

Annual Report 2022/23

Celebrating the past year

Report and Financial Statements 2022/23
Year ended 31 March 2023



tearfund



Guatemala



UK



Ivory Coast



Colombia



Brazil



Zimbabwe



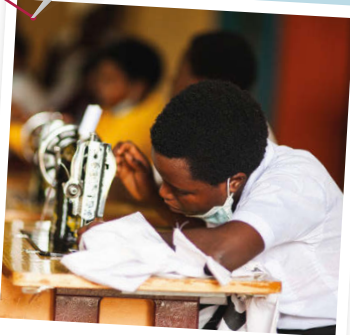
Lebanon

Contents

- 02 Chair's introduction & CEO's introduction
- 05 When the church sees the light
- 06 Trustee Directors' report
- 08 Our corporate priorities
- 10 Strategic report
- 30 Stakeholder engagement
- 32 Structure, governance and management
- 34 Our commitment to safeguarding
- 36 Diversity and inclusion report
- 37 Environmental performance report
- 38 Risk management framework
- 40 Trustee Directors, Committee Members, Other Members, Ambassadors and Executive Team
- 42 Financial review
- 45 Trustee Directors' responsibility statement
- 46 Independent auditor's report to the trustees and members of Tearfund
- 49 Consolidated statements of financial activities
- 50 Balance sheets
- 51 Consolidated cash flow statement
- 52 Notes to the financial statements

Copyright © Tearfund 2023. All rights reserved.

A company limited by guarantee, registered in England and Wales. Company registration number 00994339.
Registered Charity No. 265464 (England & Wales)
Registered Charity No. SC037624 (Scotland)



Rwanda



Bangladesh

Chair's introduction

With crisis after crisis, the past few years have felt unrelenting, and 2022 was no different. But once again, the church has stepped up and been at the centre of our response. And for good reason. I have been reading a book about the absolute necessity of an agreement, or 'bargain', among the elite of a country that makes and holds space for development to take place.

Without it, the book asserts, a country cannot make sustainable change towards a stable economy and the improved prospects it brings for its people.

But, while reading it, I have had in mind an alternative narrative. This other story is born from what emerges as we equip local churches around the world to help them hear and step up to the calling to be salt and light in their community. What we have seen is exciting, paradigm-shifting and lasting transformation. And although we have always known our work brings change, the extent to which this is happening, confirmed by an independent evaluation, is joyfully unexpected. Communities are being transformed, economically, socially and spiritually. And that change lasts.

What would happen if we could expand this work? If we could engage with and support not just the 25,000 churches we currently partner with but, say, 250,000 of them? What difference would it make to a country and the prospects of its citizens if every church became such a centre of transformation?

This year we have started to think about how we might scale up our work in order to see that change. Some of this is mentioned in this report, but this is a work in progress, and will call for change in ourselves too. We are tremendously grateful to all who have walked with us so far. Our thanks go to all who will continue to support us through prayer, action and giving, as we step up to this greater ambition – and tremendous opportunity – lying ahead.



Anna Laszlo
Chair

CEO's introduction

In this report, you will find stories of God transforming local communities through his church. I have been privileged again this year to sit with communities and hear first-hand their stories of lives changed, incomes improved, relationships restored and self-confidence created.

And as I listen, two things come to mind: firstly, God is working in this community, and secondly, why can't this happen everywhere – in every community in every country where Tearfund works and where there is a church we can partner with?

We call this work Church and Community Transformation, and we sense a calling from God to scale up this work by a factor of ten. The church can be the most powerful agent of change in the world: it is God's 'plan A' for transformation. And at this time of great uncertainty and insecurity, when we see communities worldwide suffering with the climate crisis, with conflict, with displacement, we know the church can be good news for those who live in poverty.

We have responded this year to multiple emergencies including in Ukraine, Pakistan, Syria and more widely in East Africa. We are so grateful to supporters, churches and funders who have given repeatedly and with great generosity to our appeals and core work. Alongside our focus on Church and Community Transformation, Environmental and Economic Sustainability, and on Reconciled Peace-filled Societies, we have added a fourth priority, Crisis to Resilience. This new corporate priority bridges our humanitarian work and our community work by supporting the church to build community resilience.

These are hugely challenging times. I would like to thank all my colleagues, our partners and the churches we work with for their remarkable leadership and service. In a hurting world, we long for the local church to bring the hope-filled good news: that change is possible, that God is good and cares passionately. And that poverty is not God's plan, you are.



Nigel Harris
CEO



Tearfund

MARIE
—
CHAUMONT
—
AURÉLIE

📍 Tearfund CEO, Nigel Harris, meets with flood-affected residents in Mirpur Khas, Pakistan
Photo: Manoj Kumar/Tearfund

“We’ve all been envisioned: I’ve been envisioned myself. Now, when we visit communities, we have even stopped taking water. People say, “We’ve got water here: you drink our water.”

Carolyn Chinyemba



Carolyn Chinyemba, is spearheading and coordinating the various CCMP facilitators and self-help groups throughout the Province
Photo: Chipema Chinyama/Tearfund

When the church sees the light

For our Zambian partner Jesus Cares Ministries, local churches are at the heart of its work with communities. And for Carolyn Chinyemba, who coordinates this work, it's the change in churches' mindset that causes the most dramatic transformation.

Before we started working with communities, people would come running when they saw our vehicle, because they knew that we brought juices and biscuits. Even the pastors used to go around the villages begging. But I never saw Jesus Christ giving handouts in the Bible.

We started with church leaders and took them through a Bible study on 2 Kings 4, about Elisha and the widow's oil, to help them realise that God can multiply the little you have. That has grown their faith and hope in the Lord, and now the 240 pastors we've envisioned are the ones driving this Church and Community Transformation (CCT).

Before, the church would just preach and preach and wait for donors to bring them aid. Today, they're empowering their congregants and community to realise who they are and the potential they have.

So, our first partner is the church, and through them we reach civic leaders and the rest of the community. Through CCT, the community is helped to identify and articulate their needs, and then prioritise them.

In Eastern Province, where we work with Tearfund, communities identified a priority to be addressing the problem of child labour: children working in the fields or herding cattle instead of going to school.

In some places when a child reaches puberty, they are regarded as no longer being a child. So, we work with churches to raise awareness that a child is anyone under 18 and to see that at puberty children are taught about hygiene, and how to look after themselves and empower themselves with education.

We have realised that whether a child stays in school depends so much on the parents. So, every parent whose child has gone to school through this project joins a self-help group, and they are trained in entrepreneurship, business management and bookkeeping.

So far, we've worked with 1,214 parents, mostly women. Before, women would ask for everything from their husbands. When they save together and take loans from the group, they can multiply their money and support their household. They empower themselves with the money they make: we have never given them money.

Because our self-help groups are God-centred, parents have grown in faith as they pray, study the Bible and bless each other.

With Tearfund, we have managed to get 10,120 working children back into school since 2007. Some have trained as teachers and have gone back to serve their communities.

Success is when you see a child who was working now going to school and taking responsibility for themselves. They know that they don't just have a right to education, they also have a responsibility to learn, do their homework and give back to the community.

And it's very edifying to see a chief setting a rule that no child goes to the field before they go to school. The communities have owned the project – they feel it's theirs – so it continues even when we are not there.

The church is seen as relevant now because it is bringing transformation. And church members realise that they are a light in the community.

Today, there are pastors who are running shops, farming, and keeping chickens. They're role models: looking after their families and leading by example.

It breaks my heart when I see people stuck: I want to help people realise who they are in Christ. We want many other communities, from far and wide, to come and learn about the transformation that has taken place.



📍 Margaret (right) has innovatively turned one of the rooms in her home into a store where she can conduct business from her home

Photo: Chipema Chinyama/Tearfund

Trustee Directors' report

The Board of Trustee Directors present their Annual Report, together with the audited, consolidated financial statements, for the year ended 31 March 2023.

Principal activity

Tearfund is a Christian relief and development agency committed to eradicating poverty. Tearfund's call over the past 55 years has remained constant: to follow our mandate to see people lifted out of material and spiritual poverty.

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

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

Our values remain unchanged: we seek to be Christ-centred, compassionate, courageous, truthful and servant-hearted.

We see mobilising and equipping the church as fundamental to achieving this.

Our outcome-focused corporate priorities

In 2022/23 we reviewed our four outcomes (churches mobilised, emergency needs met, communities transformed and society changed) and our three corporate priorities (Church and Community Transformation, Environmental and Economic Sustainability, and Fragile States).

As a result, we agreed to pursue our vision by focusing on four consolidated outcome-focused corporate priorities:

- Church and Community Transformation
- Environmental and Economic Sustainability
- Reconciled Peace-filled Societies
- Crisis to Resilience

In 2022/23, our reporting reflects the transition from our four outcomes, which remain for one final year the basis for reporting expenditure in the financial statements, to the new outcome-based corporate priorities, which provide the framework for the Strategic Report starting on page 10. Next year, our reporting framework will use only our four new corporate priorities. We are conscious of the interconnectedness of these new corporate priorities across all aspects of our work. Therefore, we are updating our systems and processes for reporting to ensure we're clear about the impacts we've achieved against these corporate priorities and the investments we've made to achieve them.





Our corporate priorities

We are committed to four corporate priorities. We believe that we are uniquely placed to deliver them and that they enable us to contribute to transformational change in the countries in which we work.

These corporate priorities should not be viewed in isolation, but as complementary, strategic areas of focus which help us to achieve holistic transformation and address the root causes of poverty. We believe poverty is caused by four broken relationships: our relationship with God, with our self, with others and with creation. Restoring these relationships is at the heart of all we do.

Each of our corporate priorities has a vision statement to provide direction and focus for our work at community, national and global levels. Together, these enable us to track our progress towards achieving our vision and mission.



Church and Community Transformation (CCT)

Our vision is for a global church movement significantly transforming the holistic wellbeing of people living in the greatest poverty. This means the whole church truly understanding, embracing and acting out its integral mission and, in doing so, changing the lives of those in most need across the world.



Reconciled Peace-filled Societies (RPS)

Our vision is to enable those who are called to address the effects and systemic causes of violence to bring sustainable peace in their communities and wider society.



Crisis to Resilience (C2R)

Our vision is to see resilient hope-filled communities equipped and empowered to prepare for and respond to the crises they face. Our goal is a reformed and equitable humanitarian system with strong, local, humanitarian leadership, and with faith actors at the forefront.



Environmental and Economic Sustainability (EES)

Our vision is for a world where every person's basic needs are met and all have the chance to flourish within environmental limits. We seek a restorative economy which aims to meet three key tests:

- Everyone can meet their basic needs.
- The world lives within its environmental limits.
- Inequality in its current extremes – including income inequality and wealth inequality at national and international level – is no longer accepted.

CCT is the bedrock of much of Tearfund's work. It interacts and interconnects with the other three corporate priorities in numerous ways, including:

- **EES:** Programmes focusing on EES are often introduced through churches that have been involved in CCT. We are working to integrate stronger creation care concepts into CCT processes to ensure that environmental sustainability outcomes are achieved.
- **RPS:** Increasingly, countries are adopting a CCT approach before or alongside their RPS work. The focus on helping churches understand and outwork a 'whole-life' mission is proving to be a strong foundation to build upon,

resulting in deep-rooted change across relationships at every level. A specific CCT process embedding gender justice, trauma-healing and peacebuilding has been bringing hope and transformation in various countries.

- **C2R:** Tearfund's focus is to equip churches and local communities in disaster preparedness, help them respond to emergencies, and invest in building resilience and hope for people in the long term.

Partnerships and principles

Our partners include local churches, denominations and Christian national and international NGOs who agree with our Statement of Faith and meet our partnership criteria. In a few countries affected by protracted and/or recurrent crises, where the availability and capacity of partners are currently limited, Tearfund implements large-scale programmes with our own staff.

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

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

With a shared Christian identity and common goal to reduce poverty and injustice, the Tearfund Family brings together agencies in the UK, Ireland, Belgium, France, Germany, the Netherlands, Canada, USA, Australia and New Zealand.

Tearfund and its partners work with the most vulnerable and marginalised people around the world, regardless of race, religion, ethnicity, ability, age, gender, sexuality or nationality, and the Trustee Directors ensure that the activities undertaken contribute to the charity's aims and objectives. The Trustee Directors are therefore confident that Tearfund meets the public benefit requirements of the Charity Commission in our reporting.



📷 Photos (top to bottom): Java with her granddaughter from a village in Chiang Mai, Thailand, where, where our local partner supports the community with integrated agroforestry and community management skills

Photo: Freedom Film Productions/Tearfund

Pastor John Sakala speaks to his congregants from the community in the church on a regular basis as his service to the people in Mangena Community, Zambia

Photo: Chipema Chinyama/Tearfund

A regional youth network gathering in Colombia. More than 40 young people came together to pray, learn about good governance and creation care

Photo: Andrés Pacheco/Tearfund

Loko, who was supported by Tearfund partner EGCDWO in the midst of severe droughts in Ethiopia

Photo: Mahad Usman (Ayanna)/Tearfund

Strategic report

The Trustee Directors present the strategic report which details our progress made against our key objectives set last year and our aims for 2023/24.



We hope to see churches and communities transformed

We inspire and support the church to be active, vibrant and living out a theology of integral mission so that people in their communities experience whole-life transformation.

What is our approach?

We believe that poverty is the result of broken relationships between God and humanity. Our work focuses on restoring four important relationships: how we relate to God, to ourselves, to others and to the environment.

Local churches begin a lifelong journey when they embrace and commit to partnering in God's mission to bring restoration in all four of these areas. This journey empowers them, changes mindsets and brings about 'whole-life' change in both the congregation and the community. The church responds to the needs of their local community holistically and from within. As a result, people are lifted out of poverty and lives are transformed.

Church and Community Transformation (CCT) approaches vary around the world but are all based on a theology of integral mission and have a vision for whole-life transformation. These approaches are locally owned, sustainable and empowering. They start with biblical reflection that enables churches and communities to have a deep-rooted understanding of their identity and potential, and helps change mindsets. Sometimes, the entry point for CCT is accompanying churches to address a specific issue, such as migration or creation care, but the focus is always on transformational change and a call to action, which encourages church and community members to mobilise resources to meet the needs they have identified in their community.

This year,
we're
celebrating:



26,953

churches actively engaged in CCT and helping transform communities



456

new denominations and 292 new church networks starting their CCT journey



620

denominations and 228 church networks now scaling up CCT with their own resources



103

new theological training organisations integrating CCT courses and models into their curriculum



With support from Tearfund's partner, farmers Eudoxie and her husband Marc, have completed CCMP training in Côte d'Ivoire
Photo: Thiombiano Diouyadibi Emmanuel Benjamin/Tearfund

Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. See 28,000 churches mobilised and achieving transformation in their community

Developing and supporting facilitators and trainers is a mainstay of our CCT strategy, in order to see more churches mobilised.

In 2022/23, we saw 4,329 more churches mobilised, bringing the total to 26,953 churches. 5,630 new facilitators were trained bringing the total number of active CCT facilitators worldwide to 23,377. In the Middle East, we are pioneering a contextually appropriate Arabic church mobilisation process: 14 women and 11 men are being trained as facilitators and are co-creating this process in Jordan.

We have developed an online community of practice, drawing together people around the world to connect, share learning and inspire one another. Having completed a successful pilot phase engaging 71 members, we will now open it up more widely. We already have two regional groups using the platform to strengthen their CCT training and support, and other regional and country-level communities of practice are now being established.

In South-East Asia, an inspirational learning event was held for 84 practitioners and influencers from the CCT community of practice. Participants committed to move forward in their CCT journeys by reflecting on creative and innovative ways to restore broken relationships (see above) in their specific country contexts. They also committed to expand the movement through cross-border collaboration, to help raise up the next generation of CCT practitioners.

2. Scale up advocacy and influencing across our work on CCT

A total of 46 churches and 27 denominations and networks have integrated advocacy into their CCT work this year and 44 individuals have become CCT Advocacy trainers.

The focus has been on strengthening the capacity of CCT practitioners (including trainers and facilitators) to further expand this work. 'Training of trainers' in CCT Advocacy has been conducted in 11 countries in Africa and seven in East and South-East Asia.

Meanwhile, local churches have continued to engage with local government, particularly on the issue of delivering public services. Several denominations have been envisioning local church leaders and key groups such as young people in CCT Advocacy, and trained champions have gone on to train other community and church leaders.

In Zimbabwe, for example, this has had strong results: communities have seen improvements in governance, citizen engagement and public services. One district received new staff and facilities at its health centre as a result of CCT advocacy while another saw improvements to its sewage system and water supply; roads in both communities were upgraded.

3. Denominations and networks sustainably scaling up CCT*

Tearfund country offices have started new relationships with 160 denominations and 54 networks to inspire them to start their CCT journey.

The approach varies from envisioning activities in West Africa, to theological education discussions in East and Southern Africa, to exploring new ways of working in Latin America. For example, in South Sudan in September the team held 14 days of CCT training with ten lecturers from three theological colleges on identifying and analysing church and community needs. The aim was to help students apply their CCT knowledge in the context of the local church and community for holistic transformation.

We have also seen good progress in the number of denominations and networks (now 620 and 228 respectively) which are scaling up CCT sustainably with their own resources. We established a new Theology and Network Engagement Hub in Cambodia, a network of theological educators and training organisations teaching integral mission who share learning and experience. The Hub has already seen strong progress in curriculum development for both CCT and Environmental and Economic Sustainability.



14-year-old Thierry from Burundi hopes for a brighter future thanks to church transformation

Photo: Paul Mbonankira/Tearfund

* – This objective was not specifically listed in the 2021/22 Annual Report

What we learnt

We commissioned the largest independent study Tearfund has ever embarked on: Local Church, Lasting Transformation. We worked with State of Life to measure the impact of our CCT work and had our findings peer reviewed. This was a large and pioneering study: we surveyed almost 8,000 people in Rwanda, Sierra Leone, Tanzania and Zimbabwe. We compared people actively involved in CCT activities with others in the wider community and in communities where CCT has not started.

The remarkable results showed that CCT brings positive whole-life transformation, which is sustained and far-reaching and is of great value. We found:

- There is 27 per cent higher life satisfaction among CCT communities.
- Every £1 that Tearfund invests in a CCT process unlocks £7 of additional resources within a community.
- Nine out of ten communities that participated in CCT built new or improved community assets, such as schools and roads.

This is year one of a multi-year study, and we will be repeating the research in more countries next year.

Read more about the study on Tearfund Learn¹.

We know we can go further

In many contexts where we are using CCT processes, literacy levels are low, so large numbers of people are excluded from leading them or taking part. We have adapted the manual for one of our CCT processes so it can be facilitated entirely orally, and have piloted its use in Sierra Leone. We need to do the same for our other CCT processes. We are scaling up our ambition for CCT and have set a target of 250,000 churches in 5-7 years becoming centres of transformation for their communities. We will do that by stepping up the work we do to influence churches and denominations for Integral Mission.

Going forward in 2023/24

We aim to:

- continue the large-scale study of our work to measure the impact of CCT in four further countries in different contexts
- launch an online CCT training curriculum
- mobilise 100 new denominations

1 – <https://learn.tearfund.org/en/resources/series/cct-impact-study-series>

Search and rescue mission

Coqueiral Baptist Church in Brazil takes its biblical mandate to seek and save the lost quite literally.

As storms caused flooding and widespread damage in parts of Pernambuco state in May 2022, the heavily polluted Tejipió River broke its banks in Recife where the church is based.

Although Coqueiral Church was affected as well, its response was immediate: it sent out rescue boats looking for people stranded in homes filling with floodwater.

Kedyma and her family were trapped for hours on their first floor, calling the overloaded municipal emergency services in vain. 'Then we saw the [church's] boat... the answer we were praying for, the answer God sent us.' In total, the church rescued 420 people that day, as well as providing food and essentials for thousands.

Tearfund has partnered for more than ten years with the church's development wing, Instituto Solidare, including providing training in disaster response. We also supported the church's Clean River, Healthy City campaign which has worked with both the authorities and local community to raise awareness of the link between waste pollution and flooding, and encourage better care and management of the river.

Instituto Solidare Director Evandro Alves says: 'We know that there is no mission of the kingdom of God that is not integral [mission].'



📍 The Baptist Church of Coqueiral, Recife Brazil, has positioned themselves as a zero-waste church

Photo: Mochah Films/Tearfund



We want environmental protection and economic development to go hand in hand

We work with local churches and communities to tackle environmental and climate challenges while creating green jobs to improve people's livelihoods and create sustainable economic development.

What is our approach?

We believe that we need to live differently with others and with our planet, sharing more abundantly and more generously, and treading more lightly on the earth. We need to recognise that creation is an abundant community of which we're a part, and our interaction with the environment must be motivated by love, not dominion.

Based on these beliefs, elaborated on in our theology of abundant community, we collaborate with churches and communities worldwide to address climate and environmental challenges which humans have often caused. Our Environmental and Economic Sustainability (EES) work focuses on ensuring environmental protection and economic development go hand in hand, helping communities, especially young people, create green jobs and build stronger, more sustainable livelihoods.

We work with theology schools and church networks, mobilising people to advocate for policy changes locally and globally, while at the same time developing practical solutions with churches and communities. These include: waste management, climate-smart agriculture and renewable energy at household and community levels.

We want to be accountable about our own environmental impact and strive to reduce it. This includes cutting the number of flights our staff take, reducing waste at our offices and events, and using more environmentally friendly logistic operators and transportation in our emergency responses.

Right: Since installing irrigation, Mahima's crop has increased. Rukum East District, Nepal

Photo: Rabi Rokka (Ray Of Hope Productions)/Tearfund

This year, we're celebrating:



39

theological training organisations incorporating EES theology *Abundant community* into their curriculum and in five different languages



66

changes in public policy and practice achieved, 130 church networks and movements mobilised to advocate for environmental justice



200,000+

campaign actions taken globally to advocate for climate action



20+

EES projects providing green livelihoods while protecting the environment



FASHION

BEST THE GIRLS MODE
Happy Time FASHION WEAR

Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. Building a strong foundation of EES theology by working with Bible schools and networks*

Our new *Abundant community theology* report is the culmination of an extensive consultation on EES theology, with important contributions from Africa, Asia and Latin America.

The report is already proving a catalyst for theological conversations around EES globally. For example, in November we co-hosted a Theology, Church and Farming event with Jubilee Farm in Northern Ireland. This proposed a 'theology of abundance' as a response to the individualistic mindset that underlies several challenges facing UK agriculture – and has led to a local network promoting sustainable farming.

At least 39 theological training organisations incorporated EES theology into their curriculum this year, including the Methodist Bible School in Cambodia, and our Guatemalan partner the Esdras Centre. The success of the new Theology and Network Engagement Hub in Cambodia has already been mentioned (see page 12).

As well as producing 19 research papers and resources, members of our Theology and Network Engagement Team have had 34 external speaking engagements on EES theology, including at Spring Harvest. They also convened or contributed to 11 events on the theme, including a creation care workshop for church leaders in Latin America and the Caribbean.

2. Support projects that produce green jobs, demonstrate sustainability and reduce inequality in programmes in at least 15 countries

This year, we supported 20+ EES projects in 19 countries spanning all six regions where Tearfund works. Our review of all these projects found that they have all made good progress in achieving their three main goals: creating green jobs, restoring and protecting the local environment, and reducing inequality.

Most of these projects, whether in stable or fragile states, have arisen from CCT programmes. All of them have found that combining practical activities with advocacy and influencing is key to ensuring the long-term behaviour change at household and community level needed for the projects' success.

This year, we have started a new climate-smart agriculture project in Mozambique which is supporting community members to grow drought-resistant moringa and aloe vera. It is helping people diversify away from charcoal production, a major cause of deforestation and soil degradation, and teaching young people to make marketable products such as soap. We plan to start EES projects in three more countries in 2023/24.

3. Grow a movement of Christians in the UK and global church to help ensure the 2022 African COP delivers financial support to communities hit hardest by the climate crisis

We have grown the number of movement allies we work with around the world, so it now stands at 91. More than 100 churches across the UK have now declared a climate emergency, and are committing to act on the climate crisis as a congregation. In addition, more than 11,000 people signed our *Time to Deliver* petition to the UK Government pressing for more climate finance to help climate-vulnerable communities adapt.

Thousands of people from climate-vulnerable communities, including Tearfund staff and ambassadors, raised their voices to speak up on climate finance. We were able to bring several activists to the COP27 climate talks in Egypt. These spokespeople helped us secure over 50 pieces of COP27 media coverage, with a combined reach of over 66 million.

World leaders at COP27 agreed for the first time to establish a fund for 'loss and damage', offering relief for climate-vulnerable nations and communities. This is a welcome sign that the voices of those worst hit by climate change are finally being heard – and that pressure from civil society is having an impact.

4. Work with multinational companies so that they commit to implement policies that will improve the livelihoods of waste pickers and uphold their human rights

For three years, we have been calling on four large multinational companies, Coca-Cola, PepsiCo, Nestlé and Unilever, to take responsibility for their plastic pollution and respect the rights of waste pickers.

This year, these companies signed up to the Fair Circularity Initiative. This brings businesses together around the aim of ensuring that the rights of waste pickers involved in their supply chains are respected and that the central role waste pickers play in stopping plastic pollution is fully valued through implementing the Fair Circularity Principles. Specifically, all four companies committed to advance and adopt these principles in collaboration with waste picker organisations, to report on their progress annually and to encourage other businesses to join the initiative.

The aim is that this will contribute to real improvements in the lives of the world's 20 million waste pickers who collect 60 per cent of all plastic waste that gets recycled globally. This is a key outcome of our *Rubbish Campaign*, in which tens of thousands of Tearfund supporters have participated since 2019.

* – This objective was not specifically listed in the 2021/22 Annual Report

What we learnt

Long-term behaviour change at individual, community and government level is most likely when advocacy, influencing and movement-building are integrated into project activities. CCT has proved an effective foundation for EES projects, including in fragile settings, and savings groups play a key complementary role in achieving strong outcomes. In turn, EES projects can build strong community groups from which self-help groups arise.

We know we can go further

Although we saw some campaign wins at COP27, we need to continue to keep up the pressure for climate justice. We also need to build on the success of our advocacy on waste, capitalising on the unique opportunity presented by the UN Plastics Treaty negotiations.

We want to do more to create green jobs in agriculture and other sectors through contextually appropriate entrepreneurship models.

Going forward in 2023/24

We aim to:

- introduce our abundant community theology into more theological colleges and other influential church spaces
- seek to influence the UN Plastics Treaty negotiations through our *Rubbish Campaign*
- deliver projects in 20 countries to build restorative economies and resilience in the face of future climate and environmental crises

‘When I see the importance of this [chicken] breeding for us, I am motivated to move forward...’



Chickens revive local farming

Prolonged drought, made worse by climate change, has turned the land barren in parts of Burkina Faso. Families depend on agriculture for their survival so many are going hungry, their situation made even more precarious by the conflict that has torn their country apart for several years now.

In Kirsi to the north, our partner l’Office de Développement des Eglises Evangéliques (ODE) has been training 51 women in poultry-farming, providing families with both chickens and the skills to develop other types of income.

To ensure the project is fully sustainable, these new chicken farmers and their community are being trained in every aspect of poultry care, which is invaluable in an area where agricultural services and products are hard to come by. Some in the village have been trained in vaccination and given equipment which has allowed them to administer vaccines to about 5,000 poultry per quarter.

Furthermore, a group of seven villagers, including three women, have been taught to make poultry feed from local products. This cooperative now produces feed for the area: its first batch sold out.

Revenue from chicken sales has generated about £2,700 during the calendar year 2022.

Bagre explained the benefits of this enterprise. ‘I am very proud of myself to be able to contribute financially to the needs of my household. When I see the importance of this breeding for us, I am motivated to move forward.... I pray that God gives me this strength.’



We hope to see communities working together across divides to resolve conflict peacefully

We support churches, faith groups and local communities to address the effects and systemic causes of violent conflict and bring lasting peace for themselves, their neighbours and their society.

What is our approach?

The Bible tells us that those who have suffered the realities of poverty, violence and oppression are the ones God chooses to rebuild, restore and renew (Isaiah 61:1-4). It describes them as 'oaks of righteousness, a planting of the Lord for the display of his splendour'. Supporting and enabling such individuals is at the heart of our peacebuilding work.

We aim for deep impact, investing in and nurturing these key change-makers, committing to work in locations long enough to see and measure sustainable change. We combine this support with development programmes that address the drivers of conflict – from climate change to lack of sustainable employment. We also look to strengthen those structures and processes that bring peace.

We recognise the contribution and success of female peacebuilders, and the vital role young people can play, and we prioritise these groups as we build and support peacebuilding networks. We also challenge harmful social norms that exclude women and young people through our Transforming Masculinities programmes and our work with survivors of sexual and gender-based violence.

Right: Divine Bihoyiki, from Kirundo, Burundi, lives alone with her five children. As a former refugee she was able to resettle in the village and lives peacefully with her neighbours

Photo: Paul Mbonankira/Tearfund

This year, we're celebrating:



85,600+

people taking part in our work to build reconciled peace-filled societies, including:



876

local churches becoming centres of peacebuilding and advocacy



1,589

households receiving training in peacebuilding techniques



266

peacebuilding champions mobilised in conflict-affected countries



Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. Help build relationships between communities in conflict and across social divides in 15 countries

This year, we have been using our ‘community conflict transformation dialogues’ approach to build reconciled peace-filled societies in 23 countries. One such project in the DRC trained young people and faith leaders as peace champions to facilitate conflict transformation dialogue sessions within their communities. Before these talks began, people would not leave their villages for fear of being killed by people from different tribes.

Makamba Roseline, who took part in the dialogues, describes the difference that the project has made: ‘[Before], we could not go outside of our village. Now we can travel freely to the village located 25km from here. We are planning to play a football match with the neighbouring community and that was unthinkable before. Today, people from the Hema communities come here to the local market for their groceries. Youth from this village can easily go to look for stones for building houses in the neighbouring community and this was not possible before. We live now as brothers and sisters.’

2. Scale up advocacy and influencing across our work on Reconciled Peace-filled Societies

We continue to expand our ‘shifting security narratives’ work, engaging directly with relevant UK bodies on bolstering local peacebuilding efforts in place of militarised solutions, and working with peacebuilding networks to scale up this work in East and West Africa. We continue to support our partners as they advocate for peace in South Sudan and West Africa.

We defend freedom of religion or belief, supporting, among others, our partners in Iraq and Nigeria to speak with international decision-makers, including the UK Government.

As part of our wide-ranging minorities’ rights advocacy, we continued this year to lead and strengthen a campaign in Latin America and the Caribbean advocating on behalf of migrants and refugees to the UN, the Inter-American Court of Human Rights, and the governments of Brazil and Panama. As a result, the Panama authorities agreed to provide psycho-social support for migrants and to monitor the number of people dying while crossing the Colombia–Panama border.

We also called for good governance in Chad, Haiti and Nigeria, and are in the process of launching a regional anti-corruption and good governance campaign in Latin America and the Caribbean.

3. Establish and support women’s peacebuilding networks*

Tearfund has organised two gatherings of female peacebuilders, bringing together participants from across the globe. The first took place in Cape Town and allowed 35 peacebuilders to process the upheaval of recent years and help them build rhythms and practices to sustain themselves and their work over the long term.

The second gathering brought together 22 peacebuilders and young theologians in the Stott-Bediako forum in Romania to explore the relationship between faithful Christian witness and power. The young Christian peacebuilders were able to build relationships with key theologians from their regions and deepen their understanding of the theological foundations of their peacebuilding work. This will help them to work with and influence church leaders, who tend to be older and male: a lack of engagement with such leaders has all too often constrained and limited their impact. There have been further local meetings and online discussions with the key speakers.



📍 Elyse Ndayishimiye (centre) is a Peace Champion in Rwibikara, Kirundo, Burundi
Photo: Paul Mbonankira/Tearfund

* – This objective was not specifically listed in the 2021/22 Annual Report

What we learnt

Faith leaders with vision have influence and are able to mobilise others in their community around that vision, creating change. But to sustain their work in often difficult and dangerous environments over the long term, they need to be given opportunities to come together, physically and virtually, to share successes and challenges, to pause for breath, recharge and learn from each other.

We know we can go further

Although we have made progress, there is not yet enough meaningful inclusion of women and young people in our peacebuilding work. To this end, we are now merging our gender equity and peacebuilding approaches wherever possible so that they and other integrated programmes have a stronger focus on inclusion, and we will continue to address barriers that hamper inclusion of those on the margins.

Going forward in 2023/24

We aim to:

- support 300 communities to experience greater trust and reduced levels of violent conflict
- contribute to reduced levels of gender-based violence and increased participation of women and young people in 300 communities
- support 300 churches and faith communities to model and drive structural change in support of sustainable peace

‘The officer was shocked to hear of so many ethnicities and religious groups travelling together. JISRA and [our local partner] enable us to be together’



Forays across faith divides

Deep divisions along religious lines can often lead to violence. Therefore, Tearfund has joined the Joint Initiative for Strategic Religious Action (JISRA) as part of our interfaith peacebuilding and advocacy for freedom of religion or belief (FoRB). The project, which is taking place in Iraq, Ethiopia, Mali and Nigeria, brings together people from different faiths to build relationship and understanding, often in highly complex religious contexts.

In Iraq, one of the project participants described their journey from Nineveh to a JISRA training venue, as a striking example of how JISRA is challenging religious and cultural norms: ‘Today, at the checkpoint, the officer asked a lot of questions about who we were, and we said: “One Kakai, one Yezidi, Christians and Shabak.” The officer was shocked to hear of so many ethnicities and religious groups travelling together. JISRA and [our local partner] enable us to be together.’

Through the JISRA project we are building relationships across divides, dispelling fear of the ‘other’ and bringing healing. It has also helped participants develop skills in advocating for religious freedom and inclusion. For example, we helped to arrange an audience for them with UK leaders at the FoRB International Ministerial Conference in July 2022 and associated parliamentary events in the UK, alongside colleagues from Nigeria.

📍 A Yezidi temple, mosque and church in Bashiqa city, Iraq, where different faith groups live peacefully, in close proximity to one another

Photo: Tearfund Partner



We want to see communities moving from crisis response to resilience

Our belief in God's restoration plan compels us to help build resilient, hope-filled communities, equipping them to prepare for and respond to crises, and addressing the root causes of their vulnerability.

What is our approach?

The communities we serve do not differentiate between the risks they face daily. Floods, drought, violence or pandemic, each crisis results in similar impacts: livelihoods lost, homes destroyed, lack of access to food and markets.

Consequently, this year we developed a new strategic approach to ensure we strengthen communities' capacity to respond to and recover from emergencies, and become resilient to future shocks.

We equip churches and local partners so that emergency responses are as locally led as possible and contextually appropriate. At the heart of this collaborative approach is partnership, mutual learning, resilience and a mindset of hope. Where necessary, we also work directly through our own operational programmes, currently in the Democratic Republic of Congo, South Sudan and Central African Republic.

In 2022/23, we've responded to devastating climate-related disasters and communities facing violence and destruction, including the Ukraine conflict, Turkey-Syria earthquake, Pakistan floods, an earthquake and flooding in the Philippines, the East Africa hunger crisis, a hurricane in Nicaragua and cyclones in southern Africa.

We hold ourselves accountable to people affected by disasters, ensuring clear channels of communication so that communities can participate fully and give feedback. We coordinate with networks and peers within the humanitarian sector to ensure best practice across our work.

Right: Ibraimo Momad and his wife Journey Abdalaand, with their two daughters in Mozambique. The family was displaced due to terrorist attacks
Photo: Ricardo Franco/Tearfund

This year, we've supported:



23

partners in 13 countries through our humanitarian capacity-strengthening programme



2,500

people in Nicaragua, following Tropical Storm Julia in October 2022, by cleaning and disinfecting 75 wells



25,900

people with cash, agricultural inputs and hygiene support in the first phase of our Pakistan floods response



254,000

internally displaced people with emergency assistance through ongoing programmes in the DRC



Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. Improve our ability to reach disaster-affected populations in difficult and fragile settings, by expanding our operational approaches: for example, combining direct response and working with partners

During the course of the year we wanted to see our operational work becoming more integrated with churches and local partners, to expand our capacity for meeting humanitarian need. To this end, we have refined and simplified our models for working with these local organisations, to great effect.

We have also realised the strong potential we have to influence change in significant ways in every context where we work. For example, the DRC country strategy integrates influencing work with practical action – with an emphasis on peacebuilding, gender equality, and Environmental and Economic Sustainability. Within the past year, the Tearfund DRC team have focused on influencing the church on peacebuilding through financing an interfaith peacebuilding project and hosting the ‘Guns to Garden Tools’ advocacy event to which local authorities, churches and media were invited.

Tearfund is also the localisation lead for the International NGO Forum in DRC, representing 118 INGOs. We also sit on the leadership team of the Start Network’s DRC Hub which aims to transfer decision-making power to local agencies and increase their participation on the international stage.

2. Continue work to establish regional Emergency Response Registers (ERRs) to help identify and train Tearfund and partner staff who are able to respond to crises at short notice

This year we have made progress in developing an Emergency Response Register for our Africa regions, which pulls together skilled Tearfund staff from within the continent who can travel to support emergency responses.

We have conducted two emergency response simulation exercises, in Rwanda (February) and Burkina Faso (March), which aim to improve preparedness and response by testing existing procedures and systems in a fictional disaster. These simulation exercises ensure Tearfund and our partners are better placed to respond when a real disaster happens.

We have also made progress in embedding the Asia Regional Disaster Risk Reduction Management (DRRM) platform. This aims to increase regional cooperation among national Christian NGOs across Asia, by facilitating collaboration and shared learning for better cross-border preparedness and resilience. Our Indonesian partner, Jakomkris Network, was nominated as the first chair of the platform at the end of 2022, with EFICOR India as the co-chair. The group is already working towards developing a shared surge roster for Tearfund and its partners, to respond to cross-border disasters.

3. Develop e-learning resources for church leaders, to strengthen the ability of local churches to respond when disaster strikes

We have developed a series of five e-learning modules for the local church this year, focusing on disasters and preparedness. These resources will come online on Tearfund Learn in 2023 and will be available in several languages.

The modules follow a simple flooding disaster scenario and consider how the local church can prepare for and respond to such an event, using learning activities and short animations. The e-learning follows the disaster risk management cycle of preparedness, response, recovery and mitigation, with a final module on the wellbeing of the church and responders following a disaster. These e-learning modules have been drawn from existing resources developed by Tearfund, but contain up-to-date facilitator guides and Bible studies.

We anticipate these online resources will be used by existing CCT processes and facilitated within the network of churches Tearfund engages with. These resources are now available to all: any local church can use them, without facilitation or other training, to strengthen its capacity to respond when disasters happen.



Right: Catia Antonio (wearing a Tearfund waistcoat), provides sewing training to girls displaced by terrorist attacks in Mozambique

Photo: Ricardo Franco/Tearfund

What we learnt

In Ukraine, we were able to adapt our systems to mobilise and support smaller community organisations and churches, who were part of our networks but not existing partners, to provide swift assistance in an environment of active conflict. This allowed a robust and contextually appropriate approach. We are investigating how we use this learning to be better prepared to respond to similar crises.

We know we can go further

Tearfund’s 2022 Mid-term Audit for the Core Humanitarian Standard highlighted improvement in country teams’ and partners’ ability to deliver high-quality, effective and accountable assistance. We continue to require our staff to ask communities how they prefer to share feedback or submit sensitive complaints. However, we need to be more systematic in how we consult communities on the design of complaints-handling processes and feedback mechanisms.

Going forward in 2023/24

We aim to:

- strengthen local churches and communities so they are prepared for crises and can demonstrate their ability to be inclusive first responders
- deliver holistic responses which go beyond meeting immediate needs, to strengthen resilience and nurture hope
- build the participation of faith actors in disaster response and preparedness, to increase their capacity in coordination and decision-making, as well as wider recognition of the distinctive and important role they play

‘We have realised the strong potential we have to influence change in significant ways in every context where we work’



Sowing seeds of hope

Farmers in Pakistan’s Sindh province are on the frontline of the climate crisis. Changing weather patterns, extreme heat and unrelenting monsoon rains have exacerbated long-standing issues such as access to water so farmers have to compete for natural resources.

From June to August 2022, Pakistan suffered the worst floods in its history. Smallholder farmer Qasim, his wife and seven children had to be evacuated by boat, leaving all their possessions behind, when the army were drafted in to help. Their village was inaccessible by road and there was no way to escape the water. For two months, the family lived by a roadside, unable to return. When they did go back, they found their home destroyed, along with all their belongings.

‘Floods took away my home and my livestock, and left me with horrible memories now,’ says Qasim. ‘May God bless the people who saved me and my family.’

The floods left smallholder farmers such as Qasim particularly vulnerable: their summer crops had been ruined, and they were struggling to afford seed and fertiliser as prices soared.

Qasim is one of many small-scale farmers who received seeds through our local partner the Rural Education & Economic Development Society (REEDS). He’s grateful that he’s been able to sow his four acres and hopeful he can now feed his family again.

Qasim, one of many small-scale farmers who received seeds through our local partner REEDS

Photo: Tearfund Partner



Our supporters

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

What is our approach?

Tearfund’s supporters are absolutely central to our work: we see them as partners in mission. Through prayer, fundraising, regular giving, donations to emergency appeals, campaigning and lifestyle changes, our supporters are bringing God’s love and practical help to millions of people.

We want our Christian values to be evident in how we interact with our supporters, in how we nurture relationship with them, show our gratitude, and prioritise accountability and transparency.

We seek out our supporters’ views on our fundraising and communication through paper and online surveys, on our website and through emails and phone calls. We take their responses seriously and circulate a summary of supporter feedback each month across the organisation, including to our most senior leaders.



📷 Emily and Jack have led a campaign to tackle waste in their Northamptonshire village

Photo: Bin Twinning

This year, we're celebrating:



20,000+

supporters praying regularly for an end to poverty and injustice



£85.4m

raised to transform lives around the world



86,624

individuals making a gift to enable our work



£4.6m

donated to the Turkey-Syria earthquake appeal

Our year

These are the key objectives we set ourselves last year, with examples of how we met them, what we learned and where we can go further.

1. Develop and build on our engagement with a broader range of churches in the UK

We continue to build relationships with a wider range of churches in the UK. We had a presence at a number of church leadership conferences, such as Assemblies of God National Conference, Elim Leaders Summit and New Wine National Leadership Conference.

We have also participated in seminars at events including *Ekklesia* church leaders' roundtable conference, Ground Level Leaders Conference, Vineyard Leaders' Gathering, New Wine summer festival and Holy Trinity Brompton's *Focus* festival. At all these events, our staff talked about our theology of poverty, Church and Community Transformation, and climate change.

We are developing new relationships with churches from Newfrontiers, and have seen some key churches in this network giving to our work for the first time.

2. Launch a new fundraising campaign that allows us to increase awareness of Tearfund among new audiences and help us expand our frontline work with churches across the world

We launched a groundbreaking new fundraising campaign in March 2023 which challenges Christians to *Practise What You Pray*. The campaign features real-life examples of church leaders and community members who have been empowered by Church and Community Transformation training, and who have gone on to transform their villages. A short film made in Burundi breaks with more traditional fundraising filmmaking conventions to help younger audiences engage with Tearfund's work in fresh ways.

We have been incredibly grateful to and humbled by our supporters donating to multiple emergency appeals this year, including the East Africa hunger crisis, Pakistan floods, the conflict in Ukraine and the Turkey-Syria earthquake.

3. Grow and deepen supporter engagement in prayer and campaigning as integral components of Tearfund's whole-life response to poverty

We have been strengthening our core prayer resources, the *Prayer Diary* and 'One Voice in Prayer' email, as well as developing prayers aimed at people under 50.

We also experimented with time-bound 'moments of prayer' on a specific theme: almost 6,000 supporters signed up for daily emails for our month of prayer for peacebuilding in December, with an average open rate of 78 per cent.

Increasing numbers of churches are becoming involved in climate action, from holding climate-themed services to becoming Eco Churches. New climate action online courses were run by both Tearfund Scotland and Tearfund Cymru with the Church in Wales.

Many supporters joined us at climate justice rallies during COP27 and more than 11,000 signed our climate finance petition, while about 2,000 people received our regular justice-focused prayer texts.

What we learnt

Speaking to supporters helped us to understand how they would like to partner with Tearfund including through the opportunity to leave a gift in their will. We have updated our messaging about legacies to invite supporters to reflect on God's love and their legacy and how it can achieve lasting transformation.

We know we can go further

We are making some changes to our team processes and structure to ensure that we keep supporters' experience at the heart of our fundraising, whether they are existing or new supporters. We will continue to research our audiences and to test content and channels so we better understand what interests them and how they prefer to hear from us.

Going forward in 2023/24

We aim to:

- make stronger connections with 'millennials' (people in their late-20s and 30s), deepening their engagement with us through giving and prayer
- engage new individual and church supporters with our mission to end poverty and injustice
- work closely with our International Group so we can share with supporters better evidence of the transformative impact their generosity is having

Snapshots of our supporter family



The sky's the limit on diving duo's compassion for Afghanistan

Intrepid friends Helen and Lorraine from Lisburn in Northern Ireland shelved their usual celebrations and marked their birthdays by launching themselves out of a plane. The pair signed up for a sponsored tandem skydive, asking loved ones to support Tearfund's work in Afghanistan instead of giving them presents. 'Tearfund is one of the few organisations still able to support people in Afghanistan, hence my jump for funds for them,' Helen said.



Declaring God's goodness over the year ahead

At the start of the new year, believers from across the UK joined together to boldly declare God's promises over 2023, thanking him for his provision and asking for breakthroughs in the months to come. Our week-long Declaration event, now in its third year, was presented by The Well@Tearfund, a powerful Tearfund initiative working with Black Majority Churches and Christians of African and Caribbean heritage to tackle extreme poverty and injustice. We had an inspirational line-up of speakers, teachers and worship leaders this year, including: Juanita Francis, David Shosanya, Shermara Fletcher, Emmanuel Adeseko, Jonathan and Abbihi Oloyede, Tobi Ashimolowo, Volney Morgan and New-Ye.



Karen's canvases amid coffee and cake help change lives

A wonderful God-incidence inspired Karen Palmer to use her creativity to raise funds for our work around the world. A timely email from us helped her decide what to do with a collection of her photographic art on canvas: organise an exhibition at a coffee shop in East Kilbride. Karen said, 'This was the happy result of wondering what to do with some surplus art materials, just as a Tearfund Scotland email arrived announcing their new appeal for Mozambique.'

📷 Photos provided by Tearfund supporters

Our fundraising practices

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

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

Supporter complaints are reported quarterly to our Executive Team and the Board's Global Fundraising and Communications Committee.

In 2022/23 we received 346 complaints about our fundraising, which represented 0.19 per cent of all enquiries we received. We are not aware of any complaints made to the Fundraising Regulator.

Our fundraising is carried out by centrally employed staff. Until 30th June 2023, Toilet Twinning was an exception to this as it was run by Kingsley Management Consulting (KMC). We thank KMC for carrying out this important work successfully for over ten years.

Board and Committees' highlights

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

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

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

The Global Fundraising and Communications Committee seeks to support, pray for and bring specific experience and insight into the work of the Global Advocacy and Influencing Group and the Global Fundraising Group. The committee plays an oversight role: bringing its expertise to envision, encourage and balance risk.

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

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

The Diversity and Inclusion Committee's purpose is to act with and on behalf of the Board in supporting and holding the Executive Team to account on the delivery, implementation and effectiveness of its diversity and inclusion strategy. The committee's key aim is to see measurable changes in Tearfund's organisational culture.

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

Over the year, the Board – both directly and through its committees – continued with its governance responsibilities: strategic engagement and direction; setting and monitoring performance against risk appetite and policy; and general oversight and accountability. It was delighted to welcome

new Trustee Director, Stanley Arumugam, based in South Africa, who brings expertise in the area of organisational development. As Tearfund continues to adapt to changing needs and contexts, his input will be invaluable to the Board's deliberations. On a temporary basis, Stanley took on the executive role of Interim Director of People and Talent from May 2023, stepping down as a trustee for this period.

As we increase our ambition to scale up Tearfund's work through the church around the world, the Board reviewed proposals to adjust Tearfund's strategic priorities, and to update the operating models used to achieve targets. The Board recognises the need both to demonstrate the impact which Tearfund's work is having around the world, and to draw lessons from that work in order to strengthen and improve. So, it also spent time this year, both at committee and Board level, considering proposals for a strategic impact framework. This will draw together global data on both reach and depth, together with insights from strategic reviews into specific areas.

Among the many other matters considered at committee level this year, the Global Fundraising and Communications Committee considered the development of new campaigns and communications to encourage and engage both loyal and new supporters to pray, act and give, especially focusing on Tearfund's work with the global church locally through Church and Community Transformation (CCT). The International Impact Committee gave input into proposals for a comprehensive approach to assessing and reporting impact from Tearfund's work around the globe. It also reviewed and celebrated very encouraging findings of an external evaluation into the impact of Tearfund's CCT work. The Well Committee focused on helping the Executive Team outline the strategic pillars needed to support the continuing integration of Black Majority Church partnerships within Tearfund. To this end, the committee welcomed the appointment of Bishop Wayne Perkins of the New Testament Church of God as Head of African and Caribbean Engagement; he will be a key driver of this strategic initiative.



Stakeholder engagement

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

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

General confirmation of Trustee Directors' duties

Tearfund's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its committees. This is set out in the Governance Manual Section 4, and Appendix 8, page 14. These sections explain the roles and responsibilities of the seven committees and highlight some of their principal areas of involvement and decisions taken during 2022/23. When making decisions, each Trustee Director ensures that they act in good faith to best promote the charitable company's success for the achievement of its charitable purposes, and in doing so will have regard (among other matters) to:

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

Tackling deep-rooted challenges needs long-term vision and commitment. In 2022/23 we reviewed our four outcomes and our three corporate priorities (Church and Community Transformation, Environmental and Economic Sustainability, and Fragile States). Subsequently, we agreed to pursue our work towards the vision across four consolidated outcome-focused corporate priorities:

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

In 2023/24 we come into the final year of our current three-year plans and will be establishing new three-year plans for the refreshed corporate priorities.

Over this past year, once again, we've seen churches continuing to step up and respond to crises, conflicts, Covid-19 and climate change. The pressures of the cost-of-living crisis, exacerbated globally by the war in the Ukraine, have caused increasing marginalisation and vulnerability for communities across the countries in which we are present. Churches have continued to work on a range of issues but with a particular focus on: peacebuilding, livelihoods, water and sanitation, climate-smart agriculture, self-help groups and saving groups, waste management and small-scale enterprises, and changing social norms and negative behaviours related particularly to gender-based violence. Our Business Plan, approved in March 2022, set out our key objectives for the year with a focus on continuing to support churches and local partners in community-owned and community-led processes.

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

The Board recognises that Tearfund employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are located in the world. The annual staff survey is one of the Board's principal tools to measure employee engagement, motivation and commitment to Tearfund, with a consistently high response rate. It enables the Board to understand how we are learning from survey findings to strengthen Tearfund culture and values, and informs decision-making, from pay and benefits to health, safety and wellbeing. In 2022 we had a strong positive response to our survey with over 80 per cent engagement scores. We've continued

to see improvements in scores and have focused plans to look at key areas for continued improvement: collaboration and communication; diversity and inclusion; impact of line manager; processes and systems; and talent management.

Over this year we've continued to work in hybrid ways, though with more staff returning to work in our offices around the world. We've seen more travel within the UK, Europe and globally for gatherings, meetings, conferences, strategy discussions, audits, evaluations, and project and partner visits. As travel increases, we are monitoring our carbon footprint, as well as continuing to ensure the safety and security of our staff. We still live with uncertainty with the cost-of-living crisis and lag effects from Covid-19, so we continue to support staff in building personal and collective resilience, and in ensuring the health, safety and wellbeing of all, wherever they are working.

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

Tearfund's key business relationships are with: churches and other partners; the communities with whom we work; our suppliers; and our donors and supporters. This is not an exhaustive list: other key stakeholders include Tearfund Family members and the Charity Commission. Our engagement with these stakeholders is referenced within this report.

In order to deliver our mission and strategy, and to create impact at scale, we need to work with others. We will continue to work in our traditional way through in-country partners, and at the same time build our capacity to work through partnerships, alliances, networks and movements, both Christian and secular. We will continue to position Tearfund as a thought leader in faith and development through these relationships.

The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on pages 26–28. We are strengthening relationships with our suppliers by entering into framework agreements and clear contractual terms and conditions. We have continued to roll out our global procurement system this year in the UK and in the majority of our larger country operations, giving greatly enhanced visibility over our supply chain. The Board receives regular updates on stakeholder engagement, ranging from aspects of our corporate priorities work to supporter surveys which underlie our global fundraising strategy.

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

In the Business Plan approved by the Board in March 2022, we explain how we are increasingly seeing overlaps and interconnections between our corporate priorities. It would not be unusual, for example, to see an EES project taking place in a fragile state using CCT methodology, or for communities to understand their environmental and economic responsibilities and opportunities as a consequence of our work on root causes in fragile states. Community transformation is at the heart of what we do to see communities that are resilient to shocks and stresses, working for peace and unity, and contributing to better futures for themselves and others (see pages 10–25).

Our EES work happens at community, national and global levels, as we build movements of people to pursue a world which brings together the aims of meeting basic needs, living within environmental limits, and non-acceptance of inequality. Our advocacy efforts are focused on waste, climate and environment and many of these have been effective in getting through to those global policy- and decision-

makers who can influence significant change. We are continuing to develop the reporting of our own environmental performance (see page 37).

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

It is crucial that Tearfund maintains its reputation for high standards of conduct, not least because local churches around the world are affected by our work and reputation. Reputation is one of the six areas of impact that we use to evaluate all corporate risks, to ensure it informs all key decision-making. We remain committed to financial and risk management, compliance, safeguarding and good governance. We are committed to a focus on the charity’s impact. We’ve continued to see that CCT is a very valuable approach and over the course of this financial year we completed a four-country study in Africa to generate robust evidence and data on the impact of CCT. The data and insights from this study will be used to inform longer-term strategies and approaches for working with churches and communities, as well as to support our fundraising activities to engage supporters and donors. Since the Board Evaluation process began in 2021, each Board committee now evaluates its effectiveness annually. In addition, the Trustees and members of the Executive Team contributed to a review in March 2023 to consider the breadth and coverage of important issues covered by Board committees, and any gaps or overlaps. Consideration was also given to how committees fully support the Chair of the Board in line with governance best practice.

In September 2022 the Board considered key themes arising from its annual evaluation, Trustee appraisals and the 2022 committee effectiveness review. No serious concerns were raised and it was noted that face-to-face meeting time for the Board over the year had been valued.

We continue to improve our corporate reporting mechanisms, and collect data on our organisational, operational and financial health, along with our strategic impact. The KPIs include: both quantitative and qualitative measures of impact; staff survey results; carbon emissions; and key income and expenditure data. We have collected data against the outcomes we want to see – churches mobilised, emergency needs met, communities transformed and society changed. In January 2023, as part of our transition to the new corporate priorities, we started to collect data against both these outcomes and our refreshed corporate priorities, so that we can transition our data accordingly ahead of reporting for 2023/24. In 2023/24, we will be working to review and update our reporting in line with our strategic changes.

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

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

Structure, governance and management

**Tearfund is a registered charity in England and Wales and in Scotland.
It is also a registered company limited by guarantee in England and Wales.
It is governed by a memorandum and articles of association.**

Organisation

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

Trustee Directors' recruitment is undertaken by the Board in consultation with the Chief Executive and Executive Team. An induction programme is run for new Trustee Directors.

In March 2019, the Board carried out a re-evaluation of the skills and experience required of Trustee Directors. Where key gaps were identified, these have now been filled. The Board also set targets for diversity within its membership which continued to be met during 2022/23. The targets for Board membership include:

- not to fall below one third of either gender
- At least one third Black, Asian or Minority Ethnic

The current composition of the Board of Trustee Directors and the committees is set out on pages 40–41. Trustee Directors are appointed for three years and serve a maximum of three terms unless exceptional circumstances apply. As permitted by the Articles of Association, the Trustee Directors have the benefit of a qualifying third party indemnity provision as defined by Section 234

of the Companies Act 2006. The indemnity was in force throughout the financial year and remains in force. The company also purchases Directors' and Officers' liability insurance in respect of itself and its Trustee Directors. Trustee Directors receive no remuneration for acting in this capacity.

During 2020/21, a review was undertaken of the governance practices and arrangements of the Board compared to the Charity Governance Code. The review found that most of the recommended practices in the Code are in place.

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

Members

The Council of Members constitutes the ultimate authority within Tearfund's governance structure, comprising Trustee-Directors plus – until the end of January – a number of specifically invited others. To become a more global organisation significant changes are needed across Tearfund. The Board has been reviewing the implications for Tearfund's governance capabilities. In December 2022 the Council agreed that, as then constituted, it no longer served Tearfund's needs for global accountability. Those Members who were not Trustee-Directors stepped down, having invited the Board to consider, over the following two years, the value and form of any adjusted mechanism for accountability to and support from a wider, more globally based set of stakeholders.

Employees

The work of Tearfund around the world relies on the commitment and hard work of its international staff. Communication links are maintained through team briefings and other internal channels such as specific communications on particular matters of concern and our now-fortnightly 'In Touch' emails to all staff. Tearfund holds regular meetings with staff representation bodies, the Staff Councils in the UK, the Southern and East Africa region, and the East and Central Africa region, to consider and act on the views and concerns of employees, and to consult on relevant issues. We are in the process of setting up a Staff Council in West Africa, and councils in other regions will follow.

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

Volunteers

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

fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund's approach and the Board is very grateful for their commitment and contribution.

Internal control and risk management

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

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

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

Over the past three years, the Trustee Directors have overseen the implementation of an organisation-wide risk management system to integrate risk management into Tearfund's main corporate activities and in decision-making in the pursuit of the organisation's objectives. The system includes a comprehensive Risk Management Policy, Risk Appetite Statement and Risk Management Procedure, which provide clear accountabilities, structures, guidance, training and processes for managing risks to stakeholders' and the organisation's objectives. The focus in 2023/24 will be on tailoring our risk management system to our organisational capacity, and on embedding the system as part of normal operations and governance.

Tearfund maintains a comprehensive risk register which identifies the major strategic and operational corporate-level risks and how they are being managed. The top risks

are shown on pages 38–39. The key risks are reviewed quarterly by the Executive Team and by the Audit, Risk and Finance Committee, who report key considerations to the Board. The Head of Risk and Compliance works with the Executive Team to compile an Annual Review of Corporate Risks and Risk Appetite, which is presented to the Board. The Trustee Directors have given consideration to the major risks to which Tearfund is exposed and are satisfied that systems are in place to monitor, manage and mitigate Tearfund's exposure to those risks. They consider that maintaining Tearfund's general reserves within the range stated on page 42, and reviewing internal controls and risks through an internal audit programme will provide Tearfund with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of Tearfund's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity.

Fraud is prevalent in many of the countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential frauds or other irregularities are required to be reported to the Director of Finance and IT, who chairs the Financial Wrongdoing Review Team and maintains a register of the irregularities, actions taken and results. This register is reviewed regularly by the Audit, Risk and Finance Committee. All relevant frauds are reported to the Charity Commission in accordance with their guidance. Tearfund employs a full-time investigations and safeguarding manager to advise and coordinate prevention and response to fraud and other types of wrongdoing. Our approach to safeguarding is set out in detail on pages 34–35.

Remuneration

Tearfund's pay policy seeks to balance our Christian values with the ability to attract and retain the best people in our sector. We do this by market reviews of our salary scales each year. We draw data from a number of charity sector-specific pay surveys, including Birches Group for our Regions, and Croner Reward and XperTHR for the UK. For

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

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

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

We take inflation into account by considering yearly increases based on available finances, although we acknowledge that it is not possible for us to keep up with the very high current levels of global inflation. We also consult with the Staff Council and carry out a survey of similar organisations in the sector. Tearfund's Executive Team is in the top grade of the UK salary structure. The Board sets the salary for the chief executive. Details regarding employees with emoluments above £60,000 can be found on page 59.

Health and safety

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

Tearfund Scotland

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

Our commitment to safeguarding

We are deeply committed to following Jesus' example in treating everyone with care and respect. We want to help build a world where healthy relationships are restored and where violence, harassment and abuse are not tolerated.

It is of paramount importance to us that we safeguard and protect all our partners, representatives, staff, supporters and, above all, the communities we serve: some of the world's most vulnerable people.

Safeguarding policies and procedures

We have in place a robust suite of policies and procedures aimed at preventing abuse and harm. In line with the Charity Commission's expectations, we review and update our Safeguarding Policy annually. We also regularly revisit our Whistleblowing and Personal Conduct policies.

Our Safeguarding Committee provides Board oversight of how Tearfund's safeguarding culture develops, how cases are handled and how learning is embedded.

Our committee is made up of two trustees and members of Tearfund's Safeguarding and Whistleblowing Review Team. They support the Board in overseeing how Tearfund's safeguarding policies and procedures are developed and implemented. An important aspect of their work is reviewing all reported safeguarding incidents across Tearfund globally and its partners: monitoring how investigations are managed, providing support and advice, identifying and mitigating risks, and reviewing learning and outcomes.

This year, the committee has considered how the organisation works with our partners, churches and other organisations, whether funded by us or not, to ensure that safeguarding policies and practices are robust and understood. The committee has also invited Tearfund Regional Directors to discuss the particular safeguarding challenges they face in their areas and how Tearfund encourages reporting by staff, partners and communities.

We are committed to training our staff, representatives and partners on safeguarding good practice. Our

mandatory e-learning on safeguarding children and adults at risk is completed by all staff each year, and by Board members at regular intervals. The training is updated annually to take into account learning from past incidents and emerging sector good practice. We have introduced annual training for staff who can perform the role of Survivor Liaison Officer to improve our response to survivors of sexual exploitation and abuse and sexual harassment (SEAH). Tearfund has now trained Survivor Liaison Officers located in each region who can respond if required.

We continue to strengthen safer recruitment practices in line with sector good practice: we carry out Disclosure and Barring Service (DBS) checks for UK staff to ensure that all relevant staff and representatives are securely vetted, have provided appropriate references and demonstrate an appropriate understanding of safeguarding to work with children and vulnerable adults. We use a third-party provider to carry out international criminal record checks, and to ensure that our pre-employment checks for non-UK citizens are robust. We are a member of the sector's Misconduct Disclosure Scheme which enables participating agencies to ask for a detailed conduct statement for potential recruits in relation to sexual abuse or harassment misconduct in previous posts. We are committed to responding to requests from other agencies for such checks about former Tearfund employees.

We actively encourage our staff, representatives and members of communities in which we work to report safeguarding concerns and incidents when they occur, as well as to report any allegations of historic incidents they may become aware of. We have a number of mechanisms in place to ensure concerns and incidents can be safely reported. These include a dedicated confidential safeguarding and whistleblowing email

and an independently administered 24/7 whistleblowing hotline, Safecall, with the option to report in more than 100 languages. These mechanisms are advertised through accessible posters displayed in our offices, our partners' offices and at Tearfund projects, communication updates, training events and the 'Safeguarding, whistleblowing and other concerns' page on our website.

We also recognise that members of communities may not wish to use emails or phone lines to report incidents. We are committed to developing practices with our staff and partners to involve communities in the design of all feedback mechanisms and protective measures, as well as communicating the standards of behaviour they can expect. This work goes hand in hand with Tearfund's Quality Standards.

We continually monitor advice and information circulated by our regulators. In March 2022 the Foreign, Commonwealth and Development Office (FCDO) reviewed 'Enhanced Due Diligence: Safeguarding for external partners'. The document was updated and renamed 'Safeguarding against Sexual Exploitation and Abuse and Sexual Harassment (SEAH) Due Diligence Guidance for FCDO implementing partners'.

This guide explains the safeguarding pillar which focuses on tackling SEAH. FCDO must be satisfied that any organisation it decides to fund can meet and apply the SEAH safeguarding standards: the Inter-Agency Standing Committee Minimum Operating Standards for Protection from Sexual Exploitation and Abuse, and/or the Core Humanitarian Standard.

Tearfund has received Core Humanitarian Standards Alliance accreditation. This accreditation confirms the organisation's compliance with the standards required by FCDO.

Supporting survivors

We take a 'survivor-centred' approach to safeguarding and will work sensitively with the survivor to ensure that whenever possible, their wellbeing and interests are prioritised. We keep our processes of support under review to ensure we follow sector best practice.

Handling complaints and concerns

In accordance with our case-management process, all safeguarding complaints and concerns are reviewed initially by our Safeguarding and Investigations Manager and then by the full Safeguarding and Whistleblowing Review Team. This team is formed of key senior staff from our International Group, HR and Legal teams and includes the Director of People and Talent who is Tearfund's safeguarding officer. Our Board Safeguarding Committee also provides invaluable oversight, advice and scrutiny of safeguarding cases.

The level of safeguarding incidents reported remained consistent with reporting levels in 2021/22.

Assessment of safeguarding risks

We continue to develop and strengthen our approach to assessing our projects, programmes, activities and events (including online) for potential safeguarding risks, and develop appropriate measures to mitigate them. We continue to implement a standardised risk assessment framework which helps staff and partners carry out risk assessments in a methodical and consistent way.

Tearfund has developed a safeguarding section of our wider organisational risk appetite statement which allows us to categorise risk in a measured and consistent manner. The categorisation of risk guides our policy, process and practice. Safeguarding risk is also included in our Corporate Risk Register.

In January 2023 the Safeguarding and Whistleblowing Review Team organised a gathering of regional and key country safeguarding focal points. It provided an excellent opportunity to develop a consistent approach to safeguarding investigations and the completion of safeguarding risk assessments. The participants also had the opportunity to engage on a one-to-one basis with the chair of the Safeguarding Committee and Tearfund's Safeguarding Officer to discuss challenges in their areas.

2022/23 Review of cases

We carried forward six cases from 2021/22. One of these carried forward cases was not considered to be a safeguarding case once reviewed. During this period we received seven new safeguarding cases through our safeguarding channels. We investigated and closed seven cases; five cases remain as open investigations at the year end. Of the 12 safeguarding cases dealt with during the year:

- Four cases involved Tearfund members of staff or representatives.
- Four cases involved staff or representatives of Tearfund's partners.
- Four cases were safeguarding incidents in the community in which Tearfund or our partners were working, but not involving Tearfund or its partner staff or representatives. Although we did not have direct control over, or responsibility for these incidents, we sought to influence the wider community to provide support and protection for those people affected.

A further four cases reviewed were not classified as safeguarding allegations following investigation.

Child safeguarding

None of the 12 safeguarding cases investigated related to the safeguarding of a child involving either a Tearfund member of staff or representative. One case involved the sexual abuse of a child by a member of partner staff. One case involved the abuse of a child by a member of the community. In all substantiated cases the perpetrators were dealt with appropriately by Tearfund or the partner and, where appropriate, were reported to local authorities. Tearfund's partners were encouraged and supported to offer similar support to survivors. In addition, the alleged perpetrators were given the opportunity to ask for support during the investigation process.

Adult safeguarding

There were no cases involving adults at risk and Tearfund staff or representatives. One of the 12 safeguarding cases investigated this year related to the safeguarding of adults at risk - a member of a community a Tearfund partner was working with - and involved a member of partner staff as perpetrator. This case

has been investigated and closed by the partner. Tearfund followed up the case with the partner and offered support as appropriate. We proactively encourage and support our partners to consider and meet the support needs of survivors.

The remaining nine cases related to incidents between members of staff within Tearfund, or partner staff members.

Lessons learnt

We are committed to improving our safeguarding continually. In 2022/23 we implemented a number of actions to address safeguarding learning points we had identified. These included:

- developing a 'Dignity at Work' e-learning package and managers' learning package which includes information on how to identify unacceptable behaviour and how to identify and deal with sexual harassment in the workplace
- working with partners to develop safer recruitment practices
- developing training for chairs of Misconduct Hearings to better equip them in dealing with SEAH cases involving staff
- reviewing and updating our protocol for handling serious sexual assault

As an organisation we remain committed to being proactive in seeking learning from all reports received via our safeguarding channels. We will always follow up to ensure agreed actions are implemented and reviewed, and take all steps possible to make certain that those who come into contact with Tearfund are protected from harm.

Definitions

Child safeguarding

A child is anyone under the age of 18.

Adult safeguarding

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

Diversity and inclusion report

At Tearfund, we believe that every person is created in the image of God. This truth is fundamental to the ways in which we interact with each other and all those we serve – regardless of their background, experience or beliefs. We believe broken relationships have led to marginalisation and exclusion: this is not God’s plan.

Our Board now has an ethnically and geographically diverse range of trustees. The Chair of the Board is committed to ensuring that future appointments mean that no less than a third of Board members are from ethnic groups who represent the communities we work with and those currently underrepresented on boards in the UK and that at least a third of its members are women, unless special circumstances apply. We recognise that in future we need to do more to encourage people living with disabilities to apply.

Tearfund’s work to engage with new and emerging audiences such as the Black Majority Church in the UK has been strengthened by the appointment of a new Head of the African and Caribbean Engagement Team. We also continue to develop our work to engage younger people.

Key progress this year includes:

- recruiting professionals with relevant experience to the Diversity and Inclusion Committee
- inviting members of The Well Committee to join other Board committees
- updating our statement on and commitments to anti-racism
- formalising our recruitment targets to help diversify our workforce in the UK
- reviewing and updating our Equality, Diversity and Inclusion Policy
- creating a new e-learning module on disability
- developing a Menopause Policy
- finalising our new Language and Translation Policy to ensure more inclusive use of languages in our work

- communicating internally our updates on decolonised language
- developing a checklist to help promote accessible communications internally and externally
- evaluating the philosophy and culture of our work in light of recommendations made in the *Racism in the aid sector* report by the UK Parliament’s International Development Committee
- rolling out staff learning sessions on the theological framework of our work on diversity and inclusion to promote understanding of this focus
- publishing ethnicity pay-gap data for the first time

Looking ahead, our key commitments include:

- continuing to report our progress against the requirements of the Charity Governance Code
- pursuing accreditation of other best practice standards in diversity and inclusion
- training the Board in diversity and inclusion in the next financial year, and including this in their annual training plan
- continuing to work across human resources, recruitment, staff and leadership development, theology, communications, advocacy and programming, reviewing our policies and practices as we pursue diversity and inclusion for everyone

You can read our Diversity and Inclusion Statement in full at tearfund.org/diversity-inclusion

Disability inclusion

We are committed to equality, diversity and inclusion in the recruitment, training, promotion and career development of people living with a disability.

Recruitment

Tearfund’s Recruitment Policy and Equality, Diversity and Inclusion Policy state that all candidates will be treated fairly, with dignity and respect.

- Equality of opportunity is an integral part of the process and we take great care at all stages of the recruitment process to avoid unlawful discrimination.
- Candidates can disclose any disability at the application stage and to ensure full and fair consideration, this information is only visible to the recruitment team.
- All shortlisted candidates are asked if they require any reasonable adjustments to be made at interviews.
- All successful candidates are required to have a medical assessment. Where appropriate, our occupational health provider makes recommendations for any reasonable adjustments for Tearfund to implement.

Employment

Tearfund’s Equality, Diversity and Inclusion Policy applies to all aspects of employment, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

The policy outlines that we encourage people living with disabilities to disclose their condition so that we can consider what reasonable adjustments or support may be appropriate.

If a staff member or a candidate feels that they have been unfairly discriminated against, they may raise a complaint under Tearfund’s Complaints Policy.

We have ‘Committed’ status as part of the UK Government’s Disability Confident employer scheme.

Environmental performance report

Climate change is hitting people living in poverty the hardest and preventing them from flourishing.

We have a long history of working on environmental issues and our commitment to 'walk the talk' around the climate emergency means that we need to keep our carbon footprint as small as possible.

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

- committed to become net-zero for all carbon emissions by 2040. We will reduce the carbon emissions from all UK operations and all international flights by 50 per cent by 2030 from a 2019/20 baseline. We commit to calculate the emissions from our international operations by 2025 in order to set a 2030 reduction target
- reduced the emissions from our flights by 30 per cent for all groups from a 2019/20 baseline
- updated our Environmental Policy to bring it in line with the highest industry standards
- launched the International Walk the Talk Committee to lead the implementation of the Environmental Policy at a national and regional level
- set a number of targets in accordance with the goals of the Climate and Environment Charter for Humanitarian Organizations¹ and reported on progress made
- updated our intranet to make it easier for staff to access information about our emissions and environmental performance

We continue to explore ways within our current systems and processes to improve our environmental data collection. We have learnt to make better use of technology for meetings, training courses and conferences, enabling us to maintain our relationships and deliver our strategy, alongside reducing our carbon footprint.

1 – <https://www.climate-charter.org/>

Greenhouse gas emissions and energy-use data for Tearfund in the UK

for the period of 1 April 2022 to 31 March 2023

We have followed the environmental reporting guidelines: including 'Streamlined Energy and Carbon Reporting guidance' (2019), and 'UK Government greenhouse gas conversion factors for company reporting' (2022) to produce these figures relating to our carbon footprint in the UK. Please note that transport and travel emissions (scope 1 and scope 3) relating to the two prior years were unusually low as a result of covid travel restrictions.

		Unit	2022–23	2021–22	2020–21
Energy consumption	Used to calculate the emissions below	kWh	337,877	346,000	357,000
Emission sources					
Scope 1	Combustion of gas	t/CO ₂ e	9.5	10.3	11.0
Scope 1	Combustion of fuel for transport purposes	t/CO ₂ e	0.63	0.03	0.1
Scope 2	Purchased electricity	t/CO ₂ e	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 ₂ e	18.25	9.7	1.5
Total gross based on above		t/CO₂e	88.28	80.7	85.0
Intensity ratio	Tonnes of CO ₂ e per full-time equivalents	t/CO ₂ e	0.2	0.2	0.2

Risk management framework

The Trustee Directors are accountable for the overall governance of risk at Tearfund. Along with the Executive Team, they have identified the most important potential risks that may impact upon the effectiveness, performance, future prospects or reputation of Tearfund, and how we plan to manage and mitigate them. They include:

Identified risk	Management and mitigation
<p>Christian distinctiveness: actual or perceived loss of our core Christian identity and Christ-centredness</p>	<ul style="list-style-type: none"> • distinctively Christian guiding documents: Vision, Mission, Values, Characteristics, Theory of Poverty, and Statement of Faith • working through local church partners wherever possible • brand guidelines for fundraising and supporter communications • prayer, worship and devotions central to working practice; weekly corporate prayers led by staff around the world • appointment process for trustees, staff and other representatives includes exploration of Christian commitment • Theology Team and Board's Theology Committee, with strong international representation and engagement
<p>Safety and security: potential for injury or harm to staff or representatives, leading to loss of life or serious injury</p>	<ul style="list-style-type: none"> • policies and procedures for Safety and Security • security training for all international staff and those who travel • country Safety and Security Plans • Emergency Response and Crisis Response Plans are documented and tested • dedicated Safety and Security Team, and regional safety and security advisers • clear articulation of responsibilities and accountabilities for safety and security. This includes processes for Board committees and management to review risks and mitigations
<p>Safeguarding: abuse or other harm of a child or adult-at-risk</p>	<ul style="list-style-type: none"> • policies, procedures and training regularly reviewed and communicated • mandatory annual Safeguarding and Whistleblowing training for staff • independent reporting hotline is publicised to staff, partners and communities • safeguarding manager and network of trained safeguarding focal points • minimum standards for partner Safeguarding policies • Board's Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice • safeguarding risk assessments on all partner projects and all areas of Tearfund operations • safer recruitment practices, including background checks, references and interview questions
<p>Major programmes: failure to deliver on outcomes of a key donor-funded project of strategic significance</p>	<ul style="list-style-type: none"> • Programme Funding and Support Team • review and update of the Programme Design Approval process • Country Office Accreditation Scheme and implementation of procedures, to verify the country offices with sufficient capacity to be able to implement institutionally funded programming • monthly reviews of progress on donor-grant spending • Finance Manager and Grants and Information Coordinator roles in all country offices that implement institutionally funded programming
<p>Funding: a significant shortfall in unrestricted income, or a significant unexpected cost</p>	<ul style="list-style-type: none"> • reserves policy and position are reviewed regularly • annual budget set with regard to key risks to income and costs • management accounts reviewed monthly by Executive Team and Board officers, and quarterly by the Board • diversified and reliable income sources from long-term and new supporters and donors

Identified risk	Management and mitigation
<p>Impact: not monitoring and evaluating the impact of our work sufficiently</p>	<ul style="list-style-type: none"> • Board's International Impact Committee • corporate strategic dashboard used by Executive Team and Board to track key performance indicators and our impact • a system for project design, monitoring and evaluation is deployed across the organisation • independent research and meta-studies are used to validate and enhance our impact across our corporate priorities • corporate and country strategy processes are used to align work and outcomes with corporate priorities and impact objectives
<p>Sanctions and terrorism: legal obligations with regard to sanctions or terrorist financing are found to have been breached</p>	<ul style="list-style-type: none"> • policy and procedures on Financial Sanctions, Controls, Anti-Terrorism and Anti-Money Laundering • enhanced due diligence procedures for high-risk countries • partner capacity assessments cover policies and training on countering terrorism; partners are required to make their staff aware of risks, and report any concerns, suspicions or incidents
<p>IT security: loss of critical data or substantial loss of operational functionality</p>	<ul style="list-style-type: none"> • policies on Data Protection and Information Security • mandatory regular staff training on cybersecurity • real-time back-ups of all core systems are held in secure off-site data centre, including cold storage of core databases • Data Protection Officer and Data Protection Group actively provide oversight and training
<p>Financial wrongdoing: substantial or systemic corruption, fraud, bribery or conflict of interest involving our staff or partners</p>	<ul style="list-style-type: none"> • policies on Fraud, Bribery, Corruption, and Conflicts of Interest • mandatory regular staff training on fraud awareness, anti-bribery and corruption, conflicts of interest, and whistleblowing • partner assessments and partner capacity development plans are designed to help partners enhance their policies and training on fraud and bribery, conflicts of interest, and whistleblowing • Financial Wrongdoing Review Team coordinates response to all incidents; Executive Team and Board's Audit, Risk and Finance Committee review all cases before closure • monitoring of partner projects and financial reports, backed up by Tearfund audits
<p>Environmental impact: our activities have negative environmental impacts, insufficient resilience to environmental change, or fail to achieve changes to environmental policies and practices</p>	<ul style="list-style-type: none"> • Environmental and Economic Sustainability (EES) corporate priority, with associated objectives, global and local advocacy work, small and large projects, and dedicated supporting roles across the organisation • comprehensive Environmental Policy, with targets for reducing our own environmental impacts • Quality Standards for our work include commitments on environmental impact, risks, resilience and adaptation to climate change • The Walk the Talk Committee to champion environmental conduct consistent with our public stances on environmental care and justice • project proposals are required to address environmental design and impact • signatory to the Climate and Environment Charter for Humanitarian Organizations

Trustee Directors, Committee Members, Other Members, Ambassadors and Executive Team

Board of Trustee Directors

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

Anna Laszlo¹ (Chair)
 Stephanie Biden (Deputy Chair)
 Antony Barnes (Treasurer)
 Stanley Arumugam
 (from August 2022 - April 2023)
 Jayakumar Christian
 John Davidson (also a director of Tearfund USA)
 Catherine De Souza
 Sally Jones-Evans
 Jean Paul Ndagijimana
 Rosemary Nuamah Williams
 Yemi Odusolu
 Harry Phinda
 David Wesson

Committee members

Details up to 31 March 2023. The Board recruits individuals with specific expertise to sit on sub-committees of the Board:

Audit, Risk and Finance Committee

Antony Barnes (Chair)
 Anna Beck
 John Davidson
 Steve Foster
 Robert Hardy
 Joseph Kariuki
 Rosie Slater-Carr

Diversity and Inclusion Committee

Anna Laszlo (Chair)
 Stephanie Biden
 Harry Phinda
 Ayo Afolabi (from September 2022)
 Doyin Atewologun
 (from September 2022)

Global Fundraising and Communications Committee

David Wesson (Chair)
 John Davidson
 Catherine De Souza (until October 2022)
 Sarah Douglas
 Yemi Odusolu
 Harry Phinda
 Simon Poole

International Impact Committee

Sally Jones-Evans
 (Chair, until September 2022)
 Jean Paul Ndagijimana
 (Chair, from September 2022)
 Adelaide Addo-Fening
 Joanna de Berry
 Fi McLachlan
 Adam Taylor
 Fletcher Tembo

Safeguarding Committee

Stephanie Biden (Chair)
 Rosemary Nuamah Williams

Theology Committee

Jayakumar Christian (Chair)
 Stafford Carson (until November 2022)
 Catherine De Souza
 Rosalee Ewell (until November 2022)
 Rt Rev Dr Emma Ineson
 (from August 2022)
 Jim Ingram (until February 2023)

Esther Mombo
 Jean Paul Ndagijimana (from May 2022)
 Rev Dr Israel Olofinjana
 (from August 2022)
 Jocabed Solano Miselis
 (from November 2022)

The Well Committee

Yemi Odusolu (Chair)
 Ayo Afolabi
 Emmanuel Asuquo (until February 2023)
 Lotwina Farodoye
 Theo Mathias-Nwaulune
 Ladun Omideyi
 Claudine Reid
 Pam Thompson
 David Wesson

Members of the Council

In addition to all of the Board of Trustee Directors as shown above, the people listed below were also Council Members of the charity until January 2023 (or earlier if indicated). In December 2022 the Members concluded that the Council as it was then formulated should be brought to a conclusion, and the Board (who will remain as Members of the charity) be asked to consider within the following two years the option of an alternative structure to replace it, to bring greater accountability to and give voice to hear from a wider set of stakeholders around the world. The Board is profoundly grateful for the wisdom and contributions of all those who have served as Members of Tearfund's Council through the years since its inception.

Robert Camp (until October 2022)
 Gary Carpenter
 Steve Clifford
 Ian Curtis
 Dominic De Souza



Dr Elizabeth Corrie (until October 2022)
 Graham Fairbairn
 Paul German
 Richard Gough
 Jenny Honey
 Kim Hurst
 Anne de Leyser (until October 2022)
 Fiona Major
 Clive Mather
 Gordon McKechnie
 Philip McMillan (until October 2022)
 Rt Rev Harold Miller
 Helen Mills
 Julia Ogilvy (until October 2022)
 Rt Rev Anthony Poggo (until June 2022)
 John Shaw
 Michael Stewart (until October 2022)
 Mark Thompson (until October 2022)
 Rev Dr Chris Wright (until October 2022)

National Advisory Committee members

Northern Ireland

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

Scotland

Jenny Honey (Chair)
 Richard Atkinson
 Chris Gbenle
 Dez Johnston

Fiona Morrison
 Elyyn Oliver
 Stephen Prem

Wales

Dominic De Souza (Chair)
 Owain Edwards
 Edwin Egede
 Lois Franks
 Cadi Gwyn
 Iwan Robb
 Bethan Sharpe (from May 2022)

Ambassadors

Rev Celia Apeagyei-Collins
 Guvna B
 Peter Chambers
 Anne Coles
 Rev John Coles
 Martha Collison
 Liz Earle
 Pete Greig
 Tamsin Greig
 David Gyasi
 Lord Michael Hastings
 Tom Herbert
 Rev Siew-Huat Ong
 Ruan Pienaar
 Marvin Rees
 Daniel Rowden (from November 2022)
 Rt Hon Dame Caroline Spelman (until December 2022)
 Derek Thomas MP (from June 2023)
 Rt Rev Ric Thorpe
 Rt Hon Sir Stephen Timms MP
 Will Torrent
 Laura Young (from August 2022)

Executive Team

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

Nigel Harris
Chief Executive
 Karen Brown
Director of People and Talent (until April 2023)
 Stanley Arumugam
Interim Director of People and Talent (from May 2023)
 Catriona Dejean
Director of Strategy and Impact
 Nigel Gavin
Director of Finance and IT
 Veena O'Sullivan
International Director
 Jane Pleace
Global Fundraising Director
 Dr Ruth Valerio
Global Advocacy and Influencing Director

Independent auditors

BDO LLP
 55 Baker Street, London W1U 7EU

Solicitors

Anthony Collins Solicitors LLP
 134 Edmund Street,
 Birmingham B3 2ES

Bankers

Barclays Bank UK plc
 1 Churchill Place, London E14 5HP

Registered office

100 Church Road,
 Teddington TW11 8QE

Financial review

Income and expenditure

2022/23 was a record year for Tearfund, with total income of £85.4m up by 7% against the prior year figure of £79.5m. The increase was driven mostly by emergency appeals income, which rose by 45% from £9.1m to £13.2m (including £4.2m of Disasters Emergency Committee funding), representing over 15% of total income. Most of this relates to the crises in Afghanistan, Ukraine, Pakistan (floods) and Syria (earthquake), where in all cases our supporters responded with great generosity. It is worth noting that these are restricted funds and we think it probable that the success of these appeals has led to a related drop in unrestricted donations (excluding legacies and grants), which decreased by £450k (2%) to £28.8m. The net effect has been to reduce the overall proportion of unrestricted income from 44% to 42%.

Total expenditure of £90.3m was £13.4m (17%) higher than the 2021/22 level of £76.9m. The increase is mainly attributable to restricted expenditure on charitable activities, with significant increases of £3.6m (19%) on meeting emergency needs and £2.3m (68%) on changing society. Unrestricted expenditure on charitable activities also increased strongly by 14%, largely as a result of the additional expenditure of over £3m approved in 2021/22 which was directed towards strategic priority areas and country programming, where the related projects were completed in 2022/23.

Net expenditure for the year is £4.9m (2021/22: net income of £2.6m), made up of a positive timing difference of £1.8m on restricted funds and a deficit of £6.7m on unrestricted funds. Of this deficit, £5.3m was planned, including spending the final £2.2m of the strategic priorities designated fund.

The consolidated results include the operations of Tearfund Trading Limited (TTL), which is a wholly-owned subsidiary of Tearfund. The income generated from TTL is from a variety of sources including Toilet Twinning products. With effect from 2023/24 these activities are being carried out directly by Tearfund and TTL is in the process of being made dormant.

Grants

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

Reserves – general funds

General funds are needed to:

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

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

the building during 2023/24 and in the meantime has access to additional liquidity by borrowing using the building as security.

At the end of 2022/23 our general fund stands at £6.5m (2021/22: £11.5m), which is below the lower end of the target range, due to the shortfall in unrestricted income for the year that is attributable to supporters' giving being redirected towards restricted emergency appeals (as described above).

Designated funds

Designated funds are part of the unrestricted funds which the Trustee Directors have earmarked for a particular use. This designation does not represent a legal restriction. The Fixed Asset Fund represents the net book value of Tearfund's fixed assets to indicate that these resources are not available for other purposes. At the end of the year, the Fixed Asset Fund stood at £1.6m (2021/22: £1.2m).

The Strategic Priorities Fund has enabled Tearfund to run a series of projects over three years in 12 countries focusing on environmental and economic sustainability (including waste and renewable energy projects), together with investment in improved information systems and in leadership and management development and training. There is a small balance of £35,000 remaining on this fund at the end of the year (2021/22: £2.2m).

Restricted funds

Restricted funds are subject to specific conditions imposed by donors. The year-end balances represent income which has been recorded but where the related expenditure has not yet been incurred. The majority of these funds are either institutional awards, or funds generated during emergencies or as a result of other specific appeals. In many cases these appeals generate income over a short timeframe which is then planned to be spent over a period of up to three years in line with the purpose of the appeal. At the end of the year, total restricted funds had increased to £19.2m (2021/22: £17.4m). The increase is mainly due to income received for emergency appeals relating to the Turkey-Syria earthquake

and the Pakistan floods. For each fund, Tearfund’s assets are available and adequate to fulfil its obligations.

Financial risk management

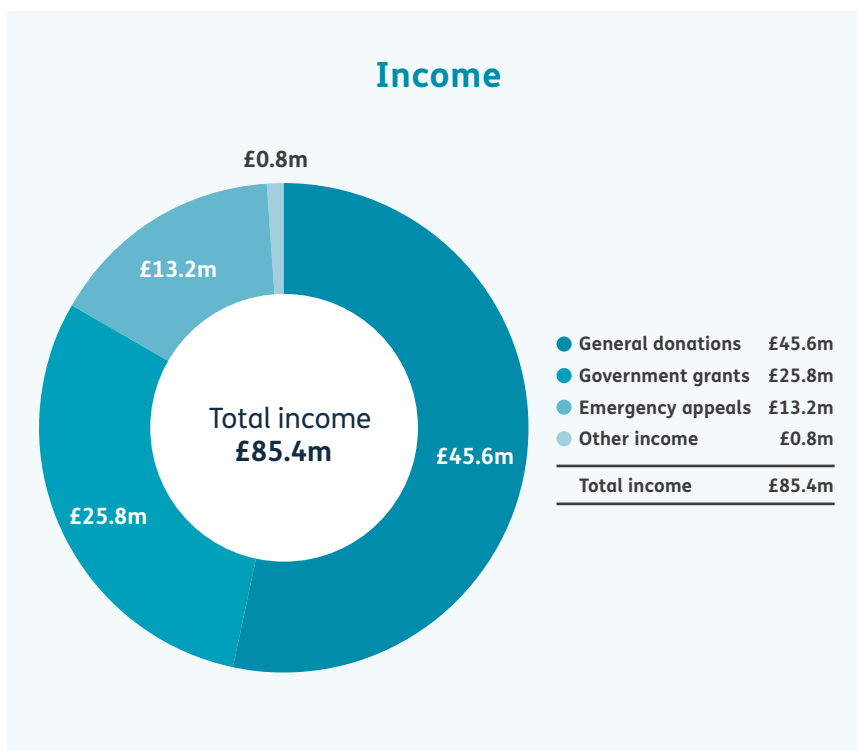
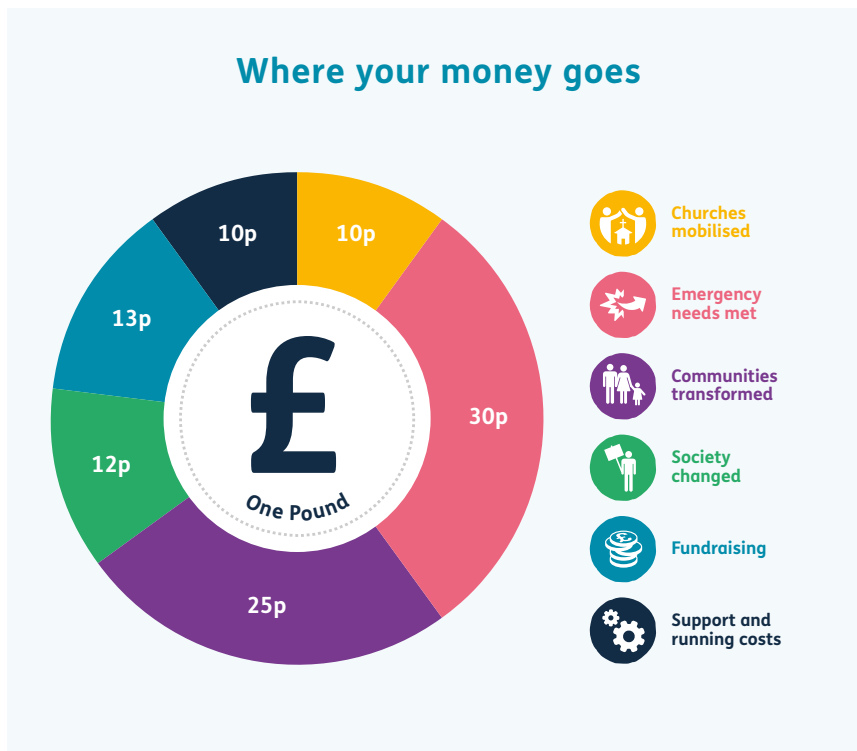
During the pandemic we mitigated the financial risks arising from anticipated reductions in income through enhanced cost control measures and monthly financial updates overseen by a sub-group of the Board. We consider it appropriate to keep these additional controls in place, since the current environment of global high inflation puts pressure both on our supporters’ ability to give and on Tearfund’s cost base. Over the remaining part of 2023 and into 2024, we intend to reduce unrestricted expenditure levels in the light of key income streams and the increased cost of living.

Cash flow and liquidity risks are minimised by a conservative investment policy. Until December 2021 additional liquidity was provided by a £6m credit facility secured against the Teddington building, and we are confident that the facility could be reinstated if necessary. As stated above, Tearfund plans to explore disposal of the building during 2023/24 since occupancy rates continue to be a long way below pre-pandemic levels.

Receivables relate mainly to major governmental and institutional donors, legacy income, and recoverable tax. The associated credit risk is considered to be low, as is the risk of disallowances arising from donor audits. This is borne out by recent experience. Tearfund receives income mainly in sterling pounds and US dollars. Foreign exchange risk affects Tearfund mainly by impacting the purchasing power of donor funds in the countries where most of our charitable expenditure is incurred. Tearfund does not enter into foreign exchange contracts for speculative reasons.

Investment policy and performance

Tearfund’s investment policy is reviewed annually by the Audit, Risk and Finance Committee. Our objective is to maintain high liquidity while ensuring maximum security. To achieve this, Tearfund invests with institutions with a high security rating in fixed-term or call deposits. During the year Tearfund’s sterling deposits achieved an average rate of interest of 1.58% (2021/22: 0.17%) compared with an average bank base rate for the same period of 2.30% (2021/22: 0.19%).





📍 Mahima, a farmer from Rukum East District, Nepal, at home with her two daughters Namrata (left) and Khusi (right)

Photo: Rabi Rokka (Ray Of Hope Productions)/Tearfund

Trustee Directors' responsibility statement

Trustee Directors' responsibilities

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

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

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

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

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

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

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.



Anna Laszlo
Chair
17 July 2023

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

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of Tearfund ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), the Group and Tearfund balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial

statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

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

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group/ Charitable Company and the sector in which it operates;
- discussion with management and those charged with governance, Audit, Risk and Finance Committee and in-house lawyer; and
- obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations. We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Charities Act 2011 and Bribery Act 2010.

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation;

- review of legal expenditure accounts to understand the nature of expenditure incurred; and
- review of Serious Incident Reports made by the entity.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance, the Audit, Risk and Finance Committee, internal audit and Risk and Compliance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
- detecting and responding to the risks of fraud; and
- internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be legacy revenue recognition, valuation of donated stock, Gifts In Kind, and overseas grant payments.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- involvement of forensic specialists in the audit to discuss instances of suspected fraud and petty theft;

- assessing significant estimates made by management for bias, including legacy accrued income, donated stock valuation and end of contract provisions;
- testing a sample of overseas expenditure and grant awards, ensuring these have been made in accordance with authority limits, agreements, and internal control procedures, and
- review the register of Wrong Doings, Serious Incident Reports submitted to the Charity Commission and considering the impact on the financial statements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

[frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities)

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jill Halford

(Senior Statutory Auditor)
For and on behalf of BDO LLP,
statutory auditor
London, UK

26 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statements of financial activities

(incorporating an income and expenditure account)

Year ended 31 March 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Income from:							
Donations and legacies	2	35,418	49,124	84,542	34,742	44,405	79,147
Charitable activities	3	204	374	578	257	11	268
Other trading activities		2	16	18	1	26	27
Investment income		244	-	244	32	-	32
Total income		35,868	49,514	85,382	35,032	44,442	79,474
Expenditure on:							
Raising funds	4	13,652	1,193	14,845	11,617	1,010	12,627
Charitable activities	4	28,961	46,486	75,447	25,403	38,884	64,287
Total expenditure		42,613	47,679	90,292	37,020	39,894	76,914
Net (expenditure)/income for the year	6	(6,745)	1,835	(4,910)	(1,988)	4,548	2,560
Transfer between funds	15	77	(77)	-	(53)	53	-
Net movement in funds		(6,668)	1,758	(4,910)	(2,041)	4,601	2,560
Reconciliation of funds:							
Total funds brought forward at 1 April	15b	14,796	17,433	32,229	16,837	12,832	29,669
Total funds carried forward at 31 March	15a	8,128	19,191	27,319	14,796	17,433	32,229

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations. There is no material difference between the net expenditure for the financial year stated above and its historical cost equivalent. The turnover of the company for the year was £85,368,000 (2021/22: £79,447,000). The net result of the company for the year was a deficit of £4,910,000 (2021/22: surplus of £2,560,000). Other trading activities include income from both the subsidiary and the company. There is no material difference between the entity and the group statement of financial activities.

Balance sheets

As at 31 March 2023

	Note	Tearfund Group		Tearfund	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Tangible assets	9	1,570	1,164	1,570	1,164
Long-term investments	10	-	-	5	5
Total fixed assets		1,570	1,164	1,575	1,169
Current assets					
Stocks	11	875	616	875	604
Debtors	12	12,023	9,723	12,023	9,732
Short-term deposits		14,784	18,765	14,784	18,765
Cash at bank and in hand		3,749	7,014	3,746	7,010
Total current assets		31,431	36,118	31,428	36,111
Creditors					
Amounts falling due within one year	13	(4,914)	(5,053)	(4,916)	(5,051)
Net current assets		26,517	31,065	26,512	31,060
Provisions for liabilities	14	(768)	-	(768)	-
Net assets		27,319	32,229	27,319	32,229
Funds					
Unrestricted funds:					
General fund	15a	6,523	11,475	6,523	11,475
Designated funds	15a	1,605	3,321	1,605	3,321
		8,128	14,796	8,128	14,796
Restricted funds	15a	19,191	17,433	19,191	17,433
Total funds		27,319	32,229	27,319	32,229

The financial statements on pages 49 to 68 were approved by the Board of Directors on 17 July 2023 and signed on its behalf by:



Anna Laszlo
Chair of the Board



Antony Barnes
Treasurer

Consolidated cash flow statement

Year ended 31 March 2023

	2023 £'000	2022 £'000	
Net cash (used in)/provided by operating activities	(6,809)	3,784	
Cash flow from investing activities:			
Investment income received	244	32	
Purchase of property, plant, equipment and intangibles	(682)	(192)	
Proceeds from the sale of property, plant and equipment	1	-	
Net cash used in investing activities	(437)	(160)	
Change in cash and cash equivalents in the reporting period	(7,246)	3,624	
Cash and cash equivalents at the beginning of the reporting period	25,679	22,055	
Cash and cash equivalents at the end of the reporting period	18,433	25,679	
Reconciliation of net income to net cash flow from operating activities			
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(4,910)	2,560	
Adjustments for :			
Depreciation charges	276	610	
Investment income receivable	(244)	(32)	
(Profit)/loss on sale of tangible fixed assets	(1)	1	
(Increase)/decrease in stocks	(259)	266	
(Increase) in debtors	(2,300)	(763)	
(Decrease)/increase in creditors	(139)	1,142	
Increase in provisions	768	-	
Net cash (used in)/provided by operating activities	(6,809)	3,784	
Analysis of changes in net funds	1 April 2022 £'000	Cashflows £'000	31 March 2023 £'000
Cash at bank and in hand	7,014	(3,265)	3,749
Bank deposits	18,765	(3,981)	14,784
Interest-free loans	(100)	-	(100)
	25,679	(7,246)	18,433

Notes to the financial statements

31 March 2023

1. ACCOUNTING POLICIES

Basis of preparation

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

Consolidation

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

Accounting estimates and key judgements

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

Company status

Tearfund is a registered charity in England and Wales (number 265464) and Scotland (number SC037624) and is constituted as a company registered in England and Wales and limited by guarantee (company number 00994339). It is governed by its Memorandum and Articles of Association and at the year-end there were 13 members (2021/22: 36) who were each liable to contribute £1 in the event of the company being wound up.

In the application of the charity's accounting policies, the particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Fund accounting

The company maintains three types of funds. General unrestricted funds are funds available for use at the discretion of the Board of Trustee Directors in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Board from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. At the year-end any fund deficits are maintained only when the Trustee Directors are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in note 15.

Going concern

The Financial Review on pages 42 to 43 sets out Tearfund's financial performance in 2022/23. We started the year with a high reserves position of £11.5m which enabled us to direct additional funds during the year into strategic priority areas. We planned for a general fund deficit of around £3m but, partly as a result of a high number of emergency appeals, unrestricted donations fell short of target, which led to an actual general fund position at year-end of £6.5m, slightly below the lower end of the target range.

The global economic environment of high inflation continues to be challenging, with cost of living increases affecting the ability of supporters to give, whilst operating costs are under pressure across all Tearfund countries. In this context, the Board has approved a budget for 2023/24 which keeps reserves in the £6.0m to £6.5m range. The budget for 2024/25 will be expected to return reserves to within the target range.

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

- The unrestricted income budget for 2023/24 is underpinned by committed regular giving which represents over 40% of the total. We remain very grateful for the loyalty of our supporters and the ability and agility of our fundraising teams. Our income budgets continue to seek to balance caution with an appropriate level of ambition.
- The general fund balance at the end of 2022/23 was £6.5m, below the lower end of the target range, but still leaving a substantial margin for absorbing income shortfalls or unexpected costs.

- We have appointed agents to market the Teddington office building with a view to disposal. If a sale occurs, this would significantly increase financial liquidity.
- Following the last twelve months when the success of restricted emergency appeals contributed to a shortfall in budgeted unrestricted income, we are actively planning to reduce unrestricted expenditure in 2023/24. Experience of the past few years provides reassurance that, where required, we have the ability to postpone and reduce costs.

In support of the going concern assessment, we have prepared cash flow forecasts for the next twelve months. Taking into account the challenges of the current economic climate, these show that Tearfund has adequate financial resources to continue operating for the foreseeable future. Having considered these matters, the Trustee Directors do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

Income

All income, including donations, legacies and investment income, is recognised in the SOFA when the Charity can demonstrate entitlement to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

Legacies

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

Grants and contracts

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

income has been deferred. Government grants relating to the furlough scheme have been recognised in the income statement when received.

Gifts in kind

Donated gifts in kind for distribution to communities are included in income and stock at donors' valuation or market value when received. Expenditure is recognised when gifts in kind are distributed.

Expenditure

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

The following specific policies apply to categories of expenditure:

Grants payable

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

Support costs

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

Fundraising and publicity

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

Foreign exchange

Transactions denominated in foreign currency are translated into sterling and recorded at the rates ruling at the date of the transactions. Balances denominated in a foreign currency are translated into sterling at the exchange

rates at the balance sheet date. Foreign exchange gains and losses incurred in respect of overseas operations are included in the SOFA within the relevant activity expenditure.

Pensions

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

Tangible fixed assets and depreciation

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

Freehold land	Nil
Freehold buildings	20–50 years
Fixtures, fittings and equipment including computers	3–20 years
Motor vehicles	3–10 years

The useful economic lives and residual value of fixed assets are reviewed at the end of each accounting period. Property and land is tested annually for impairment.

Vehicles and equipment used in programmes overseas, except for laptops, are considered to have a useful economic life of one year or less. They are not capitalised but are charged in full to charitable expenditure when purchased. However, a register is maintained of these assets and reviewed regularly.

Intangible assets and amortisation

Intangible assets are stated at cost less amortisation. They are amortised on a straight line basis over 5 years, being the estimated economic useful life of the asset.

Financial instruments

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

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

Investments

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

Stocks

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

Cash and cash equivalents

Cash and cash equivalents include interest and non interest bearing amounts held at banks and cash at hand. Short term money deposits (7-365 days) including deposits repayable on demand and fixed term deposits are held under current assets as short term deposits.

Other financial assets and liabilities

Debtors and creditors are stated at the settlement amount after any applicable discount.

Operating leases

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

Notes to the financial statements

31 March 2023

2a. DONATIONS

	Note	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Donations from:							
Individuals		26,514	5,510	32,024	26,829	6,291	33,120
Churches		1,357	867	2,224	1,422	949	2,371
Trusts, companies and schools		912	3,736	4,648	986	3,921	4,907
Legacies		6,635	24	6,659	5,493	269	5,762
Grants	2b	-	25,779	25,779	12	23,862	23,874
		35,418	35,916	71,334	34,742	35,292	70,034
Appeals and emergencies:							
Individuals		-	6,365	6,365	-	5,307	5,307
Churches		-	1,859	1,859	-	873	873
Trusts, companies and schools		-	802	802	-	497	497
Legacies		-	4	4	-	47	47
		-	9,030	9,030	-	6,724	6,724
Via Disasters Emergency Committee		-	4,178	4,178	-	2,389	2,389
		-	13,208	13,208	-	9,113	9,113
Total donations and legacies		35,418	49,124	84,542	34,742	44,405	79,147

Gifts in kind of £9,000 (2021/22: £77,000) of pro-bono legal and consultancy work is included in support cost expenditure. Of this, £nil (2021/22: £1,000) is included above in 'Individuals' and £9,000 (2021/22: £76,000) is in 'Trusts, companies and schools' income.

Notes to the financial statements

31 March 2023

2b. GRANTS INCOME

	2023 £'000	2022 £'000
United States Government	7,503	8,011
United Nations	3,780	3,416
United Kingdom Government	3,559	2,329
Dutch Government	3,359	4,290
German Government	1,679	-
Norwegian Government	991	731
Canadian Foodgrains Bank (including Tearfund Canada)	953	825
European Union	861	841
Canadian Government	574	674
Scottish Government	425	540
States of Jersey	320	233
New Zealand Government	77	81
Danish Government	16	19
CRODA Foundation	55	-
Other	152	14
	24,304	22,004
Tearfund Netherlands	1,300	1,493
Other Tearfund Family/Integral Alliance members (see page 9)	175	377
	25,779	23,874

Included within the above grants income are gifts in kind of £1,364,000 (2021/22: £756,000) which are also included in either expenditure or stock. The whole amount for both years is restricted income. They consist mainly of water and sanitation products; food aid; latrines and seeds and tools for planting.

Grant income from CRODA Foundation represents a restricted grant of £110,000 to fund a water, sanitation and agriculture project in Uganda. The first instalment of £55,000 was received during 2022/23.

Included within grants from the United Kingdom Government is £nil (2021/22: £6,000) unrestricted income related to the furlough scheme.

Tearfund Netherlands income also includes £nil (2021/22: £6,000) of unrestricted grants.

3. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
Contract income contributed to the following programmes:				
ABT associates (CCT projects in Papua New Guinea)	-	-	-	165
Total contract income	-	-	-	165
Other income from charitable activities	204	374	578	103
Total income from charitable activities	204	374	578	268

The total income from charitable activities was £578,000 (2021/22: £268,000), of which £204,000 was unrestricted (2021/22: £257,000) and £374,000 was restricted (2021/22: £11,000).

Notes to the financial statements

31 March 2023

4. TOTAL RESOURCES EXPENDED

	Grants £'000	Direct costs £'000	Support costs £'000	2023 Total costs £'000	2022 Total costs £'000
Unrestricted					
Costs of generating funds:	593	10,366	2,693	13,652	11,617
Charitable activities:					
Churches mobilised	594	3,755	1,066	5,415	4,877
Communities transformed	1,728	7,109	2,108	10,945	8,486
Society changed	857	4,848	1,376	7,081	6,025
Emergency needs met	573	2,821	2,126	5,520	6,015
	3,752	18,533	6,676	28,961	25,403
Total unrestricted	4,345	28,899	9,369	42,613	37,020
Restricted					
Costs of generating funds:	125	1,068	-	1,193	1,010
Charitable activities:					
Churches mobilised	2,304	1,760	-	4,064	3,536
Communities transformed	6,025	7,585	-	13,610	12,453
Society changed	3,009	2,572	-	5,581	3,312
Emergency needs met	8,299	14,932	-	23,231	19,583
	19,637	26,849	-	46,486	38,884
Total restricted	19,762	27,917	-	47,679	39,894
Total expenditure	24,107	56,816	9,369	90,292	76,914

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

Notes to the financial statements

31 March 2023

4. TOTAL RESOURCES EXPENDED CONTINUED

	2023 £'000	2022 £'000
Grants to partner organisations by geographical region:		
Africa	10,190	10,048
Eurasia	7,618	4,663
Asia	3,303	4,198
Latin America and Caribbean	975	1,095
Europe	1,479	85
Total grants to partner organisations	23,565	20,089
Assistance in establishing Tearfund USA	542	633
Total grants	24,107	20,722

Grant management costs were £3,022,000 (2021/22: £2,332,000).

Grants made by country (showing top 15 amounts):	2023 £'000	2022 £'000
Afghanistan	2,854	1,059
Pakistan	1,679	259
South Sudan	1,655	1,656
Ethiopia	1,579	2,035
D.R. Congo	1,557	1,230
Iraq	1,181	268
Bangladesh	868	1,211
Syria	825	441
Burundi	672	495
Nigeria	664	1,197
Yemen	638	698
Nepal	618	500
Poland	610	10
India	579	1,270
Ukraine	530	25

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

Support costs and the basis of their allocation are as follows:	Principal basis of allocation to activities	2023 £'000	2022 £'000
General management, risk and compliance	Headcount and expenditure	407	467
Financial management	Headcount and expenditure	1,563	1,523
Human resources	Headcount	2,721	2,080
Strategy & Impact	Expenditure	354	269
Information systems	Headcount and expenditure	3,197	2,724
Premises and facilities	Headcount	640	992
Governance	Headcount and expenditure	487	354
		9,369	8,409

Notes to the financial statements

31 March 2023

5. SUBSIDIARY

Tearfund has a wholly-owned trading subsidiary, Tearfund Trading Limited, which is registered in England and Wales, company registration number 03779450. The registered address is 100 Church Road, Teddington, TW11 8QE. The company undertakes various trading activities to raise funds for Tearfund and all its taxable profits are treated as qualifying distribution to Tearfund under Deed of Covenant. Its results and assets for the year ended 31 March 2023 are listed below. All the assets (except cash) and liabilities of the company were sold at cost to Tearfund on 31 March 2023, with the intention of making Tearfund Trading Limited dormant.

	2023 £'000	2022 £'000
Total incoming resources	16	27
Total expenditure	(15)	(27)
Profit for the year	1	-
Qualifying distribution	(1)	-
Retained profit/loss for the year	-	-
Total assets	5	18
Total liabilities	-	(13)
Funds	5	5

6. NET EXPENDITURE/(INCOME) FOR THE YEAR

	2023 £'000	2022 £'000
Net expenditure/(income) for the year are stated after charging the following:		
Depreciation of tangible fixed assets	276	610
Auditors' remuneration – Tearfund	91	66
Auditor's other services – taxation	3	-
Auditors' remuneration – Tearfund Trading	4	3
(Profit)/Loss on sale of tangible fixed assets	(1)	1
Operating leases: land and buildings – unrestricted	589	60
Operating leases: land and buildings – restricted	655	931

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

7. EMPLOYEES AND TRUSTEES

	2023 UK £'000	2023 Overseas £'000	2023 Total £'000	2022 UK £'000	2022 Overseas £'000	2022 Total £'000
Employee costs						
Salaries and wages	16,806	15,369	32,175	15,605	12,124	27,729
Employee benefits	33	914	947	7	468	475
Social security costs	1,784	51	1,835	1,593	52	1,645
Other pension costs	1,725	297	2,022	1,633	225	1,858
	20,348	16,631	36,979	18,838	12,869	31,707

Included in the above employee costs are redundancy and severance costs of £461,000 (2021/22: £61,000). Redundancy costs are provided for when the decision has been made and the employees have been informed, and the amounts could be calculated with reasonable accuracy and the settlement is probable in the next financial year. Wages for casual workers and medical benefits are included in 2022/23 overseas employee costs which were not included in 2021/22. Inclusion of them in 2021/22 would have increased overseas salaries and wages by £637,000 and overseas employee benefits by £293,000.

Notes to the financial statements

31 March 2023

7. EMPLOYEES AND TRUSTEES CONTINUED

Average number of persons employed during the year	2023 Number	2022 Number
UK-contracted employees based:		
In the UK	452	447
Overseas	93	98
	545	545
Staff based overseas on local contracts	512	543
	1,057	1,088

UK staff includes those personnel based in Tearfund's UK offices. Overseas staff on UK contracts includes UK nationals working overseas as well as non-UK nationals employed to work in various countries around the world. Staff based overseas on local contracts are employed mainly on projects funded by Institutional donors. All staff were employed across the range of activities detailed in the SOFA. No employees are employed directly by Tearfund Trading Limited.

The number of employees whose emoluments (including benefits in kind but excluding employer's pension) amounted to over £60,000 in the year was as follows:

	2023 Number	2022 Number
£60,001 – £70,000	28	19
£70,001 – £80,000	6	7
£80,001 – £90,000	4	4
£90,001 – £100,000	2	1
£140,001 – £150,000	1	1

Two of the highest paid individuals in 2023 and 2022 are members of staff who work in our international programmes. Their emoluments include accommodation, school fees, medical and other benefits, which allow us to be appropriately competitive in recruiting and retaining staff in the international Non-Governmental Organisation market.

Pension payments of £198,000 (2021/22: £182,000) were made for these forty one (2021/22: thirty two) higher-paid employees. The total emoluments received by the chief executive in the year was £93,000 (2021/22: £87,000). In 2022/23, members of the Executive Team earned a total of £705,000 (2021/22: £669,000) including national insurance and pensions.

Trustees

As Charity Trustees, the Board of Directors and Committee Members, who are not employees, received no remuneration for their services. During the year, eight directors/committee members were reimbursed or had costs paid for by Tearfund for a total of £2,171 for UK travel and subsistence expenses (2021/22: four for £596). Four directors/committee members had overseas travel of £8,171 paid for by Tearfund (2021/22: two for £1,196).

Indemnity insurance is provided for the Directors at a cost of £24,000 (2021/22: £22,000).

Pensions

Tearfund has a defined contribution pension plan for UK employees called the Tearfund Group Personal Pension Plan and a separate defined contribution pension plan for overseas employees called the Tearfund International Group Personal Pension Scheme. These plans operate on a non-contributory basis.

Included within creditors falling due within one year is £278,000 (2021/22: £333,000) in respect of pension contributions due to be paid to the fund managers.

Notes to the financial statements

31 March 2023

8. TAXATION

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

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold land and buildings £'000	Assets under construction £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total Tangible £'000	Total Intangible £'000
Cost						
At 1 April 2022	2,688	-	6,378	109	9,175	1,225
Additions	168	180	334	-	682	-
Disposals	-	-	(56)	-	(56)	-
At 31 March 2023	2,856	180	6,656	109	9,801	1,225
Accumulated depreciation						
At 1 April 2022	1,916	-	6,002	93	8,011	1,225
Charge for the year	44	-	230	2	276	-
Disposals	-	-	(56)	-	(56)	-
At 31 March 2023	1,960	-	6,176	95	8,231	1,225
Net book value						
At 31 March 2023	896	180	480	14	1,570	-
At 31 March 2022	772	-	376	16	1,164	-

The book value of freehold land not depreciated is £368,000 (2021/22: £200,000). Tearfund's offices in Teddington have a book value of £728,000 (2021/22: £772,000) and are insured at a value of £11,210,000 (2021/22: £10,000,000). From 1 April 2023, the Teddington Office insurance value has been increased to £14,042,000.

In March 2023, the Board appointed agents to market, for disposal, the freehold land and building at 100 Church Road, Teddington.

Assets under construction relate to an office building in Goma, DRC.

The intangible asset is the cost of the purchase of Toilet Twinning, which is now fully amortized.

10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2023, Tearfund had one wholly-owned subsidiary which is registered in England and Wales.

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

Notes to the financial statements

31 March 2023

11. STOCKS

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Goods held for distribution to communities	850	593	850	593
Goods for resale	14	12	14	-
Disaster management and IT stores	11	11	11	11
	875	616	875	604

12. DEBTORS

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Due within one year:				
Amount owed by group undertaking	-	-	-	9
Tax recoverable	223	867	223	867
Other debtors	624	538	624	538
Accrued institutional grants	3,362	2,324	3,362	2,324
Accrued legacy income	6,492	4,935	6,492	4,935
Prepayments and other accrued income	1,322	1,059	1,322	1,059
	12,023	9,723	12,023	9,732

13. CREDITORS

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts falling due within one year				
Interest-free loans	100	100	100	100
Amount owed to group undertaking	-	-	2	-
Other creditors	1,400	1,978	1,400	1,978
Taxation and social security	887	1,361	887	1,362
Accruals	2,520	1,605	2,520	1,602
Deferred income	7	9	7	9
	4,914	5,053	4,916	5,051

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

	2023 £'000	2022 £'000
Deferred income balance		
Opening balance	9	5
Released income	(9)	(5)
Deferred income	7	9
Closing balance	7	9

Notes to the financial statements

31 March 2023

14. PROVISIONS FOR LIABILITIES

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Transfers from creditors	249	-	249	-
Additions	519	-	519	-
Closing balance	768	-	768	-

Provisions for liabilities comprise amounts relating to an overseas bank account, redundancies and other liabilities. Redundancies are expected to be paid in the next financial year. The timing of the other provisions is unknown. Provisions were included in creditors in the previous financial year and have been transferred to provisions this year.

15a. FUNDS MOVEMENT (2022/23)

Tearfund and Tearfund Group	1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2023 £'000
General fund	11,475	35,868	(40,473)	(347)	6,523
Designated funds					
Fixed asset fund	1,164	-	-	406	1,570
Strategic priorities	2,157	-	(2,140)	18	35
	3,321	-	(2,140)	424	1,605
Total unrestricted funds	14,796	35,868	(42,613)	77	8,128
Restricted funds					
Appeals and emergencies:					
Afghanistan	2,674	2,368	(3,228)	-	1,814
Bangladesh	308	3	(213)	-	98
Burundi and Rwanda	18	-	(18)	-	-
Coronavirus emergency appeal	245	242	(343)	1	145
Democratic Republic of Congo	570	3	(573)	-	-
East Africa	-	6	(6)	-	-
East Africa hunger crisis	-	600	(311)	-	289
Haiti	26	25	(34)	-	17
Indonesia	392	1	(117)	-	276
Middle East	942	48	(132)	-	858
Mozambique	-	819	(723)	(5)	91
Myanmar	24	-	(24)	-	-
Other	366	699	(481)	5	589
Pakistan	90	2,356	(862)	8	1,592
Sudan and South Sudan	438	10	(448)	-	-
Syria crisis	611	-	(211)	-	400
Turkey and Syria earthquake	-	4,593	(958)	-	3,635
Ukraine	1,628	1,373	(1,812)	-	1,189
Yemen	1,941	62	(396)	-	1,607
	10,273	13,208	(10,890)	9	12,600

Notes to the financial statements

31 March 2023

15a. FUNDS MOVEMENT (2022/23) CONTINUED

Tearfund and Tearfund Group	1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2023 £'000
Restricted funds brought forward	10,273	13,208	(10,890)	9	12,600
Country funds	-	65	(65)	-	-
Project funds:					
Institutions and trusts	6,394	32,240	(32,473)	(132)	6,029
Connected Church	18	6	(22)	-	2
Other	748	1,953	(2,187)	46	560
Beneficiary funds:					
Other children funds	-	30	(30)	-	-
Issue funds:					
Disaster management	-	867	(867)	-	-
Water and sanitation	-	1,063	(1,063)	-	-
HIV and AIDS	-	82	(82)	-	-
Total restricted funds	17,433	49,514	(47,679)	(77)	19,191
Total	32,229	85,382	(90,292)	-	27,319

Designated funds are set up for the following purposes:

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

Restricted funds are shown under the following main categories:

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

Fund balances may be negative for the following reasons:

- Funds in deficit are predominantly due to the pre-financing provided to partners on institutionally-funded projects, where we expect to receive income from donors once the partners have spent the funds.

At 31 March 2023, the total deficit balances amounted to £354,589 (2021/22: £148,286).

Notes to the financial statements

31 March 2023

15a. FUNDS MOVEMENT (2022/23) CONTINUED

Transfers between funds represent:

- (a) movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund and designation of funds for work on our strategic priorities
- (b) reallocations between funds reflecting the analysis of funds or balance transfers
- (c) reallocation of general funds to support programmes where additional restricted funding was not found

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

	1 April 2022 £'000	Income £'000	Expenditure £'000	31 March 2023 £'000
Foreign, Commonwealth and Development Office (FCDO)				
Central African Republic: AID Match	-	(3)	3	-
Haiti: AID Match	64	423	(429)	58
Pakistan: AID Match	(2)	849	(852)	(5)
FCO & Other:				
Nigeria Innovate UK	-	29	(29)	-
Iraq CSSF	-	812	(806)	6
Start Network:				
Burundi Alert 599	-	125	(125)	-
Phillippines Abra Earthquake Response	-	367	(364)	3
Pakistan Floods Response	-	21	(21)	-
Mozambique Flood Response Projects	3	253	(248)	8
Democratic Republic of Congo Displacement due to conflict & Hub Incubation	-	144	(128)	16
South Sudan Displacement due to conflict	-	250	(229)	21
Zimbabwe WASH	-	91	(91)	-
Nicaragua Hurricane Julia Response	-	198	(198)	-
Total FCDO funds	65	3,559	(3,517)	107
Disasters Emergency Committee (DEC)				
Coronavirus	63	237	(300)	-
Afghanistan crisis	174	2,149	(2,195)	128
Pakistan floods	-	844	(694)	150
Turkey and Syria earthquake	-	948	(8)	940
Total DEC funds	237	4,178	(3,197)	1,218

Notes to the financial statements

31 March 2023

15b. FUNDS MOVEMENT (2021/22)

Tearfund and Tearfund Group	1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2022 £'000
General fund	9,626	35,032	(33,674)	491	11,475
Designated funds					
Fixed asset fund	1,583	-	-	(419)	1,164
Overseas assets fund	125	-	-	(125)	-
Strategic priorities	5,503	-	(3,346)	-	2,157
	7,211	-	(3,346)	(544)	3,321
Total unrestricted funds	16,837	35,032	(37,020)	(53)	14,796
Restricted funds					
Appeals and emergencies:					
Afghanistan	-	3,567	(894)	1	2,674
Bangladesh	614	13	(3)	(316)	308
Burundi and Rwanda	89	-	(71)	-	18
Central African Republic	75	-	(75)	-	-
Coronavirus Emergency Appeal	667	1,797	(2,219)	-	245
Democratic Republic of Congo	-	1,183	(613)	-	570
East Africa	-	2	(2)	-	-
Haiti	-	123	(97)	-	26
Indonesia	579	1	(188)	-	392
Middle East	961	109	(128)	-	942
Myanmar	77	-	(53)	-	24
Other	239	300	(173)	-	366
Pakistan	90	-	-	-	90
Southern Africa cyclone	337	1	(300)	(38)	-
Sudan and South Sudan	181	11	(70)	316	438
Syria crisis	640	79	(117)	9	611
Ukraine	-	1,772	(144)	-	1,628
Yemen	1,801	155	(15)	-	1,941
	6,350	9,113	(5,162)	(28)	10,273

Notes to the financial statements

31 March 2023

15b. FUNDS MOVEMENT (2021/22) CONTINUED

Tearfund and Tearfund Group	1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2022 £'000
Restricted funds brought forward	6,350	9,113	(5,162)	(28)	10,273
Country funds	2	136	(138)	-	-
Project funds:					
Institutions and trusts	5,183	30,041	(28,864)	34	6,394
Connected Church	274	(20)	(231)	(5)	18
Other	698	2,413	(2,687)	324	748
Beneficiary funds:					
Children	-	223	(269)	46	-
Issue funds:					
Disaster management	-	1,046	(1,046)	-	-
Water and sanitation	-	1,294	(1,301)	7	-
HIV and AIDS	325	30	(30)	(325)	-
Waste Management	-	166	(166)	-	-
Total restricted funds	12,832	44,442	(39,894)	53	17,433
Total	29,669	79,474	(76,914)	-	32,229

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

Foreign, Commonwealth and Development Office (FCDO)	1 April 2021 £'000	Income £'000	Expenditure £'000	31 March 2022 £'000
Central African Republic: AID Match	-	817	(817)	-
Haiti: AID Match	(15)	325	(246)	64
Pakistan: AID Match	2	467	(471)	(2)
FCO & Other:				
British Embassy FORD	-	30	(30)	-
Start Network:				
Burkina Faso	-	71	(71)	-
Burundi flood response	-	88	(88)	-
Democratic Republic of Congo Volcano Alert 525	-	100	(100)	-
Ethiopia IDP response Alert 538	-	220	(220)	-
Ethiopia working differently	-	15	(15)	-
Indonesia earthquake	1	-	(1)	-
Mozambique 2022	-	99	(96)	3
Nigeria evaluation	3	(3)	-	-
Nigeria Aug-21 to Sep-21	-	30	(30)	-
Rwanda Alert 526	-	65	(65)	-
Total FCDO funds	(9)	2,324	(2,250)	65

Notes to the financial statements

31 March 2023

15b. FUNDS MOVEMENT (2021/22) CONTINUED

	1 April 2021 £'000	Income £'000	Expenditure £'000	31 March 2022 £'000
Disasters Emergency Committee (DEC)				
Cyclone Idai 2019	6	-	(6)	-
Coronavirus	(65)	1,731	(1,603)	63
Afghanistan crisis	-	658	(484)	174
Total DEC funds	(59)	2,389	(2,093)	237

16a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2022/23)

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Fund balances at 31 March 2023 are represented by:			
Tearfund Group:			
Fixed assets	1,570	-	1,570
Current assets	11,811	19,620	31,431
Current liabilities	(4,487)	(427)	(4,914)
Provisions	(766)	(2)	(768)
	8,128	19,191	27,319
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,570	-	1,570
Current assets	11,808	19,620	31,428
Current liabilities	(4,489)	(427)	(4,916)
Provisions	(766)	(2)	(768)
	8,128	19,191	27,319

16b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2021/22)

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Fund balances at 31 March 2022 are represented by:			
Tearfund Group:			
Fixed assets	1,164	-	1,164
Current assets	16,167	19,951	36,118
Current liabilities	(2,535)	(2,518)	(5,053)
	14,796	17,433	32,229
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,164	-	1,164
Current assets	16,157	19,954	36,111
Current liabilities	(2,533)	(2,518)	(5,051)
	14,793	17,436	32,229

Notes to the financial statements

31 March 2023

17. OPERATING LEASE COMMITMENTS

At 31 March 2023 Tearfund and the Tearfund Group were committed to making the following payments in total in respect of operating leases for land and buildings:

	Tearfund Group		Tearfund	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Within one year	944	683	944	683
In the second to fifth years inclusive	781	502	781	502
	1,725	1,185	1,725	1,185

18. RELATED PARTY TRANSACTIONS

A number of the trustees of Tearfund are directors and trustees of other charities and organisations with whom Tearfund has historic relationships. There were no related party transactions.

In addition, there were expenditure transfers to the subsidiary of Tearfund of £nil (2021/22: £nil) in the year ended 31 March 2023. The balance owing by Tearfund to Tearfund Trading Limited at the end of the year of £2,000 (2021/22 : £nil) is disclosed in note 13. All assets and liabilities of Tearfund Trading limited, except cash were transferred to Tearfund at 31 March 2023.

19. ULTIMATE PARENT

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

20. CAPITAL COMMITMENTS

At 31 March 2023, there were contracted or authorised capital commitments of £35,000 (2021/22: £118,000).

tearfund.org

Tearfund

Tearfund, 100 Church Road, Teddington TW11 8QE, United Kingdom

☎ +44 (0)20 3906 3906 ✉ info@tearfund.org 🌐 @ /Tearfund

Tearfund Northern Ireland

Tearfund, 241 Newtownards Road, Belfast BT4 1AF, Northern Ireland

☎ +44 (0)28 9073 0060 ✉ ni@tearfund.org 🌐 @ /TearfundNI

Tearfund Scotland

Tearfund, Suite 529-534, Baltic Chambers, 50 Wellington Street, Glasgow G2 6HJ, Scotland

☎ +44 (0)141 332 3621 ✉ scotland@tearfund.org 🌐 @TearfundScot 🌐 @ /TearfundScotland

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). 00884-(0723)

tearfund