

Following Jesus  
where the need  
is greatest

**tearfund**

*Following Jesus where the need is greatest*

100 Church Road, Teddington TW11 8QE  
T 020 8977 9144 E info@tearfund.org  
www.tearfund.org



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)  
Members of the Board of Directors are the trustees for charitable purposes  
31782-(0817)

**tearfund**

# 2016/17 ANNUAL REPORT

CELEBRATING THE PAST YEAR



Report and Financial Statements 2016/17  
Year ended 31 March 2017

THIS YEAR...



**4  
MILLION**

people directly benefited  
from our work in more  
than 50 countries



**3.2  
MILLION**

people empowered in the  
churches and communities  
we support/partner with

DONATE



**92,000**

people gave to our  
work this year



**£72.8M**

in total raised to transform  
lives around the world



*celebrating a ten year vision*

In 2006, we set an ambitious target: we launched a ten-year vision to see 50 million people lifted out of material and spiritual poverty through a worldwide network of 100,000 local churches.

A decade on, the statistics are striking. In ten years, we have touched the lives of more than 45 million people – the equivalent of almost the population of Spain. We reached more than 32 million people through our community development work and more than 13 million through our response to disasters.

Contributing hugely to this success is the fact that we have envisioned and mobilised more than 154,000 local churches, inspiring our Christian family to be catalysts for change.

We have spoken up with many poor communities, and acted on their behalf, and seen more than 300 policies influenced and changed as a result. We pray that our joint advocacy will bring a rich harvest in reducing poverty further over the next decade.

Read our ten-year Impact and learning report: [www.tearfund.org/impactreport](http://www.tearfund.org/impactreport)

**We're working in more than 50 of the world's poorest countries...**

- |                               |                                    |
|-------------------------------|------------------------------------|
| <b>Asia &amp; Middle East</b> | <b>Africa</b>                      |
| Afghanistan                   | Angola                             |
| Bangladesh                    | Burkina Faso                       |
| Cambodia                      | Burundi                            |
| Central Asian States          | Central African Republic (CAR)     |
| China                         | Chad                               |
| India                         | Democratic Republic of Congo (DRC) |
| Laos                          | Egypt                              |
| Myanmar                       | Ethiopia                           |
| Nepal                         | Ivory Coast                        |
| Pakistan                      | Kenya                              |
| Philippines                   | Liberia                            |
| Thailand                      | Malawi                             |
| Iraq                          | Mali                               |
| Jordan                        | Mozambique                         |
| Lebanon                       | Niger                              |
| Syria                         | Nigeria                            |
| Yemen                         | Rwanda                             |
|                               | Sierra Leone                       |
|                               | Somalia                            |
|                               | South Sudan                        |
|                               | Tanzania                           |
|                               | Uganda                             |
|                               | Zambia                             |
|                               | Zimbabwe                           |
|                               | South Africa                       |
|                               | <b>Americas</b>                    |
|                               | Bolivia                            |
|                               | Brazil                             |
|                               | Colombia                           |
|                               | Guatemala                          |
|                               | Haiti                              |
|                               | Honduras                           |
|                               | Nicaragua                          |
|                               | Peru                               |
|                               | USA*                               |
|                               | <b>Pacific</b>                     |
|                               | Vanuatu                            |
|                               | <b>Europe</b>                      |
|                               | UK*                                |



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

**04-07**

We want to see disaster-affected communities supported and equipped to recover quickly and be more resilient to future disasters.



**08-11**

We want to see local churches and communities working sustainably and holistically to reduce poverty and build resilience.



**12-15**

We want to see the global church embrace its calling to address poverty and injustice.



**16-19**

We want to see unjust policies and practices of the powerful challenged in order to secure policies that deliver justice for poor communities.



**CONTENTS**

- 02 Chairman's introduction
- 03 Trustee Directors' report
- 04 Strategic report
- 26 Structure, governance and management
- 28 Trustee Directors, Committee Members, Other Members, Ambassadors and Executive team
- 30 Risk management framework
- 31 Quality standards
- 32 Financial review
- 35 Trustee Directors' responsibility statement
- 36 Independent auditor's report to the trustees and members of Tearfund
- 38 Consolidated statements of financial activities
- 39 Balance sheet
- 40 Consolidated cash flow statement
- 41 Notes to the financial statements

Copyright © Tearfund 2017. All rights reserved.  
 Cover image: Children in Chagunda village. Salima district, Malawi.  
 Cover Photo: Tom Price/Tearfund  
 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)

## CHAIRMAN'S INTRODUCTION

I am delighted to introduce the Trustee Directors' Financial Statements for 2016/17.



Clive Mather, Chairman. Photo: Clive Mear/Tearfund

Travelling with Tearfund offers me a special opportunity to witness how God works through our people and partners to transform even the most desperate situations. For example, I have recently returned from visiting the Central African Republic and Iraq, where people displaced by conflict have found shelter and hope thanks to Christians living out their gospel calling. I truly thank God for them and indeed for our faithful supporters whose commitment to give and pray is the foundation of our achievements. Our finances have remained strong, enabling us to plan with confidence, despite all the financial and political uncertainty. I also give thanks for all our people – staff, volunteers and partners – who work selflessly and often in dire circumstances to bring relief and restoration. And I give thanks for the worldwide church who join with us in countless ways to bring the good news of the gospel by word and deed. I never cease to marvel at what we can achieve together in the name of Jesus.

Led by our CEO Nigel Harris, the Executive team have been refreshing our strategies this past year. What remain unchanged are our values, our calling and our commitment to deliver the highest quality in everything we do. However, we do want to put more emphasis on scaling up church and community transformation, because this is the most effective way to achieve lasting change. Working through the local church brings God into the equation in remarkable ways. We also recognise that, in many fragile states such as Democratic Republic of Congo, South Sudan and Syria, protracted conflict and other crises require

long-term commitments. This is what it means to 'follow Jesus where the need is greatest' and we are planning to increase our focus and long-term investment. In the same way we also plan to scale up our work in environmental and economic sustainability. Through advocacy and influencing, we can help address the root causes of poverty, such as climate change, poor governance and conflict, which all stem from broken relationships. And at the heart of all this is our passion to see God's kingdom come.

At last year's AGM, Members approved a few changes designed to simplify our governance structure. We now have a group of some 30 Members who form the Council that oversees Tearfund and elects the Board. We have strengthened our evangelical foundation by creating a new Theological Committee of the Board. And we have rationalised our various types of public figures into a single group called Ambassadors, who can represent Tearfund in many different walks of life. My personal thanks to everyone who gives of their time and skills so selflessly in these various roles. Read more about us at [www.tearfund.org](http://www.tearfund.org)

I do hope you enjoy reading this report and the stories of transformation that are woven into the formal accountability. We welcome feedback on any aspect of our work or enquiries as to how you can be involved, so do please contact us at [info@tearfund.org](mailto:info@tearfund.org)

Tearfund started its journey of relief and development in May 1968, so next year we look forward to our Jubilee. We are planning a number of events around the country and I do hope you can join us at one of them. The people of God love nothing more than to come together to celebrate God's goodness and greatness.

Clive Mather  
Chairman

*'I give thanks for the worldwide church who join with us in countless ways to bring the good news of the gospel by word and deed. I never cease to marvel at what we can achieve together in the name of Jesus.'*

CLIVE MATHER, CHAIRMAN

## 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 2017.

### PRINCIPAL ACTIVITY

Tearfund is a Christian relief and development agency committed to eradicating poverty.

We do this by:



#### Responding to disasters

ensuring communities affected by disasters receive life-saving assistance, recover quickly and are better equipped to face and respond to future hazards



#### Developing communities

working sustainably and holistically with local churches and communities to reduce poverty and build resilience



#### Envisioning churches

enabling the global church to address poverty and injustice



#### Changing policies

changing unjust policies and practices of the powerful to deliver justice for poor communities

We deliver this through partners, operational programmes, alliances and Inspired Individuals (a programme to identify, support and resource social entrepreneurs with potential to transform the lives of millions living in poverty) and by focusing on particular areas of expertise.

### Tearfund's core competencies encompass:

- mobilising the church to help the poor
- churches spearheading national advocacy campaigns
- food security
- livelihoods
- water, sanitation and hygiene (WASH)
- disaster response and resilience

### We are developing our expertise in responding to:

- sexual and gender-based violence
- conflict through peacebuilding

This year's *Impact and Learning report* gives more detail on Tearfund's impact in its core competency areas:

[www.tearfund.org/impactreport](http://www.tearfund.org/impactreport)

Tearfund's partners are local churches, denominations, and Christian national and international NGOs who agree with our statement of faith and meet the partnership criteria. Tearfund's operational programmes are undertaken in countries hit by large-scale disasters, where the availability and capacity of partners are limited. Such programmes are directly overseen and implemented by staff members according to our policies and standards of good practice.

Tearfund is a member of various alliances and networks that provide important support to its work in a number of areas. These include: the Disasters Emergency Committee (DEC), Bond, Micah Network, the Integral Alliance, European Union Christian Organisations in Relief and Development (EU-CORD), the Start Network, the Core Humanitarian Standard, Joint Learning Initiative (JLI) and the Evangelical Alliance.

We have referred to the Charity Commission's guidance on reporting on public benefit when reviewing our aims and objectives and planning our activities.

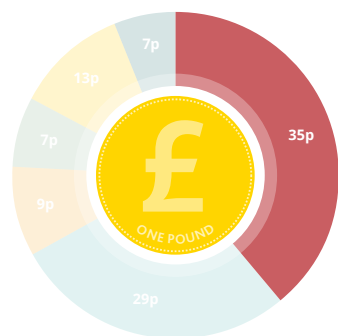
Tearfund and its partners work with people living in poverty around the world irrespective of their race, faith or nationality, and the Trustee Directors ensure that the activities undertaken contribute to the aims and objectives of the Charity. The Trustee Directors are therefore confident that Tearfund meets the public benefit requirements.

The Trustee Directors' Report includes the following: Chairman's introduction, the Strategic Report, Structure, governance and management, Trustee directors and other information, Tearfund's Risk Management Framework and Quality Standards, and the Financial review. The objectives, activities and related achievements and performance are included in the following sections where each of the outcomes is described.





## WE WANT TO SEE DISASTERS RESPONDED TO



# 35p

IN EVERY POUND GOES TO RESPONDING TO DISASTERS

We bring swift and effective support to disaster-affected communities in a strategic and well-planned way. We then build long-term relationships with local churches and partners so that communities become increasingly resilient to future disasters in a way that is environmentally and economically sustainable.

When disaster strikes, we have a strong network of highly skilled aid workers and local church connections, which allows us to react swiftly and deliver support efficiently. We empower our partners on the ground by giving them the skills and access to funding they need so they can take a lead in any humanitarian response. We want to ensure humanitarian aid efforts are 'owned' and initiated by the very communities affected by the disaster.

Upholding survivors' dignity is also of paramount importance to us. Because of this, we prioritise cash transfer programming where appropriate. In small to medium-scale disasters, that means distributing cash so families can spend it to meet their specific needs.

We are acknowledged experts in the field of networking and coordinating with other aid agencies, the UN and governments. We have developed successful programmes, which equip communities with the skills they need to reduce their vulnerability to future disasters, as well as supporting their recovery in the long term.

'Have I not commanded you? Be strong and courageous.

Do not be afraid; do not be discouraged, for the Lord your God will be with you wherever you go'

JOSHUA 1:9



### WHAT MAKES US DIFFERENT

We ensure that we train and equip local partners on the ground so they can take the lead in any disaster response.

We promote local-level responses to disasters that respect and uphold survivors' dignity, prioritising cash programming in small to medium-scale disasters.

We not only respond to disasters but also work consistently with our partners worldwide to help them reduce the impact of disasters on local communities.



THIS YEAR, WE'RE CELEBRATING...



# 800,000

PEOPLE SERVED AS WE RESPOND TO DISASTER

THIS INCLUDES...



# 18,666

people in the Central African Republic have benefited from agricultural inputs, livestock and training



# 1,140

families in Maputo region, Mozambique received kits to produce safe drinking water or received hygiene education and training



# 120

people trained in contingency planning in 11 countries, including Iraq and Myanmar



## OUR YEAR

These are some of the key objectives we set ourselves last year, with examples of how we have met them.

### 1. Further develop our cash transfer programming (CTP) expertise

Tearfund has seen a steady increase in the uptake of cash transfer programming over recent years. In 2016/17, 12 countries implemented CTP projects with Tearfund support – doubling the numbers from last year. We have developed internal guidelines and tools to help expand our partners' expertise in CTP and trained more than 120 Tearfund and partner staff across seven countries in it.

One such country is Iraq, where ISIS has caused widespread displacement. By early 2015, significant numbers of displaced people had started arriving in cities in the north but the level of humanitarian support there was low. Tearfund began operating CTP in the region in June 2015, continuing through 2016.

The initial assessment we carried out revealed that people's needs were extremely varied. Goods and services were available on the local market, but people had no cash to buy them. People often mentioned how the grants had relieved pressure on them and made them feel 'respected'. One said: 'Thanks, Tearfund: I didn't even have 1,000 IQD (approx £0.65) in my pocket.' Most people used their grants to pay rent, cover medical expenses and buy food; some was spent on paying debts or acquiring assets such as tools to start a business. We also ensured those needing healthcare were referred to specialist providers.

*'It was clear to see that our intervention will have an immediate impact on the people, their community and the local economy.'*

BENJAMIN CHIKAN, TEARFUND  
PROJECT OFFICER IN NIGERIA

### 2. Strengthen contingency planning and local partner capacity in disaster-prone countries

Tearfund advocates passionately for locally-led responses to disaster through partners and the church. To facilitate this, we focus on contingency planning and preparation to build resilience and capacity at the grassroots level. We anticipate what might happen during a disaster and then try to help our partners prepare for that scenario. We discuss what training needs to be done, such as first aid training, search and rescue and food distribution, and what plans need to be in place to scale up our partners' operations. In 2016, contingency planning was started in many of our high-risk countries, including Niger, Nigeria, Mali, Nicaragua, Honduras and Chad. A workshop we held in Niger with our partners focused on identifying the risks facing the country and helping them work together to discover ways to become better prepared for disasters. Together, we considered just how bad things could be in a disaster, and then encouraged our in-country partners to make firm plans to prepare a response. This included, for example, looking at the barriers that might prevent help reaching certain people. We paid particular attention to identifying vulnerable groups of people who might be ignored in times of crisis due to their religion, gender, ethnicity, caste or sexuality. All this will make the local response by churches and partners in the event of a disaster faster, more effective and more inclusive.

Another aspect of this work was to get our partners recognised by the UN, thereby giving them access to more opportunities for response coordination and cooperation, and to different funding streams. Several small-scale emergencies in the months that followed the Niger workshop meant that participants were able to successfully put into practice what they had learnt.



### 3. Respond to food crises in countries affected by El Niño changes in rainfall patterns

In February 2016, a drought induced by El Niño ravaged Maputo province in Mozambique. More than 200,000 people were in critical need of food assistance and there were also very few viable sources of safe drinking water. Families could eat only once a day instead of the usual three meals. This food shortage and a worrying rise in diarrhoeal diseases resulted in significant weight loss and associated health problems in both adults and children.

With support from Tearfund's El Niño Crisis Response Fund, set up in early 2016, our partner, Comité Ecuménico para o Desenvolvimento Social (CEDES), delivered food and water purifying units to 459 of the most vulnerable households. Vegetable seeds were distributed for planting, too, which will have a longer-term impact on food security in the region. Resulting harvests will be used to feed families, contributing to a regular and diversified diet. Any excess can be sold at the local market, which will give families an income. This allows families to send their children to school and buy other essential items such as hygiene kits.

Megaza Flood resettlement camp near Morrumbala, Mozambique.  
Photo: Ralph Hodgson/Tearfund

## SURVIVING HURRICANES IN HAITI

When warnings came that a hurricane was about to hit southern Haiti, Jenniflore was unconcerned at first. Warnings of tropical storms are frequent here and often unfounded. But this was no empty threat: Hurricane Matthew struck on 4 October 2016, the worst hurricane to hit the island since 1963.

Jenniflore is a single mum to four young children in St Jean du Sud. Her home was a modest, rented building on the southern shoreline. It didn't stand a chance. As storm clouds gathered, Jenniflore decided to send her children, aged four to 11, to stay with her mother up the hill. She decided to stay put at home. It was not long before the storm ripped off the roof and she was forced out into the night. 'I could see trees and tin roofs flying,' she says. 'I was wet and scared.' Finding a half-built house that looked safe, she climbed in through a window and took refuge there.

Jenniflore and her children inspected the ruins of their home the next morning. All their animals had died, their kitchen garden had been swept away and their now roofless home was flooded. But Jenniflore and her children were among the many people to whom Tearfund's partner distributed food kits containing staples such as rice, sugar, beans and oil. Despite her precarious situation, Jenniflore even shared her rations with needy neighbours. Tearfund and its partners have been in the area for a decade and are committed to helping Jenniflore and her community recover and rebuild their lives.

watch more stories about our work at  
[www.tearfund.org/annualreport](http://www.tearfund.org/annualreport)

Jenniflore can smile again. Photo: Jade Beakhouse/Tearfund

This year  
**£26.4m**  
spent responding  
to disasters

In 2016/17 we spent a total of £26.4m (2015/16 £28.2m) responding to disasters and supporting people such as Jenniflore in Haiti.



Jenniflore can smile again. Photo: Jade Beakhouse/Tearfund

### WHAT WE LEARNT

It is vital to champion and empower local organisations in humanitarian response. We joined with five UK-based charities to commission research into the benefits of this approach. One of the resulting research papers, which highlights the positive effects of working through local partners in the 2015 Nepal earthquake, was presented to the UN in Geneva to commend this approach to a wider audience.

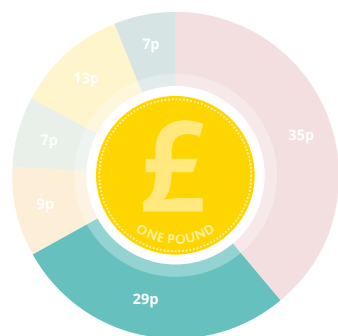
### GOING FORWARD IN 2017/18, WE AIM TO:

- build our partners' capacity to respond to disasters, learning from our cooperation with the wider network of aid agencies (for example, the Start Network) and our own research
- recruit and train more professionals to join our Emergency Response Register so we can create an effective team response in the event of a disaster
- develop new emergency response procedures for Tearfund's local offices to ensure that any response is swift and effective, serving affected communities well





## WE WANT TO SEE COMMUNITIES DEVELOPED



# 29p

IN EVERY POUND GOES TO DEVELOPING COMMUNITIES

We work with local churches and communities to reduce poverty in a way that is sustainable and holistic. We strengthen individuals, families and entire communities – their health, livelihoods and relationships – and build resilience so they can cope with unforeseen events.

Tearfund is passionate about going the extra mile to follow Jesus where the need is greatest. Often, this means going to remote and difficult places which the services of governments and other agencies find hard to reach, including fragile states and areas beset by conflict.

For this very reason, our distinctive approach is to work with and through local churches, groups of faithful people who are already at the heart of struggling communities and who are determined to see their friends and neighbours thrive. We want to equip and enable them to show

God's love in action because it's the best way we've found to effect lasting change. These local churches are committed to their communities for the long term, long after our engagement with them comes to an end. We see this as the most effective way to achieve lasting change. Our approach is to help people identify local needs and find their own answers, tackling poverty and injustice through solutions which are both sustainable and replicable.

*'Before, you knew us for our droughts, our poverty. But now the poor are transforming this country, and poverty shall no longer be our name.'*

MESERET KUMSA, A TEARFUND SELF-HELP GROUP MEMBER, ETHIOPIA



### WHAT MAKES US DIFFERENT

Wherever possible, we work with and through local churches that are part of their community and are there for the long haul.

We always aim to work with local resources first. We only bring in resources from outside when the community is already trying to solve a problem and needs extra help.

We concentrate on strengthening our partners and the local church so they can make change happen themselves. Their success is our success.

Meseret Kumsa leading self-help group weekly meeting. Photo: Cally Myddleton/Tearfund

'Now the Lord is the Spirit, and where the Spirit of the Lord is, there is freedom'

2 CORINTHIANS 3:17



THIS YEAR, WE'RE CELEBRATING...



# 3.22M

PEOPLE EMPOWERED IN CHURCHES & COMMUNITIES

THIS INCLUDES...



# 1,500

churches and schools prepared to be released as emergency shelters in Haiti



# 30

people trained in church and community mobilisation now serving West & Central Africa



# 270

people engaged in disaster planning through committees in North-West Bangladesh

A boy works in the field in Bihar, India. Photo: James Morgan/Tearfund



# OUR YEAR

These are some of the key objectives we set ourselves last year, with examples of how we have met them.

## 1. Ensure all new country strategies maximise impact

We see it as vitally important that local communities in high-risk areas have plans in place to be able to react to any disaster in an organised and efficient way. This includes helping the church to recognise the role it can play in reaching out to vulnerable people, especially in such an event.

This year, we reviewed our strategy for Haiti and made it a priority to help local churches understand their mandate as followers of Jesus to transform their communities.

Haiti is one of the most disaster-prone countries in the world. Our work strengthening and preparing communities through local churches came into sharp focus in October 2016 when news came that Hurricane Matthew was about to hit the Caribbean island. The disaster response plan already in place meant that specially trained committees were able to start directing people to safe shelters, and our two church partners released 1,500 church buildings and schools for this purpose.

Our strategy in Haiti now focuses on mobilising churches and communities and helping them set up initiatives such as self-help groups to further increase the impact of our work. These groups draw people together, build community cohesion and tackle poverty, all of which help make people less vulnerable when disaster strikes.

## 2. Gain even more evidence of the impact of our projects by ensuring monitoring and evaluation are key components of each country strategy

We are always keen to improve the quality and effectiveness of our projects so they can have the greatest possible impact. So, we continually monitor and evaluate our work to gain more evidence of what difference it is making. We also gather feedback from the communities we work with and from local partners, and reflect this in developing our country strategies.

In Nepal, for example, we have worked closely with churches to support them as they help their communities tackle specific local challenges. In our training sessions, we have made every effort to ensure our input is directly relevant to the local context, including the workbooks we hand out.

At the end of these sessions, we also requested feedback from all participants which led to further improvements in our teaching and workbooks. The result is a high level of local ownership, which we believe is encouraging more and more churches to become involved with us. Since our initial pilot there with five churches, we have now expanded our scope to work alongside 25 churches.

Lessons learnt in the context of Nepal will inform what we do in other countries – as we continue to learn and improve, for the benefit of poor communities.

## 3. Expand the highly effective self-help groups programme to establish new groups in priority African countries

This year, we have extended our self-help groups programme to three more countries: Zambia, Mozambique and Zimbabwe. We are already running this church-based programme in Ethiopia, Somaliland, Rwanda, Kenya, Tanzania and Malawi.

These groups are designed and targeted to help the people who are most marginalised and vulnerable in society to discover and develop their own skills, opportunities and resources. They transform the lives of those closest around them, as well as wider communities. New group members have seen their income rise and their savings increase, and they have gained hugely in terms of social support networks and confidence in handling finances. Because we work through local churches to set up, sustain and promote these groups, they also encourage people's spiritual growth. Individuals' testimonies about the impact that the group has had on their lives are deeply moving, as this one from Jeanette, a 45-year-old widow with a son from the Nymagabe region in Rwanda, illustrates: 'After the genocide, I lost my family. The self-help group has become my family.'



Meeting self-help groups in Murundi Sector, Kyonza District. Photo: Edward Woods/Tearfund

*'After the genocide, I lost my family. The self-help group has become my family.'*

A WIDOW FROM THE NYMAGABE REGION IN RWANDA



The bridge that made a big difference. Photo: Francis Wahome/Tearfund

### BRIDGING THE DIVIDE

For as long as Pastor Moses Maomou could remember, two of the communities he serves had been divided by a stretch of marshland.

During the wet season and for much of the year, the marsh turned into a swamp and became impassable. Children in one community were forced to trek for more than two miles around the swamp to reach the local school on the other side. So, circumstances forced the two communities in Liberia to live separate lives even though geographically they were not far apart.

Local chiefs had tried to galvanise villagers into action to build a bridge, but without success.

Then Pastor Moses became involved with church and community mobilisation (CCM), one of the first such programmes we helped run in his country. He is based in Kakata town, north-east of Monrovia, and it was his church which helped the two villages reconnect.

Moses' church led villagers through the CCM process, and helped local people identify for themselves the issues they wanted to address. The need for a bridge across the swamp was high on many people's agenda.

Once they understood that change was possible and they had the skills and resources needed to make change happen, villagers decided to build a bridge themselves. They successfully lobbied the local authority to provide materials – then got on with the construction. Now, navigating the swamp means a journey of just a few hundred metres. The communities have now overcome one of their biggest long-standing problems and they feel immensely proud of what they have achieved.

watch more stories about our work at [www.tearfund.org/annualreport](http://www.tearfund.org/annualreport)

This year  
**£22.3m**  
spent on developing communities

### WHAT WE LEARNT

We learnt that the most effective way to scale up good work is to empower our partners and the local church to develop it themselves. We ensure local churches and communities take ownership of projects, because this is the only way to see projects grow to the point where they have significant impact beyond our own capacity.

In 2016/17 we spent a total of £22.3m (2015/16 £20.2m) on developing communities like the ones Pastor Moses serves.

### GOING FORWARD IN 2017/18, WE AIM TO:

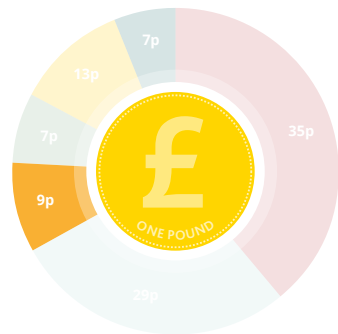
- build and scale up our work with local churches, as we have seen just how effective that work can be
- understand more about the root causes that make so many contexts 'fragile', and what we can do to help reduce that fragility
- do more to equip communities so they develop in ways that provide people with sustainable livelihoods, without harming the environment





## WE WANT TO SEE CHURCHES ENVISIONED

We're passionate about seeing the church embrace its God-given calling to address poverty and injustice – as a global family, congregations and individuals. We equip and envision local churches to become powerful agents of change, so they can help people and communities to flourish.



# 9p

IN EVERY POUND GOES TO ENVISIONING THE LOCAL CHURCH

We inspire churches to see how God can use them to unlock the potential he has placed in people and communities so they are released from poverty, now and for generations to come. As a Christian organisation, we are committed to equipping and mobilising local churches so they help communities experience 'life in all its fullness' (John 10:10).

We're passionate about seeing more Christians grasping this vision and adopting what we call integral mission: the church living out its faith in Jesus in every aspect of life. To extend our reach, collaboration is key: we work with different church denominations, theological colleges and through a variety of Christian networks. We're keen to join in with global discussions on poverty and

injustice and learn from them to develop our own theology and that of the church.

One key way we envision churches and communities is to share learning resources. So we provide strong resources in print and online that offer expertise on church-based development, including Footsteps, the only Christian magazine for those working in development at community level. We also provide research and analysis on theological and development issues.

We believe it's important to raise up a new generation of leaders committed to integral mission, which is why we invest in youth and young adults globally. We offer international volunteering opportunities to equip and inspire volunteers to become life-long ambassadors for change within their church community and beyond.

'The thief comes only to steal and kill and destroy; I have come that they may have life, and have it to the full'

JOHN 10:10



### WHAT MAKES US DIFFERENT

We are committed to theological reflection on all aspects of our work – to make sure we keep Christ at the centre of all we do.

We want to understand more deeply what the Bible says about serving the poor. So we listen to those already putting their faith into action, and share our learning with others.

We work closely with partner churches to offer our volunteers opportunities to serve overseas and so become life-long ambassadors for change.

Woman talking to an agricultural community in Rwanda. Photo: Global Volunteering Team/Tearfund



THIS YEAR, WE'RE CELEBRATING...



# 21,000

CHURCHES ENVISIONED TO OUTWORK INTEGRAL MISSION

THIS INCLUDES...



# 16

local churches in Honduras engaged in work with Tearfund with plans for growth



# 471

people attended conferences on peacebuilding, human trafficking, sexual and gender-based violence in Uganda, Egypt and Nepal



# 258

volunteers equipped to work alongside 33 local partners in 13 countries

Church service, Chagunda. Salima district, Malawi. Photo: Tom Price/Tearfund



## OUR YEAR

These are some of the key objectives we set ourselves last year, with examples of how we have met them.

**1. Develop a core course in integral mission for country teams, partners and networks. We will strengthen relationships with theological colleges. We will also commission a number of theological research projects around peacebuilding, prosperity gospel and partiality**

We believe strongly that our work should be underpinned by solid theological foundations. So, we have developed a theological framework to undergird our peacebuilding strategy and carried out research on prosperity theology, to inform future work on this issue. We have strengthened relationships with the International Council for Evangelical Theological Education and with theological institutions in sub-Saharan and West and Central Africa. Furthermore, we have begun work combining the curricula for integral mission and church and community mobilisation for French-speaking participants.

We count it a privilege to develop our theology alongside those experiencing first-hand the tough issues it addresses. Our partnership with pastors in Honduras is a good example. Honduran church leaders are now working together on a strategy to mobilise churches to prevent the spread of violence and promote peace in this troubled nation. Tearfund has helped draw pastors together by setting up networks through which they can share difficult issues and receive support, both from Tearfund and one another. So far, 16 local churches, 14 key influencers and three NGOs are involved. This initiative arose out of a gathering we attended in Honduras in 2016 organised by Micah Network of which Tearfund is a founding member. These networks have motivated and re-envisioned pastors who had felt isolated and overwhelmed.

**2. Deliver four conferences in Uganda, Egypt and Asia (working alongside YWAM, Call2All and Micah) – focusing on peacebuilding, human trafficking, sexual and gender-based violence and developing church and theological networks**

We have delivered three conferences, in Uganda, Egypt and Nepal, and they have proved to be a powerful platform to equip and inspire people and their networks. The conference theme depended on the country context. In Nepal, for example, the Thinking Theology conference focused on human trafficking and sexual violence, with a strong focus on theological reflection and discussion.

Developing relationships among participants and receiving ongoing input and encouragement has been key. Tearfund's team in Nepal is now also supporting a local network to continue peer-learning leading on from the conference. All participants are sharing what they've learnt with people they come across in their work or churches. One delegate said: 'I will speak with my church about forming a committee to prevent trafficking, to provide information and advice for people who migrate to find work.'

Another positive outcome from the conferences is that they brought together people of different denominations, bridging strong traditional divides. By gathering churches, theological colleges and Christian organisations, we've paved the way for future collaboration and networking which we hope will inspire innovation.

Through these conferences, we have also seen that Tearfund has exceptional convening power: people want to learn from us and share their learning with us. By setting out our vision for integral mission, we've inspired people to change both their theological understanding and development practice, and given them effective tools to translate this learning into action.



**3. Launch a brand new multilingual webshop to showcase and sell our publications for grassroots audiences**

We want to make our publications readily available via the internet to a global audience so all our resources are available in print and as free downloads. No other organisation has such a wide range of online publications looking at development from a Christian perspective: Tearfund remains the market leader in this field.

We also offer printed copies of our digital publications in an online bookshop. Given its popularity, it became clear that we needed to expand this to create a multilingual facility and so widen our reach. Items in the webshop are now available in four languages: English, French, Spanish and Portuguese. Consequently, increasing numbers of people have been able to make use of our information and training materials, including many new users with different language backgrounds.

What's more, the webshop facilities have enabled us to provide bespoke packages of publications to any organisation we work with. This is helping us to build strong relationships and provide our partners with targeted support to meet their particular needs.

*'I will speak with my church about forming a committee to prevent trafficking, to provide information and advice for people who migrate to find work.'*

THINKING THEOLOGY CONFERENCE  
DELEGATE, NEPAL

This year  
**£7.8m**  
spent on envisioning  
churches

In 2016/17 we spent a total of £7.8m (2015/16 £6.9m) on envisioning churches and inspiring people with initiatives such as the 'Tearfund Learn' Facebook page.

### GLOBAL LEARNING ONLINE

Digital access is growing in every country we work in. Tearfund partners and the wider church are hungry for knowledge, whether it be how to keep chickens and get the best price for their eggs, or how to be advocates for their communities' needs.



In 2016 we launched 'Tearfund Learn' on Facebook, to engage with online audiences across the world. This page covers a wide variety of subjects and has many links to blog posts, campaign actions, inspiring articles and stunning photos. It serves as an exchange platform for thoughts, ideas, questions and, of course learning. In its first year, our Facebook page had 6,000 'likes' and is attracting a growing global community engaging with issues of poverty and justice. Taking advantage of increasing internet access globally, this initiative provides a rich hub of information our 'friends' can engage with and contribute to.



watch more stories about our work at  
[www.tearfund.org/annualreport](http://www.tearfund.org/annualreport)



Conference on Gender Based Violence held in Bangui, CAR. Photo: Andrew Philip/Tearfund

### WHAT WE LEARNT

Through our conferences, we've learnt that drawing on local knowledge and connections through our in-country teams means we attract more delegates and local speakers, and theological reflections are more contextualised. By focusing the conferences on issues of high priority locally, we ensure that they have a lasting impact on participants and their wider networks.

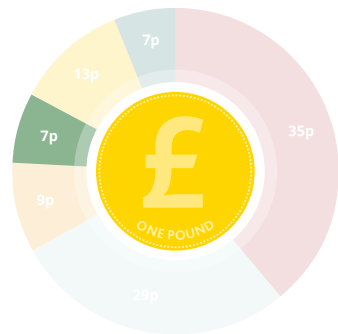
### GOING FORWARD IN 2017/18, WE AIM TO:

- be strategic in influencing the leaders of key churches, denominations and networks by engaging in theological education, hosting gatherings and facilitating research and reflection
- develop and pilot more online learning for an international audience
- find ways to ensure that volunteer placements are even more effective in serving host communities in line with the local community's requirements





## WE WANT TO SEE POLICIES CHANGED



We urge those in power to make sure their policies deliver justice and tackle poverty in vulnerable communities. Lobbying at local, national and international levels, we speak up alongside people living in poverty, holding governments to account and challenging structural inequalities and injustices.

We advocate and use our influence to speak out against injustice and poverty, standing alongside those living in poverty and amplifying their voice. We use our existing networks of churches, at local, national and international levels, to lobby those in power. We also speak out ourselves on behalf of the church and local partners, through national, regional and global advocacy. We mobilise our staff members and supporters to pray and campaign for change, and encourage others to do likewise. Our extensive networks mean we have long reach into decision-making and legislative bodies.

We are entering the third year of a new approach to advocacy: a movement-building, grassroots-organising approach.

Our new global campaign on climate change, *Renew Our World*, gives us a vehicle to scale up this work and join up the efforts of Christians worldwide.

We are currently the only international development NGO working on the circular economy in low and middle-income countries. We are encouraged to see policy-makers starting to open up to our proposal that a circular economy should be part of sustainable development. We continue to press for support for developing countries so they can avoid unsustainable Western economic models and adopt circular economy approaches that will benefit both people and our planet.

# 7p

IN EVERY POUND GOES TO CHANGING UNJUST POLICIES

'Speak up and judge fairly; defend the rights of the poor and needy'

PROVERBS 31:9



### WHAT MAKES US DIFFERENT

We carry out advocacy at the local level through the local church, as part of our church and community mobilisation programme.

We empower communities by ensuring they own their advocacy initiatives. These can then be replicated in other communities and across national denominations.

Local-level advocacy can be scaled up so that it influences not just local government but also national and international decision-makers.

📍 Campaigns Team launch the Renew our World campaign at Downing Street. Photo: Seamus Anderson/Tearfund

*'We are not to simply bandage the wounds of victims beneath the wheels of injustice, we are to drive a spoke into the wheel itself.'*

DIETRICH BONHOEFFER



THIS YEAR, WE'RE CELEBRATING...



# 8

POLICIES PASSED AFTER WE LOBBIED WITH OTHERS FOR POOR COMMUNITIES

ALSO LOBBIED FOR...



# 84

churches in the UK switched to 100 per cent renewable energy following The Big Switch



# 27,000

Tearfund supporters actively promoting a more sustainable, restorative economy



# 500

supporters lobbied their MPs to reduce emissions in the UK

📍 Meenakshi Dewan, 20, brings something very special to her home in Orissa, India: electricity. Photo: DIFD



# OUR YEAR

These are some of the key objectives we set ourselves last year, with examples of how we have met them.

## 1. Conduct in-depth research into the unique role played by churches in holding local government to account in Uganda in order to inspire more churches to attempt such initiatives

Church and community mobilisation (CCM) is an approach that Tearfund and its partners have used for more than 15 years. Through this programme, local churches work with their own communities to identify and solve local problems using local resources. However, there are some services that communities cannot provide for themselves and which are their government's responsibility, such as schools and health centres.

In response, we decided to launch a pilot project introducing advocacy into the CCM process. As a result, we have seen local churches help their communities engage with government officials, hold them to account and access resources for basic services successfully.

We also conducted in-depth research into the impact of this type of initiative for communities in the Soroti region of eastern Uganda. The result is a report called *Bridging the gap: the role of local churches in fostering local-level social accountability and governance*. It indicates that CCM advocacy is seeing high levels of impact, including increased partnership and improved relationships between communities and local government officials. It has also helped people have greater access to information and has improved service delivery on the part of the authorities. The research found that the church acts as a bridge between communities and government officials, because both groups regard it as a safe space to engage with one another.

## 2. Continue to resource and strengthen a global movement of Christians to live within, and call others to live within, the limits of our environment's resources in line with our vision of a restorative economy

Current global economic growth has led to improved standards of living for millions of people. Yet, this has been at a high cost: the over-exploitation of our limited environmental resources. People living in poverty have been hit hardest and are worst affected by issues such as climate change. In response, Tearfund is calling for ambitious policy change towards development that is both environmentally and economically sustainable.

Through our advocacy in 2016/17, we have contributed to policy change in Nepal, Bolivia, Brazil, Uganda, Haiti, Nigeria, the UK, and East and Southern Africa. These policy areas have included disaster risk reduction, environmental sustainability and citizens' rights, all with a focus on strengthening poor communities.

A vital part of our advocacy is building and strengthening movements of Christians around the world. Some 27,000 people have taken a prayer, lifestyle or campaign action to promote a more sustainable, restorative economy or have been mobilised through the actions of our grassroots campaigners. Key influencers and churches have taken thousands of actions on our behalf to mobilise people in their communities – reaching millions. We have engaged 312 opinion-formers through meetings hosted by Tearfund or our partners and allies. As result, these opinion-formers have taken 33 actions to influence change in policy and practice.



Farmers with their solar power to pump water from far away to irrigate crops in northeast Brazil. Photo: Eleanor Bentall/Tearfund

## 3. Publish research on a circular economy in Brazil, which is one of our strategic countries

Our policy report *Virtuous circle How the circular economy can create jobs and save lives in low and middle-income countries* has been published, with case studies from Brazil, Kenya, Ghana and India. It recommends a zero waste economic model, not the current 'take-make-consume-throw away' linear model. It argues that circular economy approaches are vital in developing country contexts, to change lives, create jobs and mitigate climate change.

As a result of this report, DfID Minister of State Rory Stewart has requested further dialogue with us and supports more research into the potential of a circular economy for developing countries.

In March 2017 Jeremy Lefroy MP hosted a parliamentary launch event for Tearfund introducing our *Virtuous circle* report. We will also co-host a conference on the circular economy in June 2017, at which Janez Potočnik, former European Commissioner for the Environment, has agreed to speak.

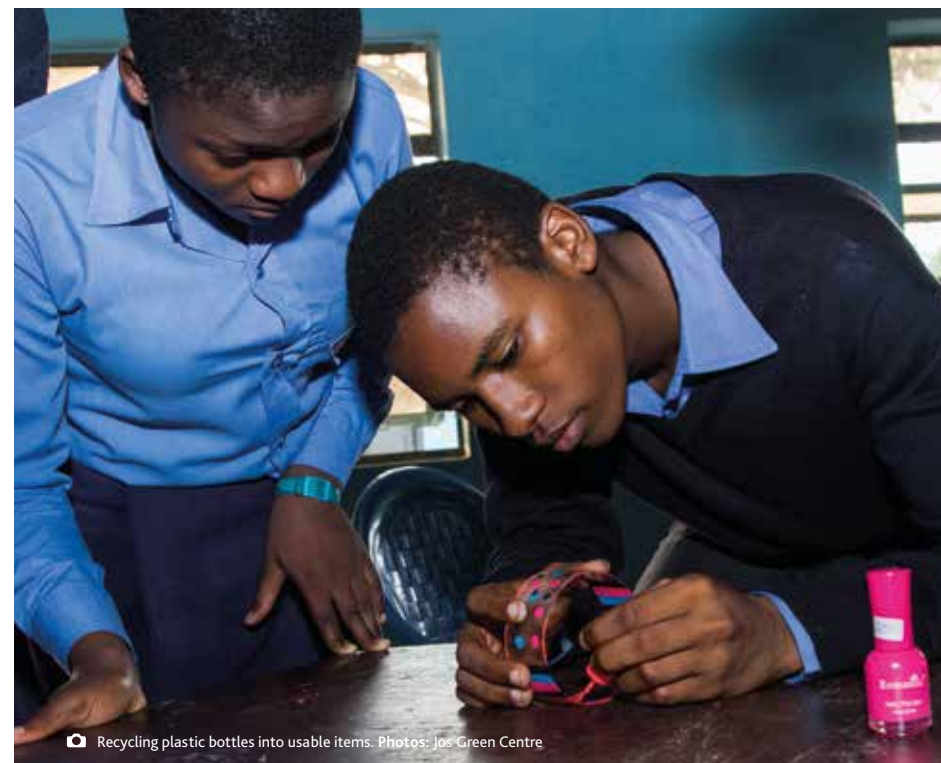
St Paul's Institute commented that a 2016 event Tearfund hosted with them on the circular economy was one of their most successful events, attracting nearly 300 people. The event won a mention in their 'highlights of the year' newsletter.

*'I saw that when we come together in unity, we can make a difference.'*

USHA, INDIA



In 2016/17 we spent a total of £5.4m (2015/16 £5.1m) influencing policy change and mobilising people such as the young people involved in the Jos Green Centre.



Recycling plastic bottles into usable items. Photos: Jos Green Centre

## ENTREPRENEURS IN NIGERIA

The Jos Green Centre is an initiative led by young people in the capital of Nigeria's central Plateau State. Its focus is on lobbying, innovation, entrepreneurship and environmental sustainability and its strapline is 'Broken things made whole'. The centre describes itself as a movement seeking social change through 'peer mentoring, advocacy, networking and enterprise'. Tearfund has played a key role in mobilising these young people in Jos, connecting with them originally through a music concert, then through Bible-based training and capacity building.

Already this training is translating into practical action and policy change. The young people have official permission from state authorities to clear the streets of used and abandoned banners and they are recycling them into shopping bags. Jos municipal government is now adopting

more sustainable policies too, as a result of the young people's advocacy.

Through a series of activities this year, they have engaged 650 other young people and inspired them with their vision. With Tearfund partner CRUDAN's help, the young people have worked with about 250 young people across Nigeria through a peer mentoring programme whose aim is to replicate projects similar to Jos Green Centre. To this end, more than 30 independently active cell groups are now studying a ten-week applied theology course on justice, advocacy and care for the environment.

watch more stories about our work at [www.tearfund.org/annualreport](http://www.tearfund.org/annualreport)



## WHAT WE LEARNT

Working with the local church means Tearfund is uniquely positioned to help church networks to scale up advocacy initiatives and see their roll-out across countries and regions where we work. The success of the CCM advocacy pilot in Uganda shows the potential to help more communities access vital government resources.

## GOING FORWARD IN 2017/18, WE AIM TO:

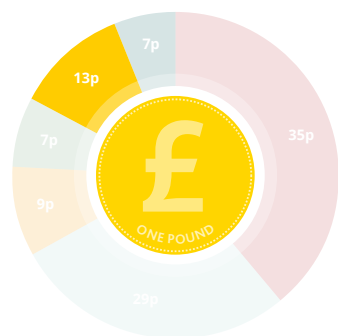
- roll out and scale up CCM advocacy in Uganda and other countries to help more communities access government services
- mobilise 100,000 people from 20 countries to take prayer, lifestyle and political actions through the Renew Our World campaign
- influence the UK government and multilateral agencies towards change in policy and practice in support of a circular economy in developing countries





## OUR SUPPORTERS GIVE GENEROUSLY

Our supporters are vital to all we do at Tearfund, enabling us to follow Jesus where the need is greatest. We want to build strong relationships and reassure our supporters we will be good stewards of their generous gifts.



# 13p

IN EVERY POUND IS INVESTED IN FUNDRAISING

Our supporters are generous. They show their commitment to us and give generously to us in three main ways. Firstly, they give their time in prayer, organising and attending events, and planning volunteering trips and fundraising activities. Secondly, they are also generous with their money, supporting us sacrificially and often long-term, and sharing resources such as their skills and expertise through volunteering. Thirdly, our supporters are a huge source of encouragement, not just for staff but also for those across the globe who benefit from their generosity. We receive letters, emails, phone calls, Facebook messages and tweets that motivate us and our partners.

We value our supporters hugely – our fundraising is all about relationship, helping people understand and engage with our work. In every interaction, we want to inspire people to share in our mission and see people lifted out of poverty in Jesus' name. We report back regularly on how we've used people's gifts and aim to express our gratitude often.

It's also vitally important that our supporters know they can trust us to manage resources well. We work hard to maintain our reputation as good stewards, reviewing spending and costs regularly, monitoring our impact and being creative with our resources to ensure we yield a great harvest.

'Give generously to them and do so without a grudging heart; then because of this the Lord your God will bless you in all your work and in everything you put your hand to'

DEUTERONOMY 15:10



### WHAT MAKES US DIFFERENT

We ensure our Christian values are embedded in all our fundraising and at the heart of all our decision-making.

Our fundraising is built on relationship and understanding. We're privileged to see the impact this has on supporters when they realise they're helping to build God's kingdom.

We are committed to thorough, robust reporting on every aspect of our fundraising, to ensure it's always as effective as possible.

Big Church Day Out 2016 BCDO Wiston House. Photo: Clive Mear/Tearfund

# THANK YOU!



## THIS YEAR, WE'RE CELEBRATING...



# 92,000

PEOPLE GAVE TO OUR WORK LAST YEAR



# 19,047

toilets were 'twinned' with life-saving latrines in 21 countries through our Toilet Twinning campaign



# 3,253

churches supported Tearfund and donated to our work

Kids playing in Malawi. Photo: Ralph Hodgson/Tearfund



## OUR YEAR

These are some of the key objectives we set ourselves last year, with examples of how we have met them.

### 1. Further investment in fundraising

We are always exploring new ways to raise more funds so that we can have greater impact and follow Jesus where the need is greatest. This means we are committed to being creative and innovative in our fundraising and trying new strategies to increase financial giving.

One way we have done so this year has been to increase our investment in fundraising. We have increased our spending on fundraising activities steadily from 8.8 per cent in 2014/15 to 11 per cent last year and 13 per cent of our total expenditure this year. We are delighted that for every £1 spent in fundraising in 2016/17 our return was £6.40 in voluntary income. (Research from the Institute of Fundraising shows that 'for every £1 invested in fundraising, on average £4 is received for good causes'.)

Our fundraising activities this year have included an advertising campaign on Christian TV channels and a partnership with Premier Radio, which made us its Charity of the Year. We had a strong presence at Big Church Day Out and other Christian festivals such as Holy Trinity Brompton (HTB) Focus, New Wine, Spring Harvest and Keswick. And we continued with other successful initiatives such as Toilet Twinning and mail appeals to our supporters.

We will continue to review our investment in fundraising, ensuring that it is both effective and efficient, and results in increased giving. We have also recently conducted research for our *Joyful Givers* report, which provided valuable insights into why people give, the joy their giving brings and how their generosity changes them.

*'God's been very good to me too, I've been very generously remunerated over the years, more than I could have expected, so I have extra reason to be generous. It's true that you benefit more by giving than by receiving.'*

ACADEMIC, SCOTLAND. TEARFUND: JOYFUL GIVERS



### 2. Development of active involvement of Youth & Emerging Generation

We are keen to involve and engage the next generation of Tearfund supporters. Our Youth and Emerging Generation (YEG) team encourages young people to use their everyday actions and choices to bring change for people living in poverty. This approach is distinct and well established as we work alongside UK youth ministries and local churches inspiring and equipping a young generation to be generous, speak up on issues of injustice and confront consumerism. We have also spoken at events and churches throughout the year, to a total audience of more than 13,000 young people and adults, in order to raise awareness and support.

This year, the YEG team have pioneered an online lifestyle platform called Tearfund Lifestyle. Through this webpage, we encourage young people to consider a whole-life response to poverty, reflecting on consumerism and care of creation especially. The page has been very well received with 85,650 views in six months. Since autumn 2016, we have connected with 840 young supporters through a series of pop-up events such as the London activist weekend and 'homecoming' debriefs for people returning from our overseas volunteer trips. In 2016/17, 2,055 young supporters took action with us and more than 1,000 of them did so repeatedly or as part of a committed relationship with us.

In the same timeframe, more than 1,800 young people under 25 gave an incredible total of £289,000 in response to our emergency appeals and in voluntary donations.

### 3. Commitment to best practice in fundraising

We are committed to best practice in fundraising so we are registered with the Institute of Fundraising and with the new Fundraising Regulator. We have dedicated and trained fundraising staff: in response to feedback from our supporters, we no longer use any external agency for telephone fundraising. We do partner with one agency which receives calls for us in the evening and at weekends only but they never make calls on our behalf. The agency has been briefed on our values and ethos, and we regularly review all feedback received from calls to them.

We record all complaints made and report them to our Executive team and the Global Fundraising Committee every quarter for review and action. Last year, issues raised represented 2.3 per cent of all enquiries made, and all were resolved internally. One complaint was made to the Fundraising Standards Board, which was not upheld.

All staff members and volunteers in relevant roles are trained in data protection and information security to ensure that we treat any supporter or beneficiary information with the highest respect. We hold only information that is relevant and appropriate and we keep it secure. All our Supporter Services staff are trained in how to respond appropriately when dealing with adults in vulnerable circumstances, following our policy, to ensure that we honour and value people as God sees them and do not put anyone under undue pressure to support us if they are not able to do so.

We regularly review all our fundraising processes and procedures to ensure that we adhere to the relevant codes of practice and that we are dealing with supporters or potential supporters in a way which aligns with our values. To this end, we have established a Fundraising Regulation Project Board and the recent recruitment of a Fundraising Compliance Coordinator will help us to be even more robust next year.

Visit to Tearfund's partner the Pentecostal Assemblies of God. Photo: Alex Stewart/Tearfund

### 1 MILLION MEALS

The Henderson Group in Northern Ireland (which includes SPAR, EUROSPAR, VIVO and VIVOXTRA) has been supporting Tearfund for nearly 30 years. As a company, they have a strong ethos which includes a commitment to 'give back' to the community at home and overseas.

John Agnew, Chairman of the Henderson Group, states that one of the core reasons for partnering with Tearfund is the holistic approach to charitable work: physical, emotional and spiritual. This, he finds, reflects his own faith and so it is a natural fit when choosing to support Tearfund's overseas work. The team around John have come up with many exciting ways to raise funds for Tearfund as well as raising awareness.

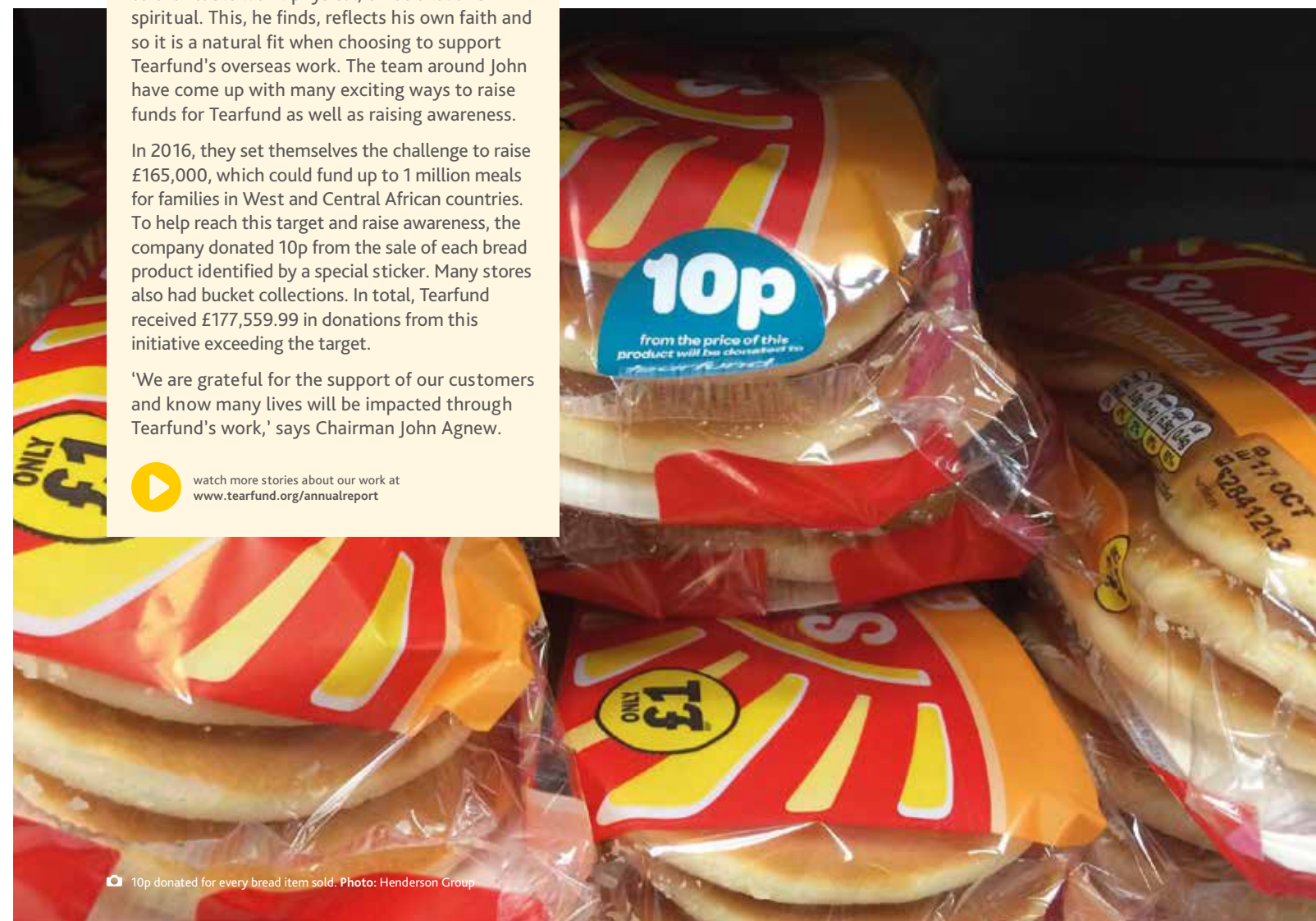
In 2016, they set themselves the challenge to raise £165,000, which could fund up to 1 million meals for families in West and Central African countries. To help reach this target and raise awareness, the company donated 10p from the sale of each bread product identified by a special sticker. Many stores also had bucket collections. In total, Tearfund received £177,559.99 in donations from this initiative exceeding the target.

'We are grateful for the support of our customers and know many lives will be impacted through Tearfund's work,' says Chairman John Agnew.

watch more stories about our work at [www.tearfund.org/annualreport](http://www.tearfund.org/annualreport)



In 2016/17 we invested a total of £9.0m (2015/16 £7.6m) raising funds to follow Jesus where the need is greatest.



10p donated for every bread item sold. Photo: Henderson Group

### WHAT WE LEARNT

Reaching new audiences through advertising on Christian TV channels was encouraging and we will continue to expand this area prayerfully. Our partnership with Premier Radio was a blessing and we are thankful for their support and promotion. We have been encouraged and humbled to begin receiving support from some American Trusts, Foundations and Churches.

### GOING FORWARD IN 2017/18, WE AIM TO:

- continue to strive for excellence in our stewardship of the funds entrusted to us
- develop and deepen relationships with UK Black Majority and Asian churches
- extend the reach of online resources related to lifestyle, campaigning and prayer, and people's engagement with them



# GREAT SUPPORTER STORIES

## LAN EADIE

Long-time Tearfund supporter Lan Eadie went the extra mile when she took on the Windsor Triathlon and raised almost £200 for our work. 'I am not a strong athlete or a fantastic swimmer, but I wanted to push myself and raise money for Tearfund because I believe the money will be spent efficiently and effectively.' She even invited all her sponsors over for a meal to say 'thank you'.



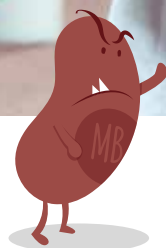
## CLIVE & STEPHANIE TOMLINSON

On New Year's Eve, Clive and Stephanie Tomlinson invited guests at their wedding in Bradford on Avon to donate to Toilet Twinning in lieu of gifts - and raised more than £1,000. Clive's first wife and Stephanie's good friend, Annie, died in 2014 and had requested that any collection at her funeral should go to Toilet Twinning.



## REV CELIA APEAGYEI-COLLINS

Rev Celia Apeagyei-Collins attended a reception at the House of Lords as a Tearfund ambassador. She helped facilitate a discussion about how Black Majority churches in the UK can work closer together with our organisation.



## CONNIE

Connie, 14, is a great example of the power of peer influence. She first connected with us through our community fundraiser, the Mean Bean Challenge, and later attended our youth celebration in Birmingham. Since then, she has addressed the crowd at one of our youth events, contributed to our social media feeds and vlogged about us on YouTube.



FOR EACH £1 INVESTED IN RAISING VOLUNTARY INCOME, WE RECEIVE £6.40 FROM INDIVIDUALS, CHURCHES, TRUSTS, LEGACIES AND APPEALS.





## 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, scheduled, all-day meetings four times a year, as well as a number of other ad hoc meetings and events. The Board is responsible for ultimate strategic decisions, having taken advice from the Chief Executive and senior management. Trustee Directors are appointed by the Members at the Annual General Meeting. The Trustee Directors may also appoint a Trustee Director to serve until the next Annual General Meeting, at which time he or she would cease to hold office but would be eligible for election. The procedures for appointment and induction of Trustee Directors are set out in the Tearfund Board manual.

Trustee Directors' recruitment is undertaken by the Board in consultation with the Chief Executive and Executive team. An induction programme is run for new Trustee Directors which includes visiting Tearfund's UK offices and an overview of Tearfund's activities. Trustee Directors also visit overseas programmes to gain a wider appreciation of Tearfund's work. Trustee Directors of the Board receive no remuneration for acting as Trustee Directors of Tearfund.

The current composition of the Board of Trustee Directors is set out on page 28. Trustee Directors are appointed for three years and serve a maximum of three terms. As permitted by the Articles of Association, the Trustee Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and, throughout the financial year maintained, Directors' and Officers' liability insurance in respect of itself and its Trustee Directors.

### Board committees meet regularly to oversee the following areas:

- Audit, Risk and Finance: Ensure the organisation's key risks are adequately managed through financial and non-financial internal controls.
- International: Oversee the delivery of Tearfund's work.
- Global Fundraising: Oversee fundraising and marketing of Tearfund globally.
- Theological: Advise Tearfund on its theological positioning, and challenge it to think more deeply about relevant issues that may be arising.

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 this threshold must be approved by the Board. The Board has also reserved to itself certain important decisions, such as changes to the Articles, appointment of the Senior Executives and approval of the long-term objectives and strategy.

### MEMBERS

The Members constitute the ultimate authority within Tearfund's governance structure. They are entitled to attend all general meetings, including the Annual General Meeting (AGM). They receive the Annual Report and Financial Statements, elect or re-elect Trustee Directors, appoint Auditors and fix the remuneration of the Auditors. Regular contact is now maintained with Members through quarterly communications and informal contact with the management and Trustee Directors.

### EMPLOYEES

The work of Tearfund overseas and in the UK relies on the commitment and hard work of its valued staff. Communication links are maintained through team briefings and other internal channels.

Tearfund holds regular meetings with a staff representation body, known as the Staff Council, for consultation on relevant issues. This is to ensure continued promotion and development of healthy staff relations. Tearfund is committed to equality in recruiting, training, promotion and career development.

### VOLUNTEERS

The financial statements set out the results for the year but do not reflect the considerable and vital support given to Tearfund by more than 5,700 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 fairtrade. We celebrate the enormous contribution made by so many of our volunteers in organising or participating in fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund's approach and the Board is very grateful for their commitment and contribution.

### INTERNAL CONTROL AND RISK MANAGEMENT

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

The Audit, Risk and Finance Committee, which meets four times a year, receives reports from the internal auditor, who works in accordance with an agreed plan produced following a risk assessment. In addition, the external auditor meets with the Audit, Risk and Finance Committee once a year.

Tearfund operates a comprehensive three-year planning and budgeting system with an annual budget approved by the Board of Trustee Directors. Significant changes are subject to specific approval. The financial reporting systems provide continuous comparison of actual results with budget. Forecasts of the expected results for the year are undertaken on a regular basis.

Tearfund maintains a comprehensive register of risks. This register identifies the major strategic and operational risks faced and how they are being managed. As part of the annual three-year planning process the key risks are considered by the Trustee Directors and the risks Tearfund faces are reassessed during the year by the Executive team. The Trustee Directors are satisfied that systems are in place to monitor, manage and mitigate Tearfund's exposure to major risks. They consider that maintaining Tearfund's general reserves at the levels stated on page 32, 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 a major risk in many countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential frauds or other irregularities are required to be reported to the Finance Director, who maintains a register of the irregularities, actions taken and results. This register is reviewed regularly by the Audit, Risk and Finance Committee.

### FINANCIAL RISK MANAGEMENT

Goods and services purchased are subject to contracts with suppliers based on market prices. Market risk is dealt with in the investment policy and performance section below. Credit risk on amounts owed by donors is low. Cash flow and liquidity risks have been minimised by the level of reserves held and lack of borrowings. Action is taken to mitigate foreign exchange risk; future programme expenditure may be hedged by the use of forward exchange contracts when this is deemed appropriate.

### REMUNERATION

Tearfund's remuneration 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-matching our salary scales every two to three years using the following factors:

- Greater London-based organisations
- a 2:1 split between charities based on private donations and charities based on state grants
- organisations with an income of between £40m and £75m
- organisations of between 200 and 499 employees
- a 2:1 split between international aid, and religious and missionary organisations

Our latest exercise was completed in 2015/16.

Our salary scales are set at less than the mid-point of market benchmark data.

We take inflation into account by considering yearly increases based on available finances, consultation with Staff Council and a survey of similar organisations in the sector. Tearfund's Executive team sit in the top scale of the UK salary structure, within the framework set out above.

The Board sets the salary for the Chief Executive. Details regarding employees with salaries above £60,000 can be found in Note 7 to the financial statements.

### 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 at the Board.

### TEARFUND SCOTLAND

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



## TRUSTEE DIRECTORS, COMMITTEE MEMBERS, OTHER MEMBERS, PUBLIC FIGURES, EXECUTIVE TEAM

### BOARD OF TRUSTEE DIRECTORS

The Board of Trustee Directors is responsible for ultimate strategic decisions and is appointed by the Members at the Annual General Meeting (AGM). The Board of Trustee Directors who were in office during the year and up to the date of signing the financial statements were:

*Robert Camp*<sup>2, 5</sup>  
*Ian Curtis*<sup>3</sup>  
*Jill Garner*<sup>5</sup>  
*Stephanie Heald*<sup>4</sup>  
*Deepak Mahtani*<sup>3</sup>  
*Clive Mather (Chairman)*<sup>1</sup>  
*Rev Mark Melliush*<sup>4</sup>  
*Rt Rev Harold Miller*<sup>4</sup>  
*Julia Ogilvy*<sup>4</sup>  
*Craig Rowland*<sup>2, 4</sup>  
*John Shaw (Treasurer)*<sup>2</sup>

*Jenny Baker*<sup>3</sup>  
(to September 2016)  
*David Campanale*<sup>3</sup>  
(to September 2016)

### COMMITTEE MEMBERS

The Board recruits individuals with specific expertise to sit on sub-committees of the Board.

*Simon Batchelor*<sup>3</sup>  
*Nick Henwood*<sup>3</sup>  
*Iain Macaulay*<sup>4</sup>  
*Gordon McKechnie*<sup>2, 3</sup>  
*Phillip McMillan*<sup>4</sup>  
*Ruth Robb*<sup>3</sup>  
*Michael Stewart*<sup>2</sup>  
*Mark Thompson*<sup>2</sup>

Following a governance review at the end of 2016, it was decided to streamline the Board structure and in doing so, the People and Organisation Committee was disbanded and its responsibilities reallocated between the Board and the Audit, Risk and Finance Committee. It was also decided to strengthen the existing Theological panel by making it a committee of the Board which, comes into effect in June 2017. As a result of these changes, together with some committee members coming to the natural end of their term in office, the following committee members stood down with effect from December 2016 and we thank each one for their vital contribution.

*Sabrina Clarke*<sup>5</sup>  
*Chris Collinson*<sup>5</sup>  
*Anne De Leyser*<sup>3</sup>  
*Sarah King*<sup>4</sup>  
*Fiona Major*<sup>5</sup>  
*Francis Maull*<sup>4</sup>  
*Alastair Muir*<sup>4</sup>  
*David Thomas*<sup>3</sup>

### OTHER MEMBERS

In addition to the Board of Trustee Directors and the Committee Members, the following people are also Members of the Charity. The Members of the Charity are referred to as Members of the Council.

*Gary Carpenter*  
*Steve Clifford*  
*Dr Elizabeth Corrie*  
*Graham Fairbairn*  
*Paul German*  
*Richard Gough*  
*Kim Hurst*  
*Anne de Leyser*  
*Fiona Major*  
*David Thomas*  
*Rev Dr Chris Wright*

As part of the streamlining agreed as part of the governance changes approved at last year's AGM, Tearfund now has some 30 Members who form the Council and who oversee the charity and elect the Board. The following have all stood down as Members over the past year, either as result of this reduced membership or at their own volition after many years of faithful service. To each we say a big thank you.

*Stephen Adams*  
*David Adeney*  
*Ian Angell*  
*Jenny Baker*  
*Rev Andy Bowerman*  
*Paul Brigham*  
*Miles Buttrick*  
*David Campanale*  
*Lord Carey*  
*Lady Carey*  
*Richard Carter*  
*Sabrina Clarke*  
*Chris Collinson*  
*Clive Cutbill*  
*Prof Julian Evans*  
*Roger Forster*  
*Jason Gardner*  
*Murdoch Gatward*  
*Sheryl Haw*  
*Sue Heatherington*  
*Phil Hewinson*  
*Rev Andy Hickford*  
*Richard Izard*  
*Sarah King*  
*Simon Laver*  
*John Magowan*  
*Claire Mortimer*  
*Alistair Muir*  
*Rev Ian Prior*  
*Violet Ruria*  
*Rev John Smith*  
*Paul Spray*  
*Dr Elaine Storkey*  
*Rev Sarah Tillett*  
*David Todd*  
*Prof Andrew Tomkins*  
*Ed Tranter*  
*David White*  
*Peter Wynter*



### VICE PRESIDENTS/ AMBASSADORS

At last year's AGM, Members also approved that Tearfund's various types of public figures be rationalised into a single group called Ambassadors, who can represent the charity in their many different walks of life. So with effect from January 2017 we welcome the following Ambassadors:

*Rev Celia Apeagyei-Collins*  
*Anne Coles*  
*Rev John Coles*  
*Martha Collison*  
*Rev Elfed Godding*  
*Pete Greig*  
*Tamsin Greig (pictured)*  
*Bear Grylls*  
*David Gyasi (pictured)*  
*Lord Michael Hastings*  
*Tom Herbert*  
*Dr Krish Kandiah*  
*Rev Katei Kirby*  
*Rev Siew-Huat Ong*  
*Rob Parsons*  
*Rt Hon Dame Caroline Spelman MP*  
*Rt Rev Ric Thorpe*  
*Rt Hon Stephen Timms MP*  
*Will Torrent (pictured)*

And we give special thanks to those who have recently retired as follows:

*Lord Carey*  
*Lady Carey*  
*Steve Clifford*  
*Rev Joel Edwards*  
*Andy Flannagan*  
*Roger Forster*  
*Sir John Houghton*  
*Rev Tim Hughes*  
*Rev Alan McWilliam*  
*Rev Mike Pilavachi*  
*Dr Ruth Valerio*

### 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 - from February 2017

*Ian Causebrook*  
Director of Strategy & Impact

*Nick Chinnery*  
Director of Finance and IT

*Myles Harrison*  
International Director - from October 2016

*Jane Pleace*  
Global Fundraising Director

*Dr Ruth Valerio*  
Global Advocacy and Influencing Director - from March 2017



### INDEPENDENT AUDITORS

**BDO LLP**  
2 City Place, Beehive Ring Road Gatwick,  
West Sussex RH6 0PA

### SOLICITORS

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

### BANKERS

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

### REGISTERED OFFICE

100 Church Road, Teddington  
TW11 8QE

1 - Ex-officio on all Committees  
2 - Member of Audit, Risk and Finance Committee  
3 - Member of International Committee

4 - Member of Global Fundraising Committee  
5 - Member of People and Organisation Committee



## RISK MANAGEMENT FRAMEWORK

The Trustee Directors have identified the most important potential risks and uncertainties that may seriously affect the performance, future prospects or reputation of Tearfund and how they will be mitigated.

IDENTIFIED RISK	MITIGATION
<b>CORE IDENTITY:</b> losing focus of core identity	Clear vision and statement of faith Clear supporter communications Prayer, worship and devotions central to working practice Verified with Members at the Annual General Meeting
<b>SAFETY AND SECURITY:</b> inadequate safety and security and plans for health and well-being of staff and volunteers	Security training for all international staff and those who travel Security and health and safety plans for individuals, countries and operational sites Tested Crisis Response Plan
<b>OPERATIONAL ISSUES:</b> insufficient oversight and resolution of key operational issues by the Executive team	Corporate scorecard reviewed quarterly Review of internal audit issues Regular catch-ups between Chairman and CEO, and CEO and direct reports
<b>IMPACT:</b> not demonstrating sufficient impact in our work	Evaluations incorporated into strategies and budgets Transparency of programme delivery on website Evidence base for themes and process expertise
<b>REPUTATION:</b> negative media stories, incoherent brand messages	Framework policies on major issues Effective media team Reactive questions and answers and media lines ready on key areas of risk
<b>RECRUITMENT:</b> failing to recruit and retain appropriate people in critical positions	Effective recruitment and performance management systems Management skills development programme, appraisals and training Succession plan for critical roles Board members carefully selected to bring appropriate skills
<b>CORPORATE STRATEGY:</b> inability to implement strategy refresh, systems and process changes	Each of the strategy work packages and overall strategy being planned to manage changes Appropriateness of systems kept under review to ensure that they continue to be appropriate to support and enable changing work practices and information demands Process for introduction of new systems being planned and phased to minimise the disruption to staff
<b>STAFF:</b> non-adherence to staff guidelines by UK and international staff, volunteers, partners or members	Staff handbook read and understood Whistle-blowing policy and response mechanisms for unacceptable conduct and crisis situations Staff induction with detailed policies and procedures and clear performance management Global volunteering briefing manuals and training
<b>FUNDING:</b> inappropriate matching of projects and funding levels with partner capacities and specialisms	Country strategy aligns with partner capacity building and funding plans Partner evaluation and monitoring systems in place
<b>INSTITUTIONAL FUNDING:</b> inadequate programme performance and reporting for institutionally funded programmes	Experienced and trained staff to manage programmes Protocols for the effective authorisation and management of all grants, logistics and procurement Partner capacity assessments aligned to funding options
<b>FINANCIAL MISMANAGEMENT:</b> corruption/fraud/bribery	Policy on fraud, bribery and corruption Capacity assessments of all partners Robust criteria for selecting partners and regular review and monitoring Strong focus at Board level
<b>FUNDING OF WORK:</b> insufficient unrestricted income to cover unrestricted expenditure	Effective resource planning and monitoring of all income streams Continued growth of regular giving base
<b>IT SECURITY:</b> business continuity of information and communications technology and security from cyber attacks	Business continuity plan (BCP) reviewed annually Back-up through cloud and physical servers with real-time copies of all core systems Segregated networks and security controls for data moving across boundaries Secure remote connections
<b>BREXIT IMPACT:</b> negative impact on operations due to implications of UK exit from the EU	Working group monitoring implications as they become clear including impact on the UK economy, of currency volatility, of visas affecting movement of staff and of relationships with institutional donors.

## QUALITY STANDARDS

Tearfund has identified a set of corporate Quality Standards in support of our vision and the delivery of our strategy, which are in keeping with our core values and which summarise all of the relevant external and internal accountability and quality standards, codes, guidelines and principles to which we are committed.

<b>VALUES:</b> living out our core values through our staff and with our partners
<b>IMPARTIALITY AND TARGETING:</b> reaching the most vulnerable and marginalised people, selected on the basis of need alone, regardless of their race, religion, gender or nationality
<b>ACCOUNTABILITY:</b> being fully accountable to project participants, communities, partners, supporters and donors for the work we undertake, and for the resources entrusted to us
<b>SUSTAINABILITY:</b> empowering staff and partners and ensuring that the work we support has a lasting impact, being built on local ownership and using local skills and resources
<b>ADVOCACY:</b> influencing key decision-makers to make and implement policies and practices that work in favour of people who are poor and vulnerable
<b>CHILDREN:</b> the development and protection of children carrying out activities that are child-sensitive in their planning, design and implementation
<b>GENDER:</b> restored relationships between men, women, boys and girls, and ensuring equal value, participation and decision-making by all
<b>HIV:</b> working for an HIV-free world by reducing the vulnerability of poor communities to HIV and reducing its impact
<b>ENVIRONMENT:</b> reducing our impact on the environment
<b>DISASTER RISK:</b> reducing the risk of disaster by strengthening local capacity and reducing vulnerability to hazards
<b>CONFLICT:</b> promoting peace and reconciliation – supporting activities that impact positively upon situations of conflict and that safeguard staff and project participants
<b>TECHNICAL QUALITY:</b> supporting projects that are guided by relevant technical standards

Our Quality Standards include having zero tolerance for all forms of exploitation and abuse, fraud, bribery and any other conduct which is incompatible with our core values.

Our Quality Standards are embedded within our core values. We bear witness to the coming Kingdom in who we are, what we do and the way we do it. As we work towards whole life transformation, being Christ-centred, servant-hearted, compassionate, courageous and truthful. The way our core values are outworked is reflected in all of our Quality Standards.

In line with our ongoing commitment to focus on achieving genuine quality across all of our work, Tearfund has developed improved Quality Standards for 2017. Please find our new Quality Standards here (from March 2018): [http://www.tearfund.org/en/about\\_us/how\\_we\\_work/tearfund\\_quality\\_standards/](http://www.tearfund.org/en/about_us/how_we_work/tearfund_quality_standards/)



## FINANCIAL REVIEW

### INCOME AND EXPENDITURE

Tearfund's total income for the year remained similar to last year's record levels at £72.8m (2015/16: £72.2m). Income from donations increased to £50.3m (2015/16: £48.7m) due to a particular large increase in legacies left to Tearfund during the year, as well as the generous donations of individuals, churches and trusts. Voluntary donations for appeals and emergencies remained steady at £7.3m (2015/16: £7.4m). In 2016/17 Tearfund supporters responded generously to significant appeals to assist with the crisis in Yemen, the East Africa famine and Hurricane Matthew. 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 Christmas card sales.

Income from contractual services has reduced to £1.9m (2015/16: £3.8m). Tearfund's contract in the DRC to deliver water, health and sanitation improvements was successfully implemented in 2015/16 with monitoring of outcomes continuing into 2016/17.

Money spent on fundraising represented 12.4 per cent (2015/16: 10.6 per cent) of total income, which compares favourably with similar organisations. Total expenditure increased by 4.1 per cent to £70.9m (2015/16: £68.1m).

Growth in unrestricted donations has meant income has exceeded expenditure increasing our unrestricted fund balance by £2.8m (2015/16: £3.0m). This will be allocated to delivering our Outcomes. Restricted funds decreased by £1.0m representing planned appeal expenditure where income was received in previous years and is being spent over a number of years.

### GRANTS

A large part of Tearfund's work to address poverty is undertaken through making grants to partner organisations. Grants are made within an agreed strategy. Project proposals received from partner organisations are subject to a formal approval process that includes a technical assessment of the project and a review of the organisation's capacity. An agreed monitoring process is undertaken during the life cycle of all projects. In addition, financial evaluations are carried out on all large projects and on a sample of smaller projects. Details of grants made to the top 50 partner organisations are on our website at [www.tearfund.org/top50](http://www.tearfund.org/top50)

### GENERAL FUND (FREE RESERVES)

General reserves are needed to:

- fund working capital
- give flexibility to respond to unexpected opportunities
- provide a cushion against seasonal variations in income and expenditure
- provide contingency provision against unexpected costs
- provide contingency provision to respond to changes in Tearfund's operating environment
- fund strategic plans outside of Tearfund's normal operations

The Board of Trustee Directors review the level of required general reserves annually to ensure that an appropriate level is held. The target range to cover risk and routine working capital is set at between £3.5m and £4.0m (2015/16: £3.5m and £4.0m). The current level of general fund is £9.6m (2015/16: £6.7m). Included within this is the income raised in 2016/17 above budget expectations. We are committed to spend these increased reserves over the next three years to scale up our work in areas of focus arising from the refresh of our strategy: church and community transformation, fragile states, and environmental and economic sustainability.

### DESIGNATED FUNDS

Designated funds are part of the general fund which the Trustee Directors have earmarked for a particular use, without restricting or committing the funds legally. The fixed asset fund represents the net book value of Tearfund's fixed assets including the purchase of Toilet Twinning to indicate that these resources are not available for other purposes. In 2015/16, this included an amount set aside for an essential major building project which was completed in 2016/17. At the end of the year the fixed asset fund stood at £5.2m (2015/16: £5.2m).

Tearfund maintains one other designated fund, for disaster management work, which has not yet been allocated to specific projects. At the end of the year the balance in this fund was £0.2m (2015/16: £0.3m). The majority of this fund balance represents money set aside for the replacement of vehicles in our overseas locations and will be used as vehicles need replacing. The remainder represents a balance of money set aside for responding to disasters which will be spent in 2017/18.

### RESTRICTED FUNDS

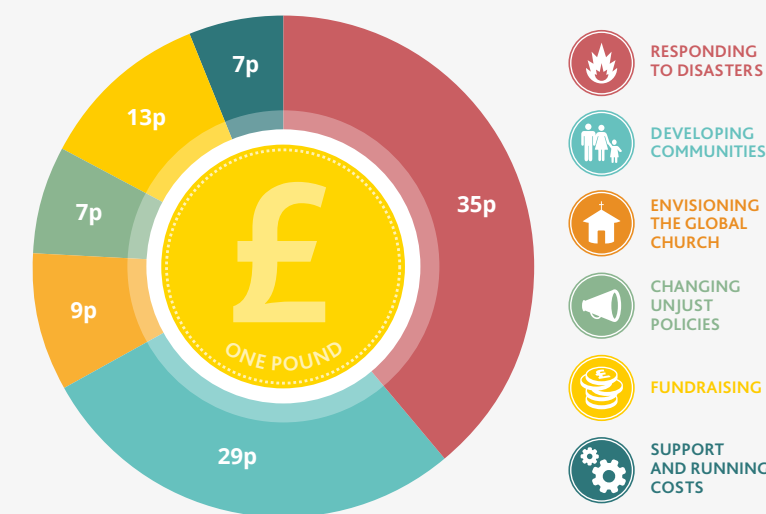
Restricted funds are funds subject to specific conditions imposed by donors. The major balances have arisen from recent emergencies, where we have received substantial income in a short period which is then budgeted to be spent over a number of years. At the end of the year total restricted funds were £14.6m (2015/16: £15.5m).

For each fund, Tearfund's assets are available and adequate to fulfil its obligations and will be spent in line with the project plans for each fund.

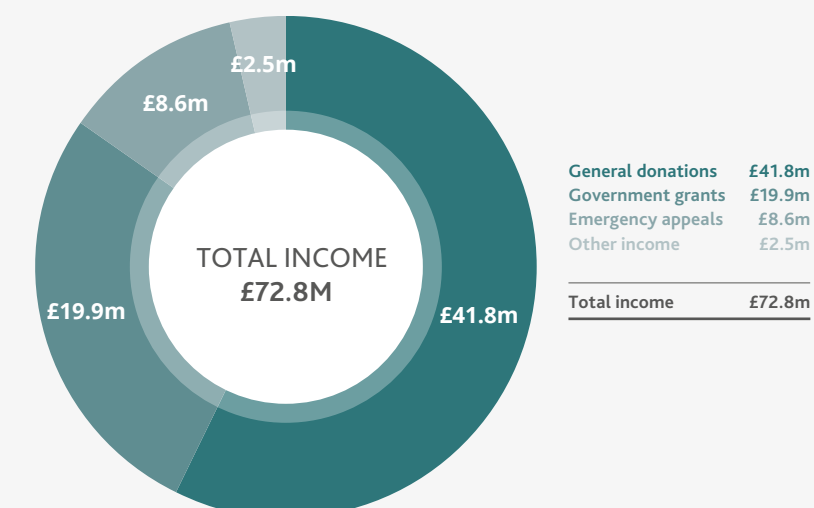
### INVESTMENT POLICY AND PERFORMANCE

Tearfund's investment policy is reviewed annually by the Audit, Risk and Finance Committee of the Board. Our objective is to maintain high liquidity while ensuring maximum security. To achieve this, Tearfund invests with institutions with a high security rating in fixed-term or call deposits. During the year Tearfund's sterling deposits achieved an average rate of interest of 0.8 per cent (2015/16: 0.9 per cent) compared with an average bank base rate for the same period of 0.3 per cent (2015/16: 0.5 per cent).

## WHERE YOUR MONEY GOES



## INCOME





'I can do all this through  
him who gives me strength.'

PHILIPPIANS 4:13



📍 Counselling and support groups gather together to help each other. Photo: Chris Boyd/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 profit or loss of the company for that period.

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

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

The Trustee Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial

statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 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 he/she ought to have taken as a director to make himself/herself 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.

Clive Mather  
Chairman

12 July 2017



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF TEARFUND

We have audited the financial statements of Tearfund the year ended 31 March 2017, which comprise of the consolidated statements of financial activities, the consolidated balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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 regulations made under those Acts.

### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2017 and of the group's and parent charity's incoming resources and application of resources, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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).

### OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the trustees' report, which includes the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements and the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the charity and its environment obtained during the course of the audit we have identified no material misstatements in the strategic report and Trustee Directors' report.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Don Bawtree  
Senior Statutory Auditor for and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

12 July 2017

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

'He has shown you, O mortal,  
what is good. And what does  
the Lord require of you?  
To act justly and to  
love mercy and to walk  
humbly with your God'

MICAH 6:8





## CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

Year ended 31 March 2017

	Note	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
<b>Income from:</b>					
<b>Voluntary income:</b>					
Donations and legacies	2	26,685	23,635	50,320	48,657
Grants	3	-	19,925	19,925	18,821
<b>Total voluntary income</b>		<b>26,685</b>	<b>43,560</b>	<b>70,245</b>	<b>67,478</b>
Other trading activities	5	48	21	69	174
Investment income		102	34	136	165
<b>Charitable activities:</b>					
Income from contractual services		1,919	-	1,919	3,834
Other income from charitable activities		355	44	399	511
<b>Total income</b>		<b>29,109</b>	<b>43,659</b>	<b>72,768</b>	<b>72,162</b>
<b>Expenditure on:</b>					
<b>Raising funds:</b>	4	<b>8,167</b>	<b>878</b>	<b>9,045</b>	<b>7,642</b>
<b>Charitable activities:</b>					
<b>Total expenditure</b>	4	<b>18,060</b>	<b>43,769</b>	<b>61,829</b>	<b>60,441</b>
<b>Net income / (expenditure) for the year</b>	6	<b>2,882</b>	<b>(988)</b>	<b>1,894</b>	<b>4,079</b>
Transfers between funds	14	(76)	76	-	-
Net movement in funds		2,806	(912)	1,894	4,079
<b>Reconciliation of funds:</b>					
Total funds brought forward at 1 April		12,185	15,471	27,656	23,577
<b>Total funds carried forward at 31 March</b>	14	<b>14,991</b>	<b>14,559</b>	<b>29,550</b>	<b>27,656</b>

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations. There is no material difference between the net expenditure for the financial year stated above and their historical cost equivalents. There is no material difference between the entity and the group Statement of Financial Activities.

## BALANCE SHEETS

31 March 2017

	Note	Tearfund Group		Tearfund	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Fixed assets</b>					
Tangible assets	9	4,478	1,679	4,478	1,679
Intangible assets	9	755	1,000	755	1,000
Long-term investments	10	-	-	5	5
<b>Total fixed assets</b>		<b>5,233</b>	<b>2,679</b>	<b>5,238</b>	<b>2,684</b>
<b>Current assets</b>					
Stocks	11	102	85	90	73
Debtors	12	8,864	7,242	8,928	7,274
Short-term deposits		9,053	10,455	9,053	10,455
Cash at bank and in hand		12,825	11,911	12,761	11,876
<b>Total current assets</b>		<b>30,844</b>	<b>29,693</b>	<b>30,832</b>	<b>29,678</b>
<b>Creditors</b>					
Amounts falling due within one year	13	(6,149)	(4,338)	(6,142)	(4,328)
<b>Net current assets</b>		<b>24,695</b>	<b>25,355</b>	<b>24,690</b>	<b>25,350</b>
<b>Long-term creditors</b>	13	<b>(378)</b>	<b>(378)</b>	<b>(378)</b>	<b>(378)</b>
<b>Net assets</b>		<b>29,550</b>	<b>27,656</b>	<b>29,550</b>	<b>27,656</b>
<b>Funds</b>					
<b>Unrestricted funds:</b>					
General fund/Free reserves	14	9,562	6,731	9,562	6,731
Designated funds	14	5,429	5,454	5,429	5,454
		14,991	12,185	14,991	12,185
<b>Restricted funds</b>					
	14	14,559	15,471	14,559	15,471
<b>Total funds</b>		<b>29,550</b>	<b>27,656</b>	<b>29,550</b>	<b>27,656</b>

The turnover of the Company for the year was £72,808,000 (2015/16: £71,988,000) and its net result was a surplus of £1,894,000 (2015/16: £4,079,000 surplus).

The financial statements on pages 38 to 53 were approved by the Board of Trustee Directors on 12 July 2017 and signed on its behalf by:



Clive Mather,  
Chairman



John Shaw,  
Treasurer







## NOTES TO THE FINANCIAL STATEMENTS

31 March 2017

### Fundraising and publicity

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

### Foreign exchange

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

### Pensions

Tearfund operates two defined contribution pension schemes. Contributions are charged to the SOFA as they become payable.

### Tangible fixed assets and depreciation

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

Freehold land	Nil
Freehold buildings and their refurbishment	20-50 years
Fixtures, fittings and equipment including computers	3-5 years
Motor vehicles	3-4 years

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

Vehicles and equipment used in programmes overseas 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

Intangible assets are stated at cost less amortisation. They are amortised on a straight line basis over a five-year useful life.

### 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. Trade and 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

Stocks are valued at the lower of cost and estimated net realisable value. Cost represents the cost of materials, freight and insurance that are required to bring it to its current condition and location. Provision is made where necessary for slow-moving, obsolete or defective stock.

### Operating leases

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

## 2. DONATIONS

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Individuals	18,749	9,760	28,509	27,334
Churches	1,352	1,631	2,983	2,601
Trusts, companies and schools	873	3,440	4,313	3,681
Legacies	5,711	241	5,952	3,568
	<b>26,685</b>	<b>15,072</b>	<b>41,757</b>	<b>37,184</b>

## 2. DONATIONS CONTINUED

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
<b>Appeals and emergencies:</b>				
Individuals	-	6,049	6,049	5,178
Churches	-	997	997	1,902
Trusts, companies and schools	-	261	261	356
Legacies	-	3	3	7
	-	7,310	7,310	7,443
Via Disasters Emergency Committee	-	1,253	1,253	4,030
	-	<b>8,563</b>	<b>8,563</b>	<b>11,473</b>
<b>Total donations</b>	<b>26,685</b>	<b>23,635</b>	<b>50,320</b>	<b>48,657</b>

Gifts in kind of £92,000 (2015/16: £76,000) of pro-bono legal work which is included in support cost expenditure is included above in "Trusts, companies and schools" income.

Donations income in 2016 was £48,657,000 of which £25,724,000 was restricted and £22,933,000 was unrestricted.

## 3. GRANTS INCOME

	2017 £'000	2016 £'000
United States Government	6,067	2,872
United Nations	3,935	3,550
Dutch Government (through Tear Netherlands)	3,125	2,403
United Kingdom Government	1,307	1,024
Scottish Government	860	1,138
Belgian Government (through Tear Belgium)	820	287
Canadian Government (through World Relief Canada)	777	2,025
European Community	771	2,270
GIZ German Government	735	-
States of Jersey	320	195
Irish Government	102	97
States of Guernsey	40	76
Canadian Foodgrains Bank (through World Relief Canada)	17	325
Swedish Government	-	218
Swiss Agency for Development	-	168
Other	63	201
	<b>18,939</b>	<b>16,849</b>
Tear Netherlands	859	815
Integral Alliance / Other NGOs	127	1,157
	<b>19,925</b>	<b>18,821</b>

Included within the above grants income are gifts in kind of £426,000 (2015/16: £462,000) which are also included in expenditure. The whole amount for both years is restricted income.



## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2017

#### 4. TOTAL EXPENDITURE

	Grants £'000	Direct costs £'000	Support costs £'000	2017 Total costs £'000	2016 Total costs £'000
<b>Unrestricted</b>					
<b>Costs of generating funds:</b>					
Costs of generating voluntary income	-	6,151	1,986	8,137	7,025
Fundraising trading	-	26	4	30	117
	-	6,177	1,990	8,167	7,142
<b>Charitable activities:</b>					
Envisioning the local church	312	3,779	1,255	5,346	4,486
Developing communities	328	5,367	1,577	7,272	6,413
Changing unjust policies and practices	238	1,929	623	2,790	2,129
Responding to disasters	37	1,395	1,220	2,652	4,100
	915	12,470	4,675	18,060	17,128
<b>Total unrestricted expenditure</b>	<b>915</b>	<b>18,647</b>	<b>6,665</b>	<b>26,227</b>	<b>24,270</b>
<b>Restricted</b>					
<b>Costs of generating funds:</b>					
Costs of generating voluntary income	-	864	5	869	499
Fundraising trading	-	7	2	9	1
	-	871	7	878	500
<b>Charitable activities:</b>					
Envisioning the local church	1,305	1,149	3	2,457	2,412
Developing communities	10,531	4,500	5	15,036	13,765
Changing unjust policies and practices	837	1,734	2	2,573	3,009
Responding to disasters	7,403	16,295	5	23,703	24,127
	20,076	23,678	15	43,769	43,313
<b>Total restricted expenditure</b>	<b>20,076</b>	<b>24,549</b>	<b>22</b>	<b>44,647</b>	<b>43,813</b>
<b>Total expenditure</b>	<b>20,991</b>	<b>43,196</b>	<b>6,687</b>	<b>70,874</b>	<b>68,083</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2017

#### 4. TOTAL EXPENDITURE CONTINUED

	2017 £'000	2016 £'000
All grants are made to partner organisations.		
Africa	11,269	10,695
Asia	5,989	4,058
Eurasia	2,073	2,580
Latin America and Caribbean	1,660	1,110
	<b>20,991</b>	<b>18,443</b>

Support costs associated with grant-making activity are £2,187,000 (2015/16: £1,344,000).

	2017 £'000	2016 £'000
The top 15 countries and regions where partners received grants were:		
Nepal	2,340	696
Ethiopia	2,202	1,648
Uganda	1,023	694
India	900	648
Somalia	851	495
Malawi	839	677
Democratic Republic of Congo	833	643
Syria	812	875
Nigeria	807	487
Yemen	640	-
Haiti	598	269
Cambodia	590	615
South Sudan	476	226
Tanzania	461	453
Kenya	415	623

Details of grants made to the top 50 partner organisations are available from the Tearfund website at [www.tearfund.org/top50](http://www.tearfund.org/top50)

Support costs and the basis of their allocation are as follows:	Principal basis of allocation to activities	2017 £'000	2016 £'000
General management	Headcount and expenditure	220	251
Financial management	Headcount and expenditure	1,520	1,390
Human resources	Headcount	1,124	813
Strategy and impact	Expenditure	731	620
Information technology	Headcount and expenditure	1,475	1,398
Premises and facilities	Headcount	1,340	879
Governance	Headcount and expenditure	277	281
		<b>6,687</b>	<b>5,632</b>



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2017

### 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 gifted to Tearfund. Its results and assets for the year ended 31 March 2017 were as follows:

	2017 £'000	2016 £'000
Total incoming resources	69	174
Total expenditure	(39)	(118)
Profit for the year	30	56
Gift Aided donation to Tearfund	(30)	(56)
Retained profit for the year	-	-
Total assets	90	88
Total liabilities	(85)	(83)
Funds	5	5

In 2016/17, £6,000 (2015/16: £12,000) of profits were restricted and the remainder unrestricted.

### 6. NET EXPENDITURE FOR THE YEAR

	2017 £'000	2016 £'000
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	560	229
Depreciation of intangible fixed assets	245	225
Auditors' remuneration: audit - Tearfund	46	45
Auditors' remuneration: audit - Tearfund Trading Limited	2	2
Loss/(profit) on sale of tangible fixed assets	9	(8)
Operating leases: land and buildings - unrestricted	61	54
Operating leases: land and buildings - restricted	818	826

The above is all unrestricted expenditure/(income) unless otherwise indicated except the profit on sale of tangible fixed assets in 2015/16 which is restricted and 2016/17 which is comprised of an unrestricted loss of £21,000 and a restricted gain of £12,000.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2017

### 7. EMPLOYEES AND TRUSTEES

	UK £'000	Overseas £'000	2017 Total £'000	2016 Total £'000
Employee costs				
UK-contracted employees:				
Salaries and wages	13,499	4,075	17,574	16,167
Social security costs	1,403	197	1,600	1,122
Other pension costs	1,346	18	1,364	1,471
	16,248	4,290	20,538	18,760
Staff based overseas on local contracts	-	4,194	4,194	5,108
	16,248	8,484	24,732	23,868

Included in the above employee costs are redundancy costs of £24,000 (2015/16: £69,000). Redundancy costs are provided for when they are estimable and settlement is probable in the next financial year.

	2017 Number	2016 Number
Average full-time equivalent number of persons employed during the year		
UK-contracted employees based:		
In the UK	385	348
Overseas	114	123
	499	471
Staff based overseas on local contracts	497	757
	996	1,228

Within UK-contracted employees, UK staff includes those personnel based at Tearfund's head office in Teddington together with those based at regional offices in the UK. 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 mainly employed within our disaster management operations. All staff were employed across the range of activities detailed on the SOFA. No employees are employed directly by Tearfund Trading Limited, all employees are employees of the parent.

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:

	2017 Number	2016 Number
£60,001 - £70,000	7	4
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1

Pension payments of £52,000 (2015/16: £32,000) were made for these nine (2015/16: five) higher-paid employees.

The total emoluments received by the chief executive in the year were £90,000 (2015/16: £35,285). In 2016/17 the senior executives of the organisation earned a total of £519,000 (2015/16: £494,000) including pensions.

#### Trustees

The Trustee Directors' and Committee Members, who are not employees, received no remuneration for their services. During the year two Trustee Directors/committee members were reimbursed for a total of £213.72 for UK travel and subsistence expenses (2015/16: six for £106). No Trustee Directors had overseas travel paid for by Tearfund (2015/16: one for £216).

Indemnity insurance is provided for the Trustee Directors at a cost of £3,171 (2015/16: £2,896).

#### 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 £148,000 (2015/16: £146,000) in respect of pension contributions due to be paid to the fund managers.



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2017

## 8. TAXATION

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

## 9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold	Fixtures,	Motor	Total	Total
	land and	fittings and	vehicles	Tangible	Intangible
	buildings	equipment		£'000	£'000
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2016	5,040	5,569	130	10,739	1,225
Additions	-	3,380	-	3,380	-
Disposals	(2,357)	(3,650)	(49)	(6,056)	-
<b>At 31 March 2017</b>	<b>2,683</b>	<b>5,299</b>	<b>81</b>	<b>8,063</b>	<b>1,225</b>
<b>Accumulated depreciation</b>					
At 1 April 2016	3,798	5,146	116	9,060	225
Charge for the year	84	463	13	560	245
Disposals	(2,347)	(3,640)	(48)	(6,035)	-
<b>At 31 March 2017</b>	<b>1,535</b>	<b>1,969</b>	<b>81</b>	<b>3,585</b>	<b>470</b>
<b>Net book value</b>					
<b>At 31 March 2017</b>	<b>1,148</b>	<b>3,330</b>	<b>-</b>	<b>4,478</b>	<b>755</b>
<b>At 31 March 2016</b>	<b>1,242</b>	<b>423</b>	<b>14</b>	<b>1,679</b>	<b>1,000</b>

The book value of freehold land not depreciated is £200,000 (2015/16: £200,000). Tearfund's offices in Teddington have a book value of £1,148,000 (2015/16: £1,242,000) and are insured at a value of £7,000,000 (2015/16: £5,000,000).

The intangible asset is the value of the purchase of Toilet Twinning.

## 10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2017 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 2017

## 11. STOCKS

	Tearfund Group		Tearfund	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Finished goods	14	13	2	1
IT stores	53	34	53	34
Disaster management stores	35	38	35	38
	<b>102</b>	<b>85</b>	<b>90</b>	<b>73</b>

## 12. DEBTORS

	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Due within one year:				
Trade debtors	14	41	-	-
Amount owed by group undertaking	-	-	79	73
Tax recoverable	651	203	651	203
Other debtors	2,662	2,043	2,661	2,043
Accrued government grants	1,745	2,389	1,745	2,389
Accrued legacy income	3,115	1,892	3,115	1,892
Prepayments and other accrued income	677	674	677	674
	<b>8,864</b>	<b>7,242</b>	<b>8,928</b>	<b>7,274</b>

## 13. CREDITORS

	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year</b>				
Interest-free loans	100	100	100	100
Other creditors	781	1,100	777	1,100
Taxation and social security	1,264	1,048	1,263	1,040
Accruals	3,313	1,200	3,311	1,198
Deferred income	691	890	691	890
	<b>6,149</b>	<b>4,338</b>	<b>6,142</b>	<b>4,328</b>
<b>Amounts falling due greater than one year</b>				
Purchase of Toilet Twinning	<b>378</b>	<b>378</b>	<b>378</b>	<b>378</b>

The interest-free loans, which have been made by supporters, are unsecured and have no set repayment date. During the year £364,000 of the deferred income was released (2015/16: £474,000) and £164,000 of income was deferred (2015/16: £651,000).



## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2017

#### 14. FUNDS MOVEMENT

	1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2017 £'000
<b>Tearfund and Tearfund Group</b>					
<b>General fund/Free reserves</b>	6,731	29,109	(26,179)	(99)	9,562
<b>Designated funds</b>					
Fixed asset fund	5,203	-	30	-	5,233
Disaster management funds	251	-	(78)	23	196
	5,454	-	(48)	23	5,429
<b>Total unrestricted funds</b>	<b>12,185</b>	<b>29,109</b>	<b>(26,227)</b>	<b>(76)</b>	<b>14,991</b>
<b>Restricted funds:</b>					
Appeals and emergencies:					
Democratic Republic of Congo	15	722	(374)	-	363
East Africa crisis 2011	376	(1)	(47)	(328)	-
Zimbabwe	2	-	(2)	-	-
Sudan	39	2	(3)	(38)	-
Sudan and South Sudan 2011	279	103	(2)	158	538
Nepal Earthquake	2,851	1,578	(3,132)	-	1,297
Pakistan Floods	55	103	(149)	(18)	(9)
Sahel/Niger crisis	202	2	(60)	1	145
Syria Crisis	270	39	(309)	-	-
CAR	57	9	(64)	-	2
Philippines	697	12	(633)	-	76
Middle East	3,345	1,235	(1,407)	(475)	2,698
Ebola	507	44	(449)	-	102
Vanuatu	269	1	(231)	-	39
Yemen	-	1,547	(818)	-	729
Hurricane Matthew	-	1,378	(696)	-	682
East Africa 2017	45	2,906	(442)	288	2,797
El Nino response fund	92	-	(89)	-	3
Other	9	55	(13)	(8)	43
	9,110	9,735	(8,920)	(420)	9,505

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2017

#### 14. FUNDS MOVEMENT CONTINUED

	1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2017 £'000
<b>Tearfund and Tearfund Group</b>					
Country funds	21	893	(901)	28	41
Project funds:					
Institutions and trusts	4,781	24,668	(25,893)	214	3,770
Connected Church	550	946	(954)	(8)	534
Other	1,011	540	(637)	(38)	876
Beneficiary funds:					
Children funds	4	3,241	(3,279)	27	(7)
Issue funds:					
Disaster management	-	987	(1,155)	160	(8)
Water & sanitation	-	2,067	(2,115)	22	(26)
HIV	-	569	(739)	44	(126)
Other	(6)	13	(54)	47	-
<b>Total restricted funds</b>	<b>15,471</b>	<b>43,659</b>	<b>(44,647)</b>	<b>76</b>	<b>14,559</b>
<b>Total</b>	<b>27,656</b>	<b>72,768</b>	<b>(70,874)</b>	<b>-</b>	<b>29,550</b>

#### Designated funds are set up for the following purposes:

- The fixed asset fund represents the net book value of Tearfund's tangible and intangible fixed assets to indicate that these resources are not available for other purposes. In 2015/16, this also included an amount set aside for an essential major building project which was completed in 2016/17.
- The disaster management funds represent funds set aside for disaster management work which have not yet been allocated to specific projects.

#### 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 and HIV.

#### Fund balances may be negative for two reasons:

(a) when expenditure is made on a project that is expected to be reimbursed by a government or other agency but where, at the year-end date, not all the conditions to justify recognising the income within the financial statements had been met. This results in an excess of expenditure over income on some project funds.

(b) for multi-year grants, where the following year's grant is recognised in line with our accounting policy, but where the funds are raised in line with the expenditure pattern. These funds will therefore start the year in deficit and work their way to break even over the course of the year.

At 31 March 2017, the total deficit balances amounted to £1,415,000 (2015/16: £111,000).

#### Transfers between funds represent:

- movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund and the change in the provision for the roof repairs.
- reallocations between funds where funds are used for the same/similar work in the same country.
- reallocation of general funds to support programmes where additional restricted funding was not found.



## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2017

#### 14. FUNDS MOVEMENT CONTINUED

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

	1 April 2016 £'000	Income £'000	Expenditure £'000	31 March 2017 £'000
<b>Department for International Development (DFID)</b>				
Global Poverty Alleviation fund (GPAF) Niger	-	165	(155)	10
Democratic Republic of Congo Sexual Violence	31	123	(78)	76
Pakistan	112	418	(464)	66
Start Network Democratic Republic of Congo	-	131	(131)	-
Start Network South Sudan	-	96	(96)	-
Start Network Ethiopia	-	13	(13)	-
Start Network Kenya	-	12	(12)	-
<b>Total DFID funds</b>	<b>143</b>	<b>958</b>	<b>(949)</b>	<b>152</b>
<b>Disasters Emergency Committee (DEC)</b>				
Ebola Crisis 2014	207	39	(246)	-
Nepal Earthquake	-	1,114	(1,604)	(490)
Yemen	-	100	(296)	(196)
Philippines Typhoon 2013	(38)		38*	-
<b>Total DEC funds</b>	<b>169</b>	<b>1,253</b>	<b>(2,108)</b>	<b>(686)</b>

\* Philippines deficit funded by appeal funds through a funds transfer to the Philippines appeal fund. The DEC appeal is also included in the same appeal line and therefore this nets out to zero in the fund transfer column above.

#### 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
<b>Fund balances at 31 March 2017 are represented by:</b>			
<b>Tearfund Group:</b>			
Fixed assets	5,233	-	5,233
Current assets	14,683	16,161	30,844
Current liabilities	(4,547)	(1,602)	(6,149)
Long-term liabilities	(378)	-	(378)
	<b>14,991</b>	<b>14,559</b>	<b>29,550</b>
<b>Tearfund:</b>			
Fixed assets	5,238	-	5,238
Current assets	14,671	16,161	30,832
Current liabilities	(4,540)	(1,602)	(6,142)
Long-term liabilities	(378)	-	(378)
	<b>14,991</b>	<b>14,559</b>	<b>20,550</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2017

#### 16. OPERATING LEASE COMMITMENTS

At 31 March 2017 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	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Within one year	401	650	401	650
In the second to fifth years inclusive	194	385	194	385
After five years	26	221	26	221
	<b>621</b>	<b>1,256</b>	<b>621</b>	<b>1,256</b>

#### 17. RELATED PARTY TRANSACTIONS

A number of the trustees of Tearfund are directors and trustees of other charities and organisations with whom Tearfund has historic relationships. Below are disclosed the annual payments to these organisations for the year ended 31 March 2017.

Name of Trustee	Organisation and role	Organisation's relationship to Tearfund	Payments 2017 £	Payments 2016 £
Robert Camp	Stephens Scown Solicitors	Supplier/Partner	-	1,086
Jill Garner	28 Too Many, trustee	Partner	-	30
Deepak Mahtani	Self-employed consultant	Supplier	-	500

In addition there were expenditure transfers to the subsidiary of Tearfund of £5,910 in the year ended 31 March 2017. The balance owing by Tearfund Trading Limited to Tearfund at the end of the year is disclosed in note 12.

#### 18. ULTIMATE PARENT

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

#### 19. CAPITAL COMMITMENTS

At 31 March 2017 there were contracted capital commitments of £26,000 (2015/16: £134,000).

#### 20. VOLUNTEERS

The work and support by over 5,700 volunteers is vital to Tearfund. Volunteers undertake many roles including encouraging prayer, campaigning, acting within their local churches and communities, enthusing others, engaging with local media and fundraising.