

# Annual Report 2023/24


Celebrating the past year

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



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 **Front cover: Valérie is a CCT facilitator in Côte D'Ivoire.** Photo: Thiombiano Diodyadibi 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 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](https://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,<sup>1</sup> 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.

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<sup>1</sup> 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.<sup>2</sup>

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.

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<sup>2</sup> For more information about the impact of CCT, visit: [tearfund.org/impactstatements](https://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 Pleave, **Global Fundraising Director** (*until February 2024*)

Dr Ruth Valerio, **Global Advocacy and Influencing Director** (*until April 2024*)

<b>Independent auditors</b>	Crowe UK LLP, 4th Floor, St James House, St James Square, Cheltenham, Gloucester GL50 3PR
<b>Solicitors</b>	Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham B3 2ES
<b>Bankers</b>	Barclays Bank UK plc, 1 Churchill Place, London E14 5HP
<b>Registered office</b>	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.

## 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

- **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

- 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 <sup>3</sup>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
<b>Energy consumption</b>	Used to calculate the emissions below	kWh	330258	337,877	346,000	357,000
<b>Emission sources</b>						
Scope 1	Combustion of gas	t/CO <sub>2</sub> e	9.9	9.5	10.3	11.0
Scope 1	Combustion of fuel for transport purposes	t/CO <sub>2</sub> e	2.1	0.63	0.03	0.1
Scope 2	Purchased electricity	t/CO <sub>2</sub> e	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 <sub>2</sub> e	7.5	18.25	9.7	1.5
<b>Total gross based on above</b>		<b>t/CO<sub>2</sub>e</b>	<b>69.5</b>	<b>88.28</b>	<b>80.7</b>	<b>85.0</b>
Intensity ratio	Tonnes of CO <sub>2</sub> e per full-time equivalents	t/CO <sub>2</sub> e	0.17	0.2	0.2	0.2

<sup>3</sup> 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
<p><b>Christian distinctiveness:</b> Actual or perceived loss of our core Christian identity or ways of working</p>	<ul style="list-style-type: none"> <li>● Distinctively Christian guiding documents: vision, mission, values, characteristics, theory of poverty and Statement of Faith</li> <li>● Priority given to working through local church partners wherever possible</li> <li>● Prayer, worship and devotions central to working practice</li> </ul>
<p><b>Safety and security:</b> Injury or harm to staff or representatives</p>	<ul style="list-style-type: none"> <li>● Policies and procedures for Safety and Security</li> <li>● Security training for all international staff and those who travel</li> <li>● Country Safety and Security Plans</li> </ul>

<p><b>Safeguarding:</b> Abuse or other harm of a child or adult at risk</p>	<ul style="list-style-type: none"> <li>● Policies, procedures and mandatory annual staff training on Safeguarding and Whistleblowing</li> <li>● Independent reporting hotline publicised to staff, partners and communities and network of trained safeguarding focal points</li> <li>● Board Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice</li> </ul>
<p><b>Major programmes:</b> Failure to deliver key outcomes of a high-profile donor-funded project</p>	<ul style="list-style-type: none"> <li>● Stakeholder Engagement Team advise on the management of relationships with institutional donors</li> <li>● Programme design approval process</li> <li>● Partner capacity assessments used to identify suitable partners to receive donor funding</li> </ul>
<p><b>Funding:</b> A significant financial shock in the form of a large unexpected shortfall in unrestricted income, or an unexpected cost</p>	<ul style="list-style-type: none"> <li>● A two-year income and expenditure model used to plan for various scenarios</li> <li>● Monthly reviews of Planned vs Actual financial results with Board officers and and quarterly income reviews by Audit, Risk and Finance Committee</li> <li>● Reserves Policy reviewed annually</li> </ul>
<p><b>People:</b> Not developing and retaining suitably experienced and qualified global talent to achieve our objectives</p>	<ul style="list-style-type: none"> <li>● Online line manager resources are kept up to date and relevant. Managers given guidance on employee development</li> <li>● 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</li> </ul>
<p><b>IT security:</b> Loss of critical data, or substantial loss of operational functionality</p>	<ul style="list-style-type: none"> <li>● Policies on Data Protection and Information Security</li> <li>● Mandatory regular staff training on cybersecurity</li> <li>● Real-time back-ups of all core systems are held in a secure off-site data centre, including cold storage of core databases</li> </ul>

**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

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**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

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**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

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**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](https://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

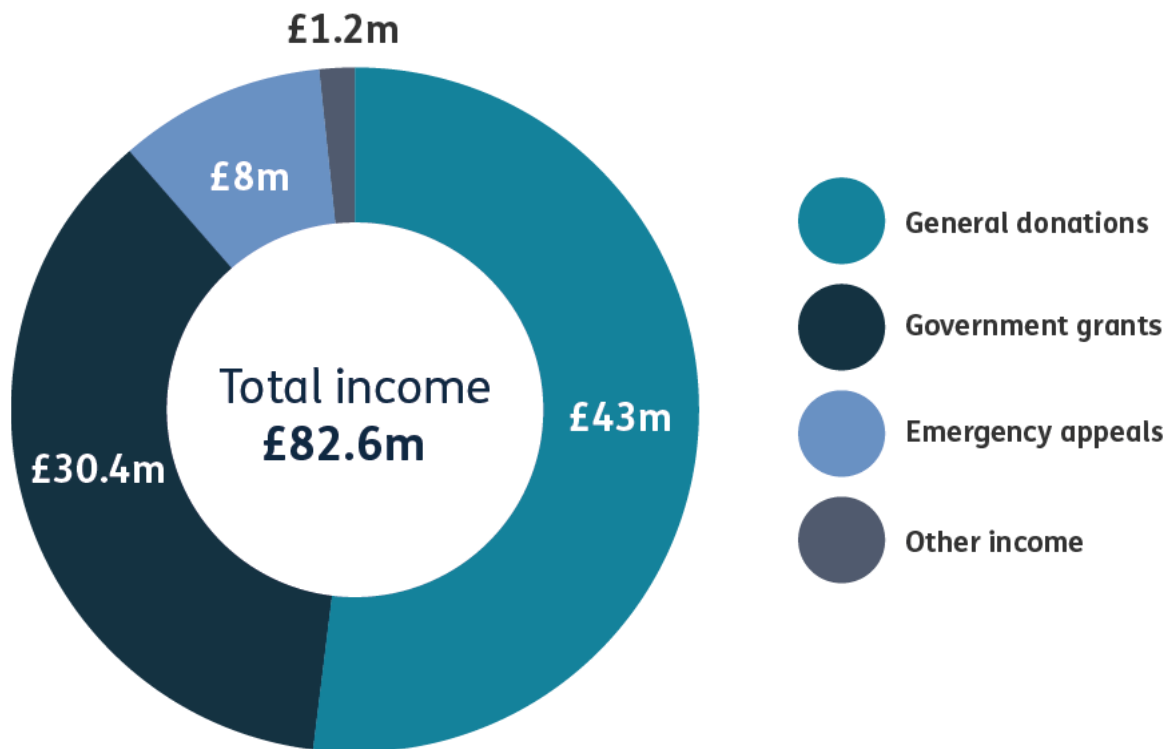
Since the pandemic, Tearfund has mitigated the financial risks arising from increased volatility through enhanced cost control measures and monthly financial updates overseen by a subgroup of the Board. This ensured that, as the reduced income and higher costs unfolded during the year, the Board could 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.

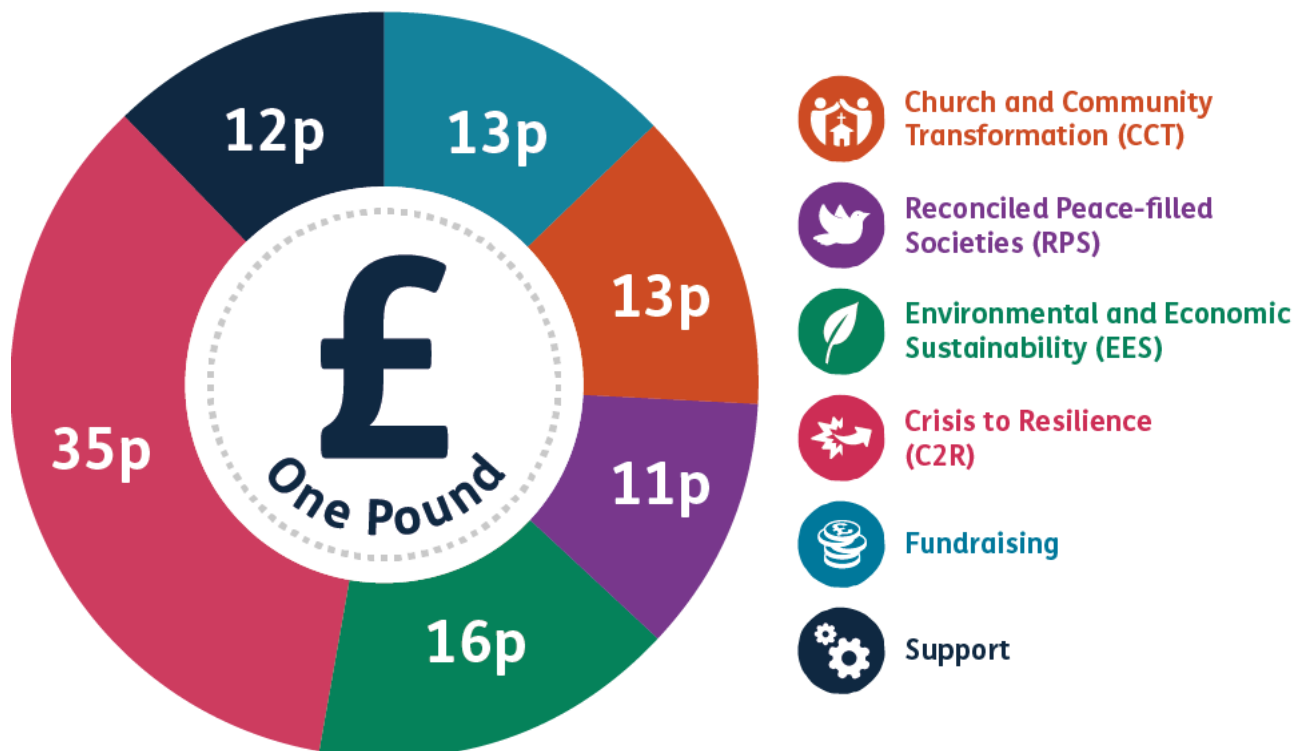
## **Investment policy and performance**

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](https://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 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

4<sup>th</sup> 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
<b>Income from:</b>							
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
<b>Total income</b>		<b>35,137</b>	<b>47,450</b>	<b>82,587</b>	<b>35,868</b>	<b>49,514</b>	<b>85,382</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>35,698</b>	<b>47,029</b>	<b>82,727</b>	<b>42,613</b>	<b>47,679</b>	<b>90,292</b>
<b>Net (expenditure)/ income for the year</b>	6	<b>(561)</b>	<b>421</b>	<b>(140)</b>	<b>(6,745)</b>	<b>1,835</b>	<b>(4,910)</b>
Transfer between funds	15	21	(21)	-	77	(77)	-
Net movement in funds		<b>(540)</b>	<b>400</b>	<b>(140)</b>	<b>(6,668)</b>	<b>1,758</b>	<b>(4,910)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward at 1 April	15b	8,128	19,191	27,319	14,796	17,433	32,229
<b>Total funds carried forward at 31 March</b>	15a	<b>7,588</b>	<b>19,591</b>	<b>27,179</b>	<b>8,128</b>	<b>19,191</b>	<b>27,319</b>

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

	Note	Tearfund Group		Tearfund	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Fixed assets</b>					
Tangible assets	9	1,465	1,570	1,465	1,570
Long-term investments	10	-	-	5	5
<b>Total fixed assets</b>		<b>1,465</b>	<b>1,570</b>	<b>1,470</b>	<b>1,575</b>
<b>Current assets</b>					
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
<b>Total current assets</b>		<b>31,350</b>	<b>31,431</b>	<b>31,350</b>	<b>31,428</b>
<b>Creditors</b>					
Amounts falling due within one year	13	(4,626)	(4,914)	(4,631)	(4,916)
<b>Net current assets</b>		<b>26,724</b>	<b>26,517</b>	<b>26,719</b>	<b>26,512</b>
Provisions for liabilities	14	(1,010)	(768)	(1,010)	(768)
<b>Net assets</b>		<b>27,179</b>	<b>27,319</b>	<b>27,179</b>	<b>27,319</b>
<b>Funds</b>					
<b>Unrestricted funds:</b>					
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
<b>Restricted funds</b>	15a	<b>19,591</b>	<b>19,191</b>	<b>19,591</b>	<b>19,191</b>
<b>Total funds</b>		<b>27,179</b>	<b>27,319</b>	<b>27,179</b>	<b>27,319</b>

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	
<b>Net cash (used in)/provided by operating activities</b>	1,512	(6,809)	
<b>Cash flow from investing activities:</b>			
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	
<b>Net cash used in investing activities</b>	<b>427</b>	<b>(437)</b>	
<b>Change in cash and cash equivalents in the reporting period</b>	<b>1,939</b>	<b>(7,246)</b>	
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>18,433</b>	<b>25,679</b>	
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>20,372</b>	<b>18,433</b>	
<b>Reconciliation of net (expenditure)/income to net cash flow from operating activities</b>			
<b>Net (expenditure)/income for the reporting period (as per the statement of financial activities)</b>	<b>(140)</b>	<b>(4,910)</b>	
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	
<b>Net cash (used in)/provided by operating activities</b>	<b>1,512</b>	<b>(6,809)</b>	
<b>Analysis of changes in net funds</b>	1st April 2023 £'000	Cash flows £'000	31 March 2024 £'000
<b>Cash at bank and in hand</b>	3,749	(324)	3,425
<b>Bank deposits</b>	14,784	2,513	17,297
<b>Interest-free loans</b>	(100)	(250)	(350)
	<b>18,433</b>	<b>1,939</b>	<b>20,372</b>

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
<b>Donations from:</b>							
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
		<b>34,236</b>	<b>42,192</b>	<b>76,428</b>	<b>35,418</b>	<b>44,946</b>	<b>80,364</b>
Via Disasters Emergency Committee		-	4,970	4,970	-	4,178	4,178
<b>Total donations and legacies</b>		<b>34,236</b>	<b>47,162</b>	<b>81,398</b>	<b>35,418</b>	<b>49,124</b>	<b>84,542</b>

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
<b>Donations from:</b>						
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	-	-	-
	-	<b>3,004</b>	<b>3,004</b>	-	<b>9,030</b>	<b>9,030</b>
Via Disasters Emergency Committee	-	4,970	4,970	-	4,178	4,178
<b>Total appeals and emergencies</b>	-	<b>7,974</b>	<b>7,974</b>	-	<b>13,208</b>	<b>13,208</b>

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
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
	<b>27,946</b>	<b>24,304</b>
Tearfund Netherlands	2,440	1,300
Other Tearfund Family/Integral Alliance members (see pages 8- 9)	57	175
	<b>30,443</b>	<b>25,779</b>

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
<b>Contract income contributed to the following programmes:</b>				
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	-
<b>Total contract income</b>	<b>85</b>	<b>-</b>	<b>85</b>	<b>-</b>
Other income from charitable activities	241	287	528	578
<b>Total income from charitable activities</b>	<b>326</b>	<b>287</b>	<b>613</b>	<b>578</b>

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
<b>Unrestricted</b>					
<b>Costs of generating funds:</b>	-	10,041	2,730	12,771	13,652
<b>Charitable activities:</b>					
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
	<b>1,143</b>	<b>14,996</b>	<b>6,788</b>	<b>22,927</b>	<b>28,961</b>
<b>Total unrestricted</b>	<b>1,143</b>	<b>25,037</b>	<b>9,518</b>	<b>35,698</b>	<b>42,613</b>
<b>Restricted</b>					
<b>Costs of generating funds:</b>	-	506	-	506	1,193
<b>Charitable activities:</b>					
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
	<b>17,993</b>	<b>28,529</b>	<b>1</b>	<b>46,523</b>	<b>46,486</b>
<b>Total restricted</b>	<b>17,993</b>	<b>29,035</b>	<b>1</b>	<b>47,029</b>	<b>47,679</b>
<b>Total expenditure</b>	<b>19,136</b>	<b>54,072</b>	<b>9,519</b>	<b>82,727</b>	<b>90,292</b>

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
<b>Grants to partner organisations by geographical region:</b>		
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
<b>Total grants to partner organisations</b>	<b>19,136</b>	<b>23,565</b>
Assistance in establishing Tearfund USA	-	542
<b>Total grants</b>	<b>19,136</b>	<b>24,107</b>

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](https://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
		<b>9,519</b>	<b>9,369</b>

#### 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	<b>5</b>	<b>5</b>

## 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
	<b>20,509</b>	<b>16,127</b>	<b>36,636</b>	<b>20,348</b>	<b>16,631</b>	<b>36,979</b>

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
	<b>503</b>	<b>545</b>
Staff based overseas on local contracts	575	512
	<b>1,078</b>	<b>1,057</b>

## 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.

## Notes to the financial statements – 31 March 2024

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 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
<b>Cost</b>						
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)
<b>At 31 March 2024</b>	<b>3,086</b>	<b>-</b>	<b>6,579</b>	<b>109</b>	<b>9,774</b>	<b>-</b>
<b>Accumulated depreciation</b>						
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)
<b>At 31 March 2024</b>	<b>2,016</b>	<b>-</b>	<b>6,196</b>	<b>97</b>	<b>8,309</b>	<b>-</b>
<b>Net book value</b>						
<b>At 31 March 2024</b>	<b>1,070</b>	<b>-</b>	<b>383</b>	<b>12</b>	<b>1,465</b>	<b>-</b>
<b>At 31 March 2023</b>	<b>896</b>	<b>180</b>	<b>480</b>	<b>14</b>	<b>1,570</b>	<b>-</b>

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
	<b>551</b>	<b>875</b>	<b>551</b>	<b>875</b>

## 12. DEBTORS

	Tearfund Group		Tearfund	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due within one year:				
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
	<b>10,077</b>	<b>12,023</b>	<b>10,077</b>	<b>12,023</b>



### 13. CREDITORS

	Tearfund Group		Tearfund	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts falling due within one year:				
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
	<b>4,626</b>	<b>4,914</b>	<b>4,631</b>	<b>4,916</b>

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

	2024 £'000	2023 £'000
<b>Deferred income balance</b>		
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	<b>1,010</b>	<b>768</b>	<b>1,010</b>	<b>768</b>

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
<b>General fund</b>	6,523	35,137	(35,669)	126	6,117
<b>Designated funds</b>					
Fixed asset fund	1,570	-	-	(105)	1,465
Strategic priorities	35	-	(29)	-	6
	1,605	-	(29)	(105)	1,471
<b>Total unrestricted funds</b>	<b>8,128</b>	<b>35,137</b>	<b>(35,698)</b>	<b>21</b>	<b>7,588</b>
<b>Restricted funds:</b>					
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
	<b>12,600</b>	<b>7,974</b>	<b>(10,671)</b>	<b>1</b>	<b>9,904</b>

**15a. FUNDS MOVEMENT (2023/24) CONTINUED**

Tearfund and Tearfund Group	1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2024 £'000
<b>Restricted funds brought forward</b>	<b>12,600</b>	<b>7,974</b>	<b>(10,671)</b>	<b>1</b>	<b>9,904</b>
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)	-	-
<b>Total restricted funds</b>	<b>19,191</b>	<b>47,450</b>	<b>(47,029)</b>	<b>(21)</b>	<b>19,591</b>
<b>Total</b>	<b>27,319</b>	<b>82,587</b>	<b>(82,727)</b>	<b>-</b>	<b>27,179</b>

**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:**

- movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund
- 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)	-
<b>FCDO &amp; Other:</b>				
Nigeria Innovate UK	-	164	(189)	(25)
Iraq CSSF	6	1,196	(1,011)	191
Ethiopia GSMA Climate Resilience	-	94	(94)	-
<b>Start Network:</b>				
<b>Philippines Abra Earthquake Response</b>	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)	-
<b>Philippines Disaster Risk Finance</b>	-	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)	-
<b>Total FCDO funds</b>	<b>107</b>	<b>3,555</b>	<b>(3,505)</b>	<b>157</b>
<b>Disasters Emergency Committee (DEC)</b>				
Afghanistan crisis	128	372	(500)	-
Pakistan floods	150	1,507	(1,460)	197
Turkey and Syria earthquake	940	3,091	(2,940)	1,091
<b>Total DEC funds</b>	<b>1,218</b>	<b>4,970</b>	<b>(4,900)</b>	<b>1,288</b>

15b. FUNDS MOVEMENT (2022/23)

Tearfund and Tearfund Group	1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2023 £'000
<b>General fund</b>	11,475	35,868	(40,473)	(347)	6,523
<b>Designated funds</b>					
Fixed asset fund	1,164	-	-	406	1,570
Strategic priorities	2,157	-	(2,140)	18	35
	3,321	-	(2,140)	424	1,605
<b>Total unrestricted funds</b>	<b>14,796</b>	<b>35,868</b>	<b>(42,613)</b>	<b>77</b>	<b>8,128</b>
<b>Restricted funds</b>					
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
	<b>10,273</b>	<b>13,208</b>	<b>(10,890)</b>	<b>9</b>	<b>12,600</b>

15b. FUNDS MOVEMENT (2022/23) CONTINUED

Tearfund and Tearfund Group	1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2024 £'000
<b>Restricted funds brought forward</b>	<b>10,273</b>	<b>13,208</b>	<b>(10,890)</b>	<b>9</b>	<b>12,600</b>
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)	-	-
<b>Total restricted funds</b>	<b>17,433</b>	<b>49,514</b>	<b>(47,679)</b>	<b>(77)</b>	<b>19,191</b>
<b>Total</b>	<b>32,229</b>	<b>85,382</b>	<b>(90,292)</b>	<b>-</b>	<b>27,319</b>

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)
<b>FCO &amp; Other:</b>				
Nigeria Innovate UK	-	29	(29)	-
Iraq CSSF	-	812	(806)	6
<b>Start Network:</b>				
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)	-
<b>Total FCDO funds</b>	<b>65</b>	<b>3,559</b>	<b>(3,517)</b>	<b>107</b>
<b>Disasters Emergency Committee (DEC)</b>				
Coronavirus	63	237	(300)	-
Afghanistan crisis	174	2,149	(2,195)	128
Pakistan floods	-	844	(694)	150
Turkey and Syria earthquake	-	948	(8)	940
<b>Total DEC funds</b>	<b>237</b>	<b>4,178</b>	<b>(3,197)</b>	<b>1,218</b>

**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
<b>Tearfund Group:</b>			
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)
	<b>7,588</b>	<b>19,591</b>	<b>27,179</b>
<b>Tearfund:</b>			
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)
	<b>7,588</b>	<b>19,591</b>	<b>27,179</b>

**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
<b>Tearfund Group:</b>			
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)
	<b>8,128</b>	<b>19,191</b>	<b>27,319</b>
<b>Tearfund:</b>			
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)
	<b>8,128</b>	<b>19,191</b>	<b>27,319</b>



## 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
	<b>1,497</b>	<b>1,725</b>	<b>1,497</b>	<b>1,725</b>

## 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).

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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).

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