£100,001 – £110,000	-	2
£120,001 – £130,000	-	1
£140,001 – £150,000	1	-

The two highest paid individuals in the 2021 numbers above are members of staff who work in our international programmes. Their emoluments include accommodation, school fees, medical and other benefits, which allow us to be appropriately competitive in recruiting and retaining staff in the international Non-Governmental Organisation market.

Pension payments of £130,000 (2019/20: £136,000) were made for these twenty three (2019/20: twenty four) higher-paid employees. The total emoluments received by the chief executive in the year was £90,000 (2019/20: £90,000). In 2020/21 the senior executives of the organisation earned a total of £650,000 (2019/20: £653,000) including national insurance and pensions.

Trustees
Trustee Directors and other committee members are not employees and received no remuneration for their services. During the year, two directors/committee members were reimbursed or had costs paid for by Tearfund for a total of £534 for UK travel and subsistence expenses (2019/20: nine for £6,748). No directors/committee members had overseas travel paid for by Tearfund (2019/20: one for £2,447).

Indemnity insurance is provided for the directors at a cost of £10,640 (2019/20: £6,496).

Pensions
Tearfund has a defined contribution pension plan for UK employees called the Tearfund Group Personal Pension Plan and a separate defined contribution pension plan for overseas employees called the Tearfund International Group Personal Pension Scheme. These plans operate on a non-contributory basis.

Included within creditors falling due within one year is £249,000 (2019/20: £224,000) in respect of pension contributions due to be paid to the fund managers.

Notes to the financial statements
31 March 2021

8. TAXATION

Tearfund is potentially exempt from taxation on its income and gains under sections 466 to 493 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Capital Gains Act 1992, to the extent that they are applied for charitable purposes. No taxable profit arises on Tearfund Trading Limited due to the fact that all taxable profits are gifted to Tearfund under Deed of Covenant.

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total Tangible £'000	Total Intangible £'000
Cost					
At 1 April 2020	2,688	6,229	109	9,026	1,225
Additions	-	139	-	139	-
Disposals	-	(63)	-	(63)	-
At 31 March 2021	**2,688**	**6,305**	**109**	**9,102**	**1,225**
Accumulated depreciation					
At 1 April 2020	1,764	4,745	58	6,567	1,207
Charge for the year	76	921	18	1,015	18
Disposals	-	(63)	-	(63)	-
At 31 March 2021	**1,840**	**5,603**	**76**	**7,519**	**1,225**
Net book value					
At 31 March 2021	**848**	**702**	**33**	**1,583**	**-**
At 31 March 2020	**924**	**1,484**	**51**	**2,459**	**18**

The book value of freehold land not depreciated is £200,000 (2019/20: £200,000). Tearfund's offices in Teddington have a book value of £848,000 (2019/20: £924,000) and are insured at a value of £10,000,000 (2019/20: £10,000,000).

The intangible asset is the cost of the purchase of Toilet Twinning.

10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2021, Tearfund had one wholly-owned subsidiary which is registered in England and Wales.

Organisation name	Class of share of capital held	Nature of business
Tearfund Trading Limited	Ordinary	Raising funds through trading activities

Notes to the financial statements
31 March 2021

11. STOCKS

	Tearfund Group		Tearfund	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Goods held for distribution to communities	860	1,201	860	1,201
Goods for resale	11	13	-	-
Disaster management and IT stores	11	66	11	66
	882	**1,280**	**871**	**1,267**

12. DEBTORS

	Tearfund Group		Tearfund	
Due within one year:	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amount owed by group undertaking	-	-	17	52
Tax recoverable	679	502	679	502
Other debtors	1,006	983	1,006	981
Accrued institutional grants	2,515	3,338	2,515	3,338
Accrued legacy income	3,787	4,381	3,787	4,381
Prepayments and other accrued income	973	887	973	887
	8,960	**10,091**	**8,977**	**10,141**

13. CREDITORS

	Tearfund Group		Tearfund	
Amounts falling due within one year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank overdrafts	-	96	-	96
Interest-free loans	100	100	100	100
Amount owed to group undertaking	-	-	-	20
Other creditors	590	1,060	588	1,052
Taxation and social security	1,819	1,767	1,819	1,767
Accruals	1,397	1,949	1,389	1,946
Deferred income	5	448	5	448
	3,911	**5,420**	**3,901**	**5,429**

The interest-free loans, which have been made by supporters, are unsecured and have no set repayment date.

Deferred income balance	2021 £'000	2020 £'000
Opening balance	448	378
Released income	(445)	(61)
Deferred income	2	131
Closing balance	**5**	**448**

Notes to the financial statements
31 March 2021

14a. FUNDS MOVEMENT (2020/21)

Tearfund and Tearfund Group	1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2021 £'000
General fund	3,896	34,153	(29,148)	725	9,626
Designated funds					
Fixed asset fund	2,477	-	-	(894)	1,583
Overseas assets fund	(111)	-	(65)	301	125
Strategic priorities	8,452	-	(2,949)	-	5,503
	10,818	-	(3,014)	(593)	7,211
Total unrestricted funds	**14,714**	**34,153**	**(32,162)**	**132**	**16,837**
Restricted funds					
Appeals and emergencies:					
Asia floods	14	-	(14)	-	-
Bangladesh	258	892	(540)	4	614
Burundi and Rwanda	238	1	(150)	-	89
Central African Republic	194	-	(119)	-	75
Coronavirus Emergency Appeal	-	3,730	(3,051)	(12)	667
East Africa	33	3	(36)	-	-
Indonesia	1,140	2	(563)	-	579
Middle East	784	458	(281)	-	961
Myanmar	48	62	(33)	-	77
Other	101	4	122	12	239
Pakistan	145	-	(55)	-	90
Southern Africa cyclone	737	343	(741)	(2)	337
Sudan and South Sudan	167	18	(4)	-	181
Syria crisis	825	76	(261)	-	640
Yemen	1,429	862	(490)	-	1,801
	6,113	**6,451**	**(6,216)**	**2**	**6,350**

Notes to the financial statements
31 March 2021

14a. FUNDS MOVEMENT (2020/21) CONTINUED

Tearfund and Tearfund Group	1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2021 £'000
Restricted funds brought forward	**6,113**	**6,451**	**(6,216)**	**2**	**6,350**
Country funds	-	108	(96)	(10)	2
Project funds:					
Institutions and trusts	4,290	31,872	(30,854)	(125)	5,183
Connected Church	378	307	(395)	(16)	274
Other	563	1,677	(1,558)	16	698
Beneficiary funds:					
Other children funds	-	2,613	(2,614)	1	-
Issue funds:					
Disaster management	-	908	(908)	-	-
Water and sanitation	-	2,613	(2,613)	-	-
HIV and AIDS	-	459	(134)	-	325
Conflict and poverty	-	206	(206)	-	-
Total restricted funds	**11,344**	**47,214**	**(45,594)**	**(132)**	**12,832**
Total	**26,058**	**81,367**	**(77,756)**	**-**	**29,669**

Designated funds are set up for the following purposes:

- The fixed asset fund represents the net book value of Tearfund's tangible and intangible fixed assets to indicate that these resources are not available for other purposes.
- The overseas assets fund represents money spent in our overseas locations for the replacement of vehicles and for the provision of renewable energy solutions.
- The strategic priorities fund represents monies set aside to fund a range of strategically important projects across multiple countries, together with investment in leadership and management development and new information systems.

Restricted funds are shown under the following main categories:

- Appeal and emergency funds comprise funds raised for specific appeals and emergencies.
- Country funds comprise funds given for specific countries.
- Project funds comprise funds given for specific projects mainly by institutional donors.
- Beneficiary funds comprise funds given for the benefit of specific beneficiary groups such as children.
- Issue funds comprise funds given for specific issues such as disaster management, water and sanitation and HIV.

Fund balances may be negative for the following reasons:

- The overseas assets fund represents money spent in our overseas locations for the replacement of vehicles and for the provision of renewable energy solutions. This fund had an opening debit balance, which has now been covered in full by transfer from the general fund.

At 31 March 2021, the total deficit balances amounted to £335,795 (2019/20: £489,000).

Notes to the financial statements
31 March 2021

14a. FUNDS MOVEMENT (2020/21) CONTINUED

Transfers between funds represent:

(a) movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund and designation of funds for work on our strategic priorities

(b) reallocations between funds reflecting the analysis of funds or balance transfers

(c) reallocation of general funds to support programmes where additional restricted funding was not found

Within restricted funds are the following amounts relating to money received from the following donors:

Foreign, Commonwealth and Development Office (FCDO)	1 April 2020 £'000	Income £'000	Expenditure £'000	31 March 2021 £'000
Central African Republic: AID Match	(3)	1,773	(1,770)	-
Haiti: AID Match	-	97	(112)	(15)
Pakistan: AID Match	(44)	277	(231)	2
FCDO & Other:				
Burundi Smart CoVid	-	9	(9)	-
Democratic Republic of Congo Risk Communication	-	34	(34)	-
Start Network:				
Afghanistan	-	88	(88)	-
Bulawayo	-	100	(100)	-
Burundi flooding: Alert 421	-	150	(150)	-
Ethiopia CoVid	-	231	(231)	-
Indonesia earthquake	-	185	(184)	1
Mozambique	-	51	(51)	-
Nigeria	2	-	(2)	-
Nigeria evaluation	3	-	-	3
Nigeria Dec-20	-	50	(50)	-
South Sudan flooding	-	150	(150)	-
Total FCDO funds	**(42)**	**3,195**	**(3,162)**	**(9)**
Disasters Emergency Committee (DEC)				
Indonesia tsunami	92	-	(92)	-
Cyclone Idai 2019	145	299	(438)	6
Coronavirus	-	889	(954)	(65)
Total DEC funds	**237**	**1,188**	**(1,484)**	**(59)**

Notes to the financial statements
31 March 2021

14b. FUNDS MOVEMENT (2019/20)

Tearfund and Tearfund Group	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
General fund	7,402	29,340	(33,850)	1,004	3,896
Designated funds					
Fixed asset fund	3,481	-	-	(1,004)	2,477
Overseas assets fund	196	-	(307)	-	(111)
Strategic priorities	-	10,000	(1,548)	-	8,452
	3,677	10,000	(1,855)	(1,004)	10,818
Total unrestricted funds	**11,079**	**39,340**	**(35,705)**	**-**	**14,714**

Tearfund and Tearfund Group	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
Restricted funds					
Appeals and emergencies:					
Asia floods	27	-	(13)	-	14
Bangladesh	-	632	(374)	-	258
Burundi and Rwanda	484	7	(251)	(2)	238
Central African Republic	287	2	(95)	-	194
Democratic Republic of Congo	93	3	(97)	1	-
East Africa	214	4	(185)	-	33
Hurricane Matthew	8	-	(9)	1	-
Indonesia	1,432	552	(843)	(1)	1,140
Middle East	1,520	128	(863)	(1)	784
Myanmar	387	115	(454)	-	48
Nepal earthquake	156	1	(157)	-	-
Other	189	3	(61)	(30)	101
Pakistan	-	189	(74)	30	145
Sahel/Niger crisis	45	-	(45)	-	-
Southern Africa cyclone	1,035	2,132	(2,430)	-	737
Sudan and South Sudan	415	14	(426)	164	167
Syria crisis	669	299	(143)	-	825
Yemen	1,381	682	(634)	-	1,429
	8,342	**4,763**	**(7,154)**	**162**	**6,113**

Notes to the financial statements
31 March 2021

14b. FUNDS MOVEMENT (2019/20) CONTINUED

Tearfund and Tearfund Group	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
Restricted funds brought forward	**8,342**	**4,763**	**(7,154)**	**162**	**6,113**
Country funds	158	143	(291)	(10)	-
Project funds:					
Institutions and trusts	3,325	31,108	(29,979)	(164)	4,290
Connected Church	415	666	(704)	1	378
Other	300	2,121	(1,869)	11	563
Beneficiary funds:					
Other children funds	679	2,722	(3,401)	-	-
Issue funds:					
Disaster management	316	940	(1,256)	-	-
Water and sanitation	287	2,688	(2,975)	-	-
HIV and AIDS	271	483	(754)	-	-
Conflict and poverty	1,039	-	(1,039)	-	-
Other	-	83	(83)	-	-
Total restricted funds	**15,132**	**45,717**	**(49,505)**	**-**	**11,344**
Total	**26,211**	**85,057**	**(85,210)**	**-**	**26,058**

Within restricted funds are the following amounts relating to money received from the following donors:

Department for International Development (DFID)	1 April 2019 £'000	Income £'000	Expenditure £'000	31 March 2020 £'000
Democratic Republic of Congo Sexual Violence	-	(29)	29	-
Central African Republic: AID Match	3	1,579	(1,585)	(3)
Pakistan: AID Match	-	12	(56)	(44)
Start Network:				
Burundi flooding	-	80	(80)	-
Democratic Republic of Congo	3	-	(3)	-
Democratic Republic of Congo IDP of Kamango	-	26	(26)	-
Democratic Republic of Congo Alert 363	-	128	(128)	-
Democratic Republic of Congo Alert 384	-	158	(158)	-
Nigeria	15	(11)	(2)	2
Nigeria evaluation	-	10	(7)	3
South Sudan Ebola	-	130	(130)	-
Total DFID funds	**21**	**2,083**	**(2,146)**	**(42)**
Disasters Emergency Committee (DEC)				
Myanmar refugees 2017	274	81	(355)	-
Indonesia tsunami	28	483	(419)	92
Cyclone Idai 2019	-	1,262	(1,117)	145
Total DEC funds	**302**	**1,826**	**(1,891)**	**237**

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15a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2020/21)

Fund balances at 31 March 2021 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,583	-	1,583
Current assets	17,568	14,429	31,997
Current liabilities	(2,314)	(1,597)	(3,911)
	16,837	**12,832**	**29,669**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,583	-	1,583
Current assets	17,553	14,429	31,982
Current liabilities	(2,304)	(1,597)	(3,901)
	16,837	**12,832**	**29,669**

15b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2019/20)

Fund balances at 31 March 2020 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	2,477	-	2,477
Current assets	15,767	13,234	29,001
Current liabilities	(3,530)	(1,890)	(5,420)
	14,714	**11,344**	**26,058**
Tearfund:			
Long-term investments	5	-	5
Fixed assets	2,477	-	2,477
Current assets	15,760	13,254	29,014
Current liabilities	(3,519)	(1,910)	(5,429)
	14,723	**11,344**	**26,067**

16. OPERATING LEASE COMMITMENTS

At 31 March 2021 Tearfund and the Tearfund Group were committed to making the following payments in total in respect of operating leases for land and buildings:

	Tearfund Group		Tearfund	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year	719	892	719	892
In the second to fifth years inclusive	481	680	481	680
After five years	-	132	-	132
	1,200	**1,704**	**1,200**	**1,704**

Notes to the financial statements
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17. RELATED PARTY TRANSACTIONS

A number of the trustees of Tearfund are directors and trustees of other charities and organisations with whom Tearfund has historic relationships. There were no related party transactions.

There were expenditure transfers to the subsidiary of Tearfund of £nil (2019/20: £6,376) in the year ended 31 March 2021. The balance owing by Tearfund Trading Limited to Tearfund at the end of the year of £17,000 (2019/20: £52,000) is disclosed in note 12.

18. ULTIMATE PARENT

The Trustees consider that the ultimate parent and controlling party of the group is Tearfund.

19. CAPITAL COMMITMENTS

At 31 March 2021 there were no contracted or authorised capital commitments (2019/20: £27,800).

tearfund.org

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