



# ANNUAL REPORT 2017/18

WE WON'T STOP UNTIL POVERTY STOPS

.....



## THIS YEAR...



1.1m

people reached through our response to disasters



3.8m

people reached through community development work

DONATE



91,132

people gave to our work this year



£74.9m

was raised to transform lives around the world

# WE'RE WORKING IN OVER 50 COUNTRIES TO BRING AN END TO EXTREME POVERTY...

- Asia & Middle East
- Afghanistan
- Bangladesh
- Cambodia
- Central Asian States
- China
- India
- Iraq
- Jordan
- Laos
- Lebanon
- Myanmar
- Nepal
- Pakistan
- Philippines
- Thailand
- Syria
- Yemen
- Ivory Coast
- Kenya
- Liberia
- Malawi
- Mali
- Mozambique
- Niger
- Nigeria
- Rwanda
- Sierra Leone
- Somalia
- South Africa
- South Sudan
- Tanzania
- Uganda
- Zambia
- Zimbabwe
- Americas
- Bolivia
- Brazil
- Colombia
- Guatemala
- Haiti
- Honduras
- Nicaragua
- Peru
- USA\*
- Pacific
- Vanuatu
- Europe
- UK\*



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

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**Cover:** A mother of four, whose house was destroyed in the Nepal earthquake. Her husband was trained in earthquake resilient masonry and rebuilt the house. Photo: Matthew Joseph/Tearfund

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### 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.

## CHAIRMAN'S INTRODUCTION

I have great pleasure in introducing the Directors' Report and Accounts for 2017/18.



Clive Mather, Chairman. Photo: Margaret Chandler/Tearfund

This is our Jubilee year and so a special time of gratitude, celebration and recommitment. The Evangelical Alliance Relief Fund began its work 50 years ago in response to the needs of the poorest communities in Africa and beyond. Thanks to the leadership of George Hoffman and the selfless service of countless other staff, partner organisations, volunteers and supporters over the years, Tearfund has made a remarkable impact, empowering millions of people to lift themselves out of poverty around the world. I do hope you will be able to connect with us at one of our 50th anniversary events, as we thank and honour God for all that he has done through Tearfund. God's prompting, provision and protection are at the heart of all we are and all we do.

In 1968 it was the Biafran crisis that captured the headlines. Today, Tearfund staff and our partners are responding to disasters in many countries, such as Syria, Iraq, Yemen, the Democratic Republic of Congo and the Central African Republic, and we are working closely with partners in other emergency contexts including Bangladesh. Conflict besets many of these 'fragile states', which is why we are putting increasing emphasis on peacebuilding alongside emergency response. We are also investing more to scale up our distinctive church and community transformation (CCT) programmes. These are an extraordinary example of how faith brings extra dimensions that secular initiatives lack. Working with and through the local church is part of God's plan to redeem the world. Speaking out against injustice and poverty has always been a core commitment of ours from the very beginning: we take our prompt from the Bible where justice and compassion are central to Jesus' ministry

and intimately intertwined in the concept of Jubilee. It is only with sustainable economic and environmental solutions that relief and development can take root, ensuring communities are transformed for the long term.

In all we do – whether disaster response, church mobilisation, or measuring impact – we strive to achieve the highest standards of professionalism and Christian care. We are very much aware of the increasing public scrutiny of international charities and the personal conduct of their employees. Tearfund is committed to learning from the past and continually strengthening our safeguarding policies and processes. We are deeply committed to building a world where healthy relationships are restored; a world where violence, harassment and abuse is never tolerated. So we are joining together with other NGOs to ensure we are all working to improve the effectiveness of our safeguarding right across the sector.

This year, I step down as Chair after ten years. It has been an extraordinary privilege to work at the heart of Tearfund and to visit nearly all of the countries where it operates. Indeed, it has been a life-changing experience for me. For all the impressive statistics you will find in this report, there is nothing like the joy of meeting individuals and hearing first-hand their stories of transformation.

*'God's prompting, provision and protection are at the heart of all we are and all we do. Working with and through the local church is part of God's plan to redeem the world.'*

My last task will be to manage the transition to my successor and I am simply delighted that Anna Laszlo has agreed to take over. Anna brings a wealth of experience and many personal gifts. But rest assured, I will remain a passionate supporter of Tearfund and will be helping to establish Tearfund USA as the latest member of our worldwide family.

Let me close by again thanking you – whether colleague, supporter, partner or friend. It is your prayers, gifts and encouragement that sustain us. We do not know where Jesus will lead us in the years ahead. But we do know that by journeying together with him, the people of God will always achieve mighty things in his name.

Clive Mather  
Chairman

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 2018.

### PRINCIPAL ACTIVITY

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

In 2017, we reviewed our strategy to ensure that all we do has the greatest possible transformational impact for the communities we serve.

To this end, we refined the four main outcomes we focus on:



#### Emergency needs met

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



#### Communities transformed

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



#### Churches mobilised

enabling the global church to address poverty and injustice



#### Society changed

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

To achieve these outcomes, we are prioritising three main areas of work in the next five years and beyond:

**Church and community transformation (CCT):** unlocking the potential of local churches and communities, to see even the most remote areas impacted in a cost-effective, holistic and sustainable way

**Fragile states:** committing to places of protracted crisis and conflict for the long haul; to see communities thrive as peace, hope and relationships are restored

**Environmental and economic sustainability (EES):** addressing the root causes of injustice, fragility and poverty, so that people and planet can flourish

**Tearfund's core competencies encompass:**

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

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

- sexual and gender-based violence
- conflict, through peacebuilding

For more details on Tearfund's impact in our core competency areas, visit: [www.tearfund.org/impactreport](http://www.tearfund.org/impactreport)

We deliver all 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).

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

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

We have referred to the Charity Commission's guidance on reporting on public benefit when preparing this Annual Report.

Tearfund and its partners work with the most vulnerable and marginalised around the world regardless of race, religion, gender or nationality, and the Trustee Directors ensure that the activities undertaken contribute to the aims and objectives of the Charity. The Trustee Directors are therefore confident that Tearfund meets the public benefit requirements.





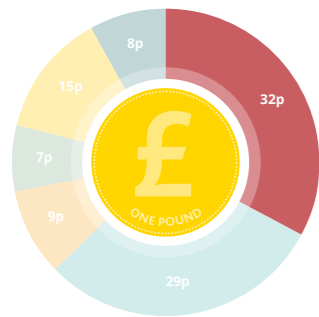
# STRATEGIC REPORT

The Trustee Directors present the Strategic Report which details our progress made against our key objectives set last year and our aims for 2018/19.



## WE WANT TO SEE EMERGENCY NEEDS MET

When disaster strikes, we respond swiftly and effectively to ensure we support communities in a strategic and focused way. We are committed to these communities for the long term, working through local churches and partners to help people become resilient and thrive.



# 32p

IN EVERY POUND GOES TO MEETING EMERGENCY NEEDS

Our considerable experience, strong local connections and skilled aid workers mean that we can act fast and efficiently when disaster hits.

We care passionately about building the capacity of our local partners so they can take a lead in and shape any humanitarian response, especially in small- to medium-scale disasters.

Empowering survivors is equally important. So, for example, cash transfer programming, which allows families to prioritise and meet their own needs, is increasingly a key part of our response. We continue to target those in greatest need and we are committed to supporting them in their long-term recovery.

Tearfund is committed to the safeguarding and protection of all our beneficiaries, partners, organisations, volunteers and staff, with a particular emphasis on our beneficiaries, who are some of the most vulnerable people in the world. We have robust safeguarding and whistleblowing policies which we make clear to all our staff, volunteers, partner organisations and other representatives.

We choose to complement, not duplicate, the work of other agencies by often going to regions where few others are working. At the same time, we value our relationships with other aid agencies, the UN and governments, and continue to invest time and energy into deepening those connections.

### WHAT MAKES US DIFFERENT

We ensure that humanitarian aid responses are owned, led and shaped by local people, where possible. Building the capacity of our local partners, through skills training and helping them access funding, is key to our disaster response work. Upholding survivors' dignity is paramount, so we prioritise cash programming in small- to medium-scale disasters. We are committed to staying with communities for the long term, to help them recover and develop resilience.

'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



## THIS YEAR, WE'RE CELEBRATING:



# 1.1m

people benefited from our response to disasters



# 90,000

vulnerable people in Iraq received support



# 34,000

people in Bihar state, India, benefited from cash transfers to help them buy food and essentials following floods



# 4

new countries have been helped to develop disaster preparedness plans (bringing our total to 16 country-level contingency plans)

Jumana collects grass seeds to eat from the dry ground after climate change severely affected her millet crop, Chad. Photo: Peter Caton/Tearfund



## OUR YEAR

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

### 1. Build our partners' capacity to respond to disasters, learning from our cooperation with a wider network of aid agencies (for example, the Start Network) and our own research

For the past three years, we've been involved with a consortium of six international non-governmental organisations (INGOs), from the Start Network, on the Shifting the Power project, whose aim is to strengthen 'locally led humanitarian response'. The project ended this year, having strengthened the capacity of 55 organisations across five nations.

Tearfund led the project in Pakistan and used the Shape Framework, a comprehensive self-assessment tool, to gauge the capacity of 12 organisations and identify areas for strengthening. We helped partner organisations to develop training programmes and work collaboratively to improve procedures and practices.

A learning review carried out this year showed that, as a result, partner organisations had greater participation and influence with INGOs and stronger relationships with local and national government. By working closely with us in the National Partnership Network, local organisations in Pakistan are now represented at senior decision-making bodies for disaster response.

Our next step is to incorporate this learning into our approach to working with partners. We are developing our own self-assessment tool to enable partners to strengthen their capacity in humanitarian response and to control and influence the shape of that response. This is already informing our work with local partner organisations who are responding to the Myanmar refugee crisis in Bangladesh, providing shelter, safe water, food and medical support.

### 2. 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

In May 2017, Tearfund conducted a learning review and staff survey to evaluate the effectiveness of our Emergency Response Register (ERR). Based on these findings, we modified our ERR policies and procedures to ensure they met our requirements more effectively. Our latest round of recruitment early in 2018 was based on this update.

In addition, for the first time, Tearfund sent two emergency response teams to take part in the UK's largest annual international disaster response exercise, *SimEx*. It is a live field exercise to train and equip emergency responders and increase the effectiveness of disaster preparedness and response.

This simulation was a unique opportunity for staff to develop knowledge and skills and gain hands-on experience – and also enabled us to test our Emergency Response Procedures (ERPs), logistics systems, equipment and emergency deployment process.

It highlighted the need to strengthen our needs assessments, media and communication guidelines in emergencies, as well as review appropriate items in response team bags and first aid training.

As a result, we're now implementing new procedures, running training and procuring equipment. These improvements are critical in unstable environments where Tearfund and its partners work, such as South Sudan which continues to face severe food insecurity and conflict.

### 3. Develop new emergency response procedures for Tearfund's local offices to ensure that any response is swift and effective, serving affected communities well

We've developed a new set of guidelines which will equip our local offices to lead our response to small- and medium-sized disasters. They will also help our operational teams manage new spikes in humanitarian need. Alongside the ERPs, they will enable our offices and teams to implement policy and procedure in ways that ensure quality and consistency.

In July 2017, a working group of 18 people from across the organisation was set up to develop these guidelines. The group included 15 overseas staff – at least three per region – providing a wealth of expertise and experience. This collaboration led to the creation of Field Emergency Response Procedures (FERPs): these are based on the existing ERPs but focus on minimum requirements for small-to-medium-scale disasters.

Following a robust internal review, the FERPs were launched online in May 2018 to all country teams. Feedback on the FERPs will be collated over the next six months through a formal monitoring process and further adjustments made before publication and translation into four other languages. Going forward we would expect the FERPs to be used in future small-to-medium-sized events rather like the South Asia floods which affected Nepal, India and Bangladesh last year.

Living conditions in Balukhali camp, Cox's Bazar, Bangladesh. Photo: Andrew Philip/Tearfund



## CHILDREN CAUGHT UP IN CRISIS

Barkoosam is one of more than half a million Rohingya people who have fled Myanmar to relative safety in Bangladesh. But the situation here is bleak: home for Barkoosam, his mother and two brothers, is a small, tent-like shelter made of bamboo and bin bags. It offers little protection from the monsoon rain and intense heat. New people arrive every day, exacerbating the already squalid conditions in the camp and adding to the already intolerable pressure on host communities. Barkoosam is just 13: this is no place for a child.

There has been a steady stream of Myanmar nationals crossing the border into Bangladesh to escape the violence back home: 671,000 people arrived in the six months between August and February. Many are deeply traumatised: they have seen relatives killed in front of them and their homes burned. Barkoosam's father was killed and his family fled with nothing but the clothes they were wearing.

Dr Ravirant Singh, who works for one of Tearfund's partners in the overcrowded refugee camps, has been involved in disaster relief for more than a decade. 'I have never seen this kind of suffering anywhere across the globe,' he says. 'This is very distressing.'

Tearfund is working with local partners on the ground and linking with other national organisations to reach out to these displaced people. Our work has been funded with UK aid from the UK government. We've distributed more than 16,500 hygiene kits and we're providing latrines and wells – which are a priority to avert the outbreak of disease. We've also distributed cooking stoves and environmentally friendly fuel alternatives, as well as installing solar-powered lighting in camps. Crucially, we're providing child-friendly spaces to offer protection and care for unaccompanied or traumatised children like Barkoosam.

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

This year  
**£24.0m**  
spent meeting  
emergency needs

In 2017/18, we spent a total of £24.0m (2016/17 £26.4m) meeting emergency needs and supporting people such as Barkoosam.

### WHAT WE LEARNT

We need to strengthen our partners' capacity to coordinate effectively in international humanitarian responses, and to promote the importance of our local partners with international structures such as the UN. Specifically in the Myanmar refugee crisis in Bangladesh, we have recognised the need to develop our partners' understanding of the rights of displaced populations to protect those most vulnerable.

### GOING FORWARD IN 2018/19, WE AIM TO:

- build on the success of our publication, *Disasters and the local church*, (which has been widely read), study its impact and use, and identify ways to improve it further
- use a newly developed capacity-strengthening programme to help our local partners respond even more effectively to disasters
- develop new training modules for Tearfund staff and professionals currently enlisted on our Emergency Response Register, to ensure best practice in humanitarian programming



## WE WANT TO SEE COMMUNITIES TRANSFORMED

Where we can, we work through local churches to make sure transformation takes place in the very heart of the community. So, our support is localised and our work sustainable. We help communities build their resilience to shocks and stresses, work for peace and unity, and build better futures for themselves and others.

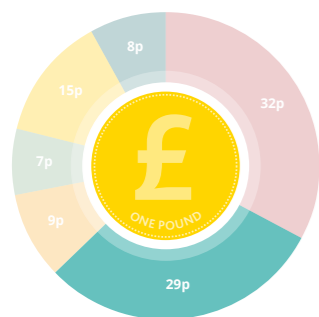
We are committed to following Jesus where the need is greatest. Increasingly, this means working in fragile states, where an ever-increasing percentage of the world's poorest people live. It means going to remote and sometimes volatile areas, which are often beyond the reach of state support or other NGOs.

Our distinctive approach is to work through local churches, which are already at the centre of poor communities, and whose people understand local problems and want to help resolve them.

Enabling local Christians to inspire hope in their communities and galvanise people to work together is the most effective way we have found to bring about lasting change. We may provide training but the key to our approach is local people identifying local problems and finding local solutions that protect the environment and help communities thrive. Helping people see the rich treasure that can be found in nurturing relationships and building bridges is also an important first step towards peacebuilding and reconciliation.

### WHAT MAKES US DIFFERENT

Our distinctive approach is to work with and through local churches which are at the heart of the local community and committed to helping local people work together for change. Generally, we focus on training and enabling: we help people see the potential in what God has already given them in terms of their skills and abilities, then help identify the resources and tools they need to mobilise their community.



# 29p

IN EVERY POUND GOES TO TRANSFORMING COMMUNITIES

'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



THIS YEAR, WE'RE CELEBRATING:



# 3.8m

people reached through community development



# 11,173

local churches active in improving well-being and impacting poverty in their communities



# 27

trainers graduated with a Masters-level qualification for their impact and training of CCT facilitators



# 1,637

facilitators participated in CCT training in West and Central Africa

Polly stands by the brick kiln where her new house is being built, Malawi. Photo: Tom Price/Tearfund



## OUR YEAR

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

### 1. Build and scale up our work with local churches, as we have seen just how effective that work can be

We're passionate about seeing local churches becoming powerful agents of change in their community, and have invested in church and community transformation (CCT) to help unlock the potential of local churches. Our focus this year has been on producing resources and tools that will help equip churches and theological organisations to tackle poverty. This has included developing training manuals, planning an online accessible learning platform and publishing research on advocacy and self-help groups led by the local church.

We've also been training inspirational facilitators to share learning, develop skills, and help people and communities to flourish. In West and Central Africa alone, we've invested in training 1,637 facilitators in our CCT approach in the last year. We also recognise the value of peer-to-peer training: we recently arranged for a Ugandan facilitator to train 200 local pastors in Nigeria.

In East Africa, we are piloting an approach called Compassionate Commercial Communities (CCC) to help producers understand the market and get a better price for their crops. Thanks to his involvement in a church and community transformation programme, Richard in South Sudan has seen his lemon crop grow from less than one tonne to six tonnes. CCC will help farmers such as Richard maximise their income. We are now extending our CCC work into five more countries.

### 2. Understand more about the root causes that make so many contexts 'fragile', and what we can do to help reduce that fragility

It is estimated that, by 2030, the overwhelming majority of the world's poorest people will live in fragile states and countries affected by conflict. Tackling the root causes of conflict and fragility is a priority for Tearfund.

Over the last year, we have piloted tools in eight countries to try to deepen our understanding of these causes. We've supported pastors across West Africa, students in northern Iraq, communities in Rwanda and Burundi, young people in Lebanon and church leaders in Myanmar as they attempt to build peace and bring healing to those traumatised through sexual and gender-based violence (SGBV). We believe that much SGBV comes from a distorted view of what it means to be a man. Our Transforming Masculinities programme offers biblical perspectives on gender roles and is having a dramatic impact on families and wider communities.

In northern Iraq specifically, we've trained an interfaith community of activists in peace-building techniques. Now, they're developing local projects to improve relations between refugees, displaced families and host communities and across faith communities. They've been working closely with university students in Erbil and school teachers in Dohuk on these projects, with the aim of restoring relationships, rebuilding trust and breaking the cycle of trauma and violence.

### 3. Do more to equip communities so they develop in ways that provide people with sustainable livelihoods, without harming the environment

We want to see the whole of humanity flourishing – but that can't happen without a radical rethink of global economic systems and unless we live within our environmental limits. Our response is to promote environmental and economic sustainability (EES) approaches.

Already, we have launched bespoke projects in certain countries – from a waste-management, recycling and job-creation scheme in Pakistan, to a project in Tanzania combining solar power and 'green' economic activities. We're now planning country-specific programmes in 11 nations, two of which have already started, and we are poised to start work in the remaining nine.

We are working with local partners in mainstreaming EES into projects across the world. In Burkina Faso, for example, CREDO has been teaching agro-ecology practices to small-scale farmers hit by climate change, teaching them new farming methods, livestock husbandry and vegetable production. Poor harvests had driven Mr Ouedraogo into gold-mining and a life fuelled by drugs and violence: now, he's returned to his land. 'CREDO opened my eyes and helped me to find a normal life,' he says. 'Now, I work with my family in our field and I have hope.'

## PROTECTING CHILDREN IN PARADISE

Tarija is a small Bolivian town close to the border with Argentina, Chile and Paraguay – and it's considered a little corner of paradise. Its green valleys are protected from the dry climate of the highlands and the humidity of the jungle. This makes it a magnet for the many migrants who come here seeking work – and for people keen to exploit them through human and drug trafficking.

Church leaders were extremely concerned about the risks this posed for local youth. While praying and looking for solutions, they heard about Tearfund's CCT work with churches in the highlands and got in touch. Tearfund's CCT adviser subsequently trained a group of church leaders – a real answer to prayer for them.

Pastor Julio César Justiniano ministers in a slum outside Tarija, where there is

a severe lack of public services, good transportation and schools. His church has learnt to stand with the community and help them identify solutions to local needs. They're hugely encouraged to see the church's potential unleashed to protect young people from organised crime.

'There's a long road ahead,' says Pastor Julio, 'but we're confident that as the church, community and local government work together, solutions are possible.'

Ten other churches are now engaged in similar work inspired by CCT. Pastor Monica Marin's is one of them. 'Before this training, we didn't know how to help children and teenagers and keep them free of drugs,' she says, 'but now we have the tools we need.'



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

This year  
**£23.4m**  
spent on transforming communities

In 2017/18 we spent a total of £23.4m (2016/17 £22.3m) on transforming communities like the one Pastor Julio serves.

### WHAT WE LEARNT

Bringing together theoretical learning and real experience in a systematic way is absolutely key to achieving excellence and real impact, both for Tearfund and for local churches. Getting the right balance between addressing root causes and supporting humanitarian need is complex, and addressing that balance when resources are inevitably finite requires careful thought.

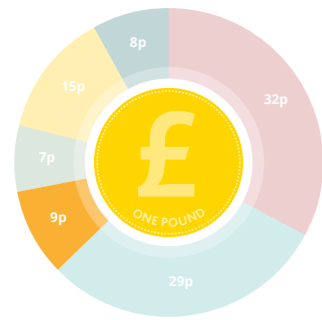
### GOING FORWARD IN 2018/19, WE AIM TO:

- continue to build and scale up active engagement of CCT with more than 12,000 local churches
- demonstrate how our work is having an impact in tackling the root causes of fragility
- have pilot projects in at least ten countries which model effective ways to support sustainable livelihoods without harming the environment



## WE WANT TO SEE CHURCHES MOBILISED

We're excited when we see churches start to understand the potential God has placed in them to address poverty and injustice – and become powerful agents of change in their local community. We're privileged to play a part in helping to equip and mobilise them.



9p

IN EVERY POUND GOES TO MOBILISING THE LOCAL CHURCH

We work with local churches to help them identify their skills and abilities – and the huge potential they have to help release local people from poverty. This is part of an approach we call church and community transformation (CCT). We believe the church is uniquely placed to bring complete and lasting transformation through a holistic strategy which meets people's social, environmental, spiritual and emotional needs. Its reach, social standing and influence make it the perfect partner in remote and fragile contexts such as those we prioritise.

We're passionate about inspiring more Christians to grasp this vision and adopt what we call integral mission: the church living out its faith in every aspect of life. So we continue to work with church denominations, theological colleges and through a variety of Christian networks to share this vision. We also contribute to global discussions on poverty and injustice, as keen to learn as we are to share our vision.

Our learning resources on development continue to attract a wide and growing readership, as do our research and analysis on theological and development issues. We remain committed to learning from others, to develop our theology and that of the church.

We invest much time and energy in young people globally through our international volunteering opportunities and lifestyle campaign work – so the next generation can pick up the baton of integral mission and take it further.

### 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. Our holistic approach recognises that poverty has a spiritual dimension: 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.

'Therefore, if anyone is in Christ, the new creation has come: the old has gone, the new is here!'

2 CORINTHIANS 5:17



THIS YEAR, WE'RE CELEBRATING:



13,000  
local churches mobilised



15,000  
people using or intending to use Live Justly resources



308  
people attended gatherings worldwide aimed at engaging people in poverty reduction



449  
volunteers equipped to work alongside 16 local partners in 13 countries, providing a total of 168,160 volunteer hours

Local churches work together through the CCT process to serve the needs of their community, Nigeria. Photo: Andrew Philip/Tearfund





## OUR YEAR

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

### 1. Be strategic in influencing the leaders of key churches, denominations and networks by engaging in theological education, hosting gatherings and facilitating research and reflection

Tearfund's Live Justly resource has proved an invaluable tool to help people in all our networks engage with us. It's been key to helping leaders increase their churches' understanding of integral mission and work to see whole-life transformation, and more than 15,000 people have used or intend to use it. Professor Jurgens Hendriks from the Network for African Congregational Theology (NetACT) said it was 'of great help teaching a new generation about justice – something that the world and our continent really need'.

We have built strong relationships with networks of theological institutions in Africa, including CITAF (Council of Theological Institutions of Francophone Africa), NetACT and ACTEA (the Association for Christian Theological Education in Africa), and are supporting them as they incorporate integral mission theology and CCT practices into their courses. This work is now being replicated in other regions.

We're also collaborating with Converge, the WEA's youth network, to develop members' understanding of integral mission. As part of this, we hosted a two-day young theologians' workshop at Converge's global gathering, developing skills in contextual theology and facilitating a discussion about gender. One of the participants wrote, 'It was designed and Spirit-led to convict, change and improve our understanding on living life the way God intended. My desire is that I'll be able to implement and teach my friends, families and believers the importance of releasing people into what God has equipped and called them to do.'

### 2. Develop and pilot more online learning for an international audience

This year we began piloting a range of new online learning approaches such as the Action & Mentor model, eWorkshops and self-paced modules. So far, courses have been run in French and English, with people from 16 different countries taking part.

Though in the early stages of development, initial outcomes are positive. As a direct result of taking part in one of our advocacy courses, Boniface in Chad lobbied church leaders and the Ministries of Health and Education to establish a new coordination structure between the church umbrella organisation where he works and the government – and was successful. Kader in Niger used his new-found advocacy knowledge to start a campaign to end violence against women. He successfully lobbied seven village chiefs, who agreed to stop celebrating child marriages in their communities.

We've gained valuable experience and insights from running these courses, along with the new e-learning platform that is being piloted. This gives us a solid base to develop a wider range of courses for our partners and churches involved in development work. This in turn will build capacity, increase good practice and enable peer-to-peer learning at country level and ultimately will support scale-up of our programmes across our priority areas.

### 3. Find ways to ensure that volunteer placements are even more effective in serving host communities in line with the local community's requirements

Our volunteer placements are designed with local partners, with the aim of meeting local needs. We've now increased the interaction between volunteers and partners during pre-departure training, so volunteers can prepare better for their time overseas.

When volunteers in Bangladesh conducted baseline surveys in their host communities, the key areas of local need they identified were youth leadership and empowerment, and lack of employability for young people. In response, volunteers and partners made it their focus to help young people access life skills and leadership training, to build their confidence and motivate youth leaders and the wider community to work together for change. A pastor in Birishiri said: 'Volunteers have enabled our young people to take responsibility for their actions.'

In Cambodia, volunteers supported the launch of our partner Cambodian Hope Organisation (CHO)'s Smart Youth Leadership Programme. Its aim is to equip young people in Poipet with transferable skills, including leadership and enterprise skills, and reduce their vulnerability to trafficking or exploitation. Rosa Micheal-Jump of CHO said volunteers had helped Poipet's young people 'connect to the outside world'.

This year, 91 per cent of partners reported that volunteers added value or capacity to their projects and 73 per cent said teams had engaged well with the local community.

*'The Live Justly resource is of great help teaching a new generation about justice – something that the world and our continent really need.'*

PROFESSOR JURGENS HENDRIKS, NETWORK FOR AFRICAN CONGREGATIONAL THEOLOGY (NETACT)



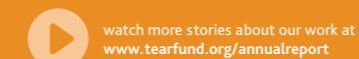
## WORKING FOR PEACE AND RESTORED RELATIONSHIPS

Northern and central Nigeria remain in the grip of interfaith conflict and violence. But Tearfund's Nigeria team and our partners in the region share a vision to see the church leading the way in working for peace and restored relationships. As a foundational first step towards action, they see theological reflection as key to helping churches understand and commit to integral mission.

So, in February 2018 we hosted a gathering entitled 'Thinking Theology: Jubilee' with 100 senior and emerging church leaders in Jos, Plateau State. Its aim was to challenge participants to think deeper about their faith and work together to address social issues. Speakers examined the church's biblical mandate to tackle poverty and presented the concept of Jubilee as a channel for restoring relationships and transforming society.

Delegates were invited to discuss, 'Who is my neighbour?' – a provocative question in the context of Nigeria today. Yet, a number of delegates reported feeling inspired to respond differently to their Muslim neighbours and to try to build bridges. Others spoke of having their hope restored by the thought churches could start to work together. One delegate said: 'The church is the conscience of our society, and if we refuse to do something, the children who are coming after us will say we have failed.'

As a result, six working groups are being set up, coordinated by Tearfund and our partners, to focus on six key areas: broken relationships, theological education, bridging the generational gap, development of public leadership, discipleship and mentoring, and advocacy.



This year  
**£7.7m**  
spent on mobilising churches

In 2017/18 we spent a total of £7.7m (2016/17 £7.8m) on mobilising churches and inspiring people with initiatives such as the Live Justly resource.

### WHAT WE LEARNT

Over three years of hosting gatherings, we have learnt the critical importance of connecting their theme and content with the issues and imperatives facing country and regional teams. Delegates engage with us more deeply, at the meetings and beyond, so there's a greater lasting impact on our programmes, as witnessed in increased demand for our materials to be translated into local languages.

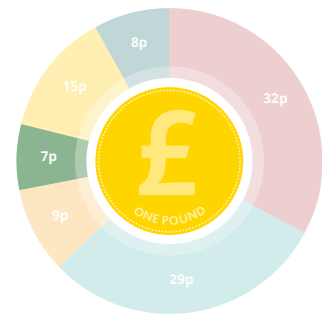
### GOING FORWARD IN 2018/19, WE AIM TO:

- develop a strong, positive biblical narrative to help churches engage with our corporate priorities (CCT, economic and environmental sustainability, and fragile states), including through theological education worldwide such as the Justice Conference
- provide new digital resources to influence and equip development workers and church leaders involved in CCT
- explore opportunities to increase young people's engagement in CCT



## WE WANT TO SEE SOCIETY CHANGED

We call on people in positions of power and influence to ensure that their policies bring positive change for vulnerable communities, including those that are hardest to reach. We equip and empower communities to speak out and stand with them in holding governments to account and lobbying them to address structural inequalities and injustices.



# 7p

IN EVERY POUND GOES TO HELPING CHANGE SOCIETY

We want to make sure the poorest communities have their voices heard on issues affecting them, and to help them access government resources. So, we stand with those who are on the margins and ensure their needs and their opinions are brought to the table. We use advocacy and influence, with the church and with government, to highlight issues of injustice and poverty – and we lobby for decisive action until systems and policies are changed in favour of those living in poverty.

Our advocacy serves our three corporate priorities: church and community transformation (CCT), fragile states, and economic and environmental sustainability. Our global campaign on climate change, *Renew Our World*, for example, has now garnered support in many different nations, and our related work on the circular economy continues to gain traction among policy-makers.

We recognise the power of networking and building movements in our advocacy work, to galvanise support and extend our reach. The global church has immense potential to influence and press for change, so a key focus of our work continues to be supporting churches, at local and national levels, to hold their governments to account. We also speak out ourselves, through national, regional and global advocacy, and we mobilise staff, supporters and others to pray and campaign.

### WHAT MAKES US DIFFERENT

We equip and empower the local church to advocate, with their local communities, at the local level. Advocacy is now an integral part of our CCT programme. This ensures that advocacy relays the authentic voice of local need. As we advocate through our networks and grassroots movements, this local voice is amplified so that it is heard, not just by local government, but also by national and international decision-makers, increasing its impact.

'The Spirit of the Lord is on me, because he has anointed me to proclaim good news to the poor.'

LUKE 4:18



## THIS YEAR, WE'RE CELEBRATING:



# 24

significant policies influenced and changed



# 45

global Christian leaders signed the *Renew Our World* letter to governments



# 2,500

people came to activist training events in several nations



# 7

UK supermarkets pledged to halve their food waste

Sundip completes his homework by the light of an energy-saving bulb, powered by a solar panel on his house. Photo: Tom Price/Tearfund

## OUR YEAR

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

### 1. Roll out and scale up CCT advocacy in Uganda and other countries to help more communities access government services

For many years, Tearfund has been working with communities to help them identify and solve their problems using their own resources through CCT. More recently, Tearfund has begun to train churches on how to integrate advocacy into this process, equipping communities to lobby local government for the services they are entitled to. Last year, we conducted in-depth research to assess the impact of this training on communities in Uganda, and found very positive results, including better relationships with local government and improved service delivery.

This year, we have been preparing to scale up this CCT advocacy approach. We've produced a longer version of our training film and we have translated both the film and the accompanying guide into French, Spanish and Portuguese. We are now using these resources to train up partners in several countries.

We have also carried out initial scoping for scale-up through potential pilot programmes that would take CCT advocacy beyond its current focus on rural settings in Christian-majority countries. We've considered how the approach could be adapted for different types of context.

### 2. Mobilise 100,000 people\* from 20 countries to take prayer, lifestyle and political actions through the *Renew Our World* campaign

We have successfully extended the reach and impact of our *Renew Our World* campaign since its launch in March 2017. Eleven countries have now joined the campaign, including Australia, Brazil, the Netherlands, Peru, the UK, the USA and Zambia, and campaigners have taken action in a further 50. Our campaign focus on November's UN Conference of the Parties (COP) climate talks in Germany engaged people to take action across five European countries.

The number of prayer, lifestyle and campaigning actions taken so far this year is 36,000. This is lower than our pre-launch target but we are encouraged by the other aspects of the campaign that have exceeded expectations. For example, our letter calling the world's governments to action was signed by 45 influential Christian leaders from 13 countries, as well as prominent artists and speakers. They included five Anglican archbishops who signed together on behalf of the Anglican church internationally. At the climate talks, we presented the letter to environment ministers from six different countries and the EU Head of Delegation; it was written symbolically on seeded paper.

Over the year, we took the campaign to political leaders in Washington DC, Canberra, COP and elsewhere. Forty spoken word poems from young people at the Jos Green Centre, a youth-led advocacy and sustainability project in Nigeria, received international attention through the radio and social media.

### 3. Influence the UK government and multilateral agencies towards change in policy and practice in support of a circular economy in developing countries

We have continued to build up our knowledge and credibility on circular economy approaches and their potential to have a transformational impact on poverty. We made the case last year in our *Virtuous Circle* report and have since produced further research and attended various lobbying meetings.

As the issue of plastics pollution in the oceans rose to prominence, thanks in part to the BBC's *Blue Planet II* series, we were poised to take full advantage of the opportunity to shape the public debate.

Most groups working on marine litter are environmentalists. We were a lone voice in advocating for action that reduced poverty directly, as well as safeguarding the environment, and in asking for UK aid to start community waste-collection initiatives. As well as causing marine pollution, uncollected waste causes diarrhoeal diseases and flooding linked to blocked drains. Open burning to try to control waste causes respiratory diseases and carbon emissions.

We had good media coverage, including *The Guardian* and *Sky News*, and joined with others in raising these issues with government, during positive meetings. We were delighted when the government's plastics plan included a pledge to provide aid money for waste management. We are now following up on this pledge, to ensure the poorest communities benefit.

## STANDING TOGETHER AGAINST STIGMA

The Central African Republic (CAR) has continued to be unstable since armed groups seized power in 2012. Sexual violence has been widely used as a weapon of war, leaving many survivors traumatised and stigmatised.

Tearfund has spent a long time listening to survivors' needs and found that many long to have a safe space within their own faith communities – something that is lacking all too often. In response, Tearfund has been training church and community leaders in CAR to support survivors, help tackle sexual violence and address the stigma associated with it. Faith leaders are influential figures in changing attitudes and behaviour at community level.

In parallel, Tearfund has been building a good relationship with the UK government's Foreign and Commonwealth Office (FCO) for several years and is part of its UK Advisory Group. Consequently, the FCO asked Tearfund to host a workshop

in CAR in August 2017 as part of its Preventing Sexual Violence Initiative.

Stakeholders from the CAR government, UN agencies, and international and national NGOs attended, to focus on the issue of how to tackle the stigma associated with sexual violence in conflict. Tearfund then took the workshop's recommendations to a community group in CAR, including survivors of both sexes, and sought their feedback.

The FCO used Tearfund's subsequent report on the workshop to inform its public policy recommendations, and to shape its 'Principles for global action on tackling the stigma of sexual violence in conflict'. These Principles were launched at the UN General Assembly last September, where the importance of engaging faith leaders was highlighted.



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

In 2017/18 we spent a total of £5.7m (2016/17 £5.4m) changing society and influencing policy change such as the work in preventing sexual violence in CAR.

This year  
**£5.7m**  
spent on changing society

Conference on gender-based violence held in CAR. Photo: Andrew Philip/Tearfund



### WHAT WE LEARNT

Various academics, think tanks and INGOs want to see better connections between local advocacy issues and national public-policy debates. Church networks would be perfectly placed to make this link.

There is a lack of Christian study group resources on justice – and a huge hunger for such resources. Feedback from theological colleges and churches shows that study usually leads to action.

### GOING FORWARD IN 2018/19, WE AIM TO:

- develop one or more pilot programmes to scale up CCT advocacy in different contexts
- inspire Christians to take 50,000 actions with the *Renew Our World* campaign in our Jubilee year
- lobby for policy change: persuade the World Bank to switch investment from fossil fuels to decentralised clean energy; urge the UK to go further in funding waste management for poor communities; and lobby the Scottish government to aim for zero greenhouse gas emissions by 2050

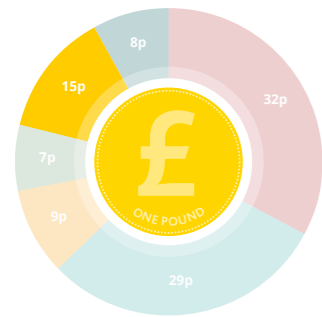
\*This objective was modified after the publication of last year's Annual Report to become 'mobilise 50,000 simple campaign, prayer or lifestyle actions taken by individuals'.





## OUR SUPPORTERS GIVE GENEROUSLY

Our supporters are a hugely important part of who we are and what we do. Honouring and building this relationship is a priority. We care passionately that our supporters feel valued and know that their gifts are having a life-changing impact.



# 15p

IN EVERY POUND IS INVESTED IN FUNDRAISING

We continue to be humbled by how committed and generous our supporters are. They give of their time to organise fundraising events in ever more inventive ways. They give financially, often sacrificially. And, as we've increased the number of events we attend each year, we continue to see a growing band of volunteers, travelling up and down the country to serve and promote our work.

We also receive many encouraging calls, messages and letters from supporters of all ages, telling us about their inspiring fundraising and sharing how our stories have challenged and moved them. Their letters of encouragement are a huge blessing.

Maintaining a strong relationship with our supporters is paramount to us. We are committed to listening, learning and communicating effectively. It is important they know how vital they are to our work and see the impact of their generosity and prayers. We want them to understand and engage with our work, and share in our mission to see people lifted out of poverty in Jesus' name. To that end, we report back regularly on how our income

is spent and we take every opportunity to thank people for their gifts. We work hard to be accountable and transparent: we review our spending and costs regularly and monitor our impact, to make sure we make best use of our resources and maintain our reputation as good stewards.

### WHAT MAKES US DIFFERENT

We want Christ to be at the centre of all our fundraising and all our decision-making. We want our relationship with our supporters to be built on Christian values of respect, gratitude and truthfulness. We care deeply that our supporters understand our work and our mission, so that they share in the joy of seeing God at work through them. We are committed to thorough, robust reporting on every aspect of our fundraising: we don't take for granted our reputation as good stewards.

## THIS YEAR, WE'RE CELEBRATING:

  
**91,132**  
 generous supporters gave to our work

  
**£5m**  
 and over was raised through our UK aid match appeal – which was doubled!

  
**3,475**  
 UK churches supported Tearfund and donated to our work

  
**£1.6m**  
 raised through Toilet Twinning to support our WASH work/programmes

# THANK YOU!



Team members backstage at Big Church Day Out. Photo: Tom Price/Tearfund



## OUR YEAR

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

### 1. Continue to strive for excellence in our stewardship of the funds entrusted to us

We continue to manage our fundraising budgets carefully, rigorously reviewing, testing and refining our activities each year to ensure they are cost-effective. With our mailings, we regularly review those we contact, checking with supporters whom we've not heard from in a while that they still want to receive our updates.

We have been trialling TV advertising cautiously over the last couple of years. Building on our successes with advertising on Christian channels, we have moved onto a more varied mix of TV, radio and digital platforms. We have also been reducing the volume of post we send and exploring digital alternatives. We've reviewed our attendance at all the national Christian events and focused our resources on events where we gain more profile or reach new audiences.

During this last financial year, we have also been working hard to ensure that we'll be fully ready for major changes in data protection legislation that came into effect from May 2018. This has meant refinements to our database, changes to the way we process data and also contact with supporters to ensure they are happy with our means of communication, whether by email, mail or phone.

### 2. Develop and deepen relationships with UK Black Majority and Asian churches

In 2017, we recruited a full-time manager whose specific role is to develop and deepen relationships with Black Majority churches. We also created a steering group made up of key leaders representing many different denominations to help us engage with this community.

We invited artists from the UK's gospel music scene to travel with us to Malawi, to witness first hand the work we are doing there. MOBO award-winner Faith Child was so moved by our work that he chose to promote it to his audiences and recorded a music video in Malawi for his latest single 'Our Father', which has received rave reviews.

In the summer of 2017, Tearfund Country Representative for Uganda, Tim Raby, met with key UK leaders from the New Testament Church of God, which strengthened our relationship with that network.

By consulting our steering group, we have now mapped out a five-year plan to position Tearfund to serve Black Majority churches across the UK, delivering joined-up, coordinated responses to international development challenges.

### 3. Extend the reach of online resources related to lifestyle, campaigning and prayer, and people's engagement with them

As part of our key campaigns and appeals, we have shared a range of online resources relating to lifestyle, campaigning and prayer. These range from beneficiary stories on our website, to petitions to reduce supermarket food waste, to resources to help people pray for an end to poverty, all of which we encourage individuals and churches to share to help communicate our vision and impact.

Our One Voice email, a weekly prayer resource, has increased in reach by ten per cent in the last year. The prayer points we share from countries around the world are shared across our social media channels and we are hugely encouraged by supporters' engagement and responses.

Our social media channels share a broad range of content from across Tearfund – from stories of determined fundraisers to stories that connect us to those in greatest need. These platforms have seen strong growth over the past year, with our Facebook page reaching 50,000 followers to coincide with Tearfund's 50th anniversary. Our online community has generously committed to pray, act and give over the course of 2018 as part of our new campaign, *We Won't Stop*.

Our WhatsApp prayer group has continued to provide a forum for sharing urgent prayer alerts among the 2,000 supporters who have opted in to receive them.

In 2017, our Youth team launched a new site #WeAreTearfund that encourages 13- to 25-year-olds to take everyday actions to end extreme poverty.

### Our fundraising practices

We continue to be grateful for our generous supporters and value every one of them. As part of our commitment to maintaining the highest standards, we are registered with the Fundraising Regulator, who set and maintain the standards for charitable fundraising. We are compliant with their fundraising code of practice and have no failures to report against their practices or standards. We are also a member of the Institute of Fundraising, where we seek to share, learn and improve best practice across the sector.

We record any complaints made to us and report them to our Executive team and the Global Fundraising Committee on a quarterly basis. In 2017/18, we received 671 complaints about fundraising which represented 0.42% of all enquiries received that year. These were managed and resolved internally. We consider a complaint as any instance where an expectation has not been met, whether the expectation is reasonable or not, or any instance where something reflects poorly on Tearfund, whether we are responsible for it or not. No complaints were made to the Fundraising Standards Board.

The majority of our fundraising is carried out by centrally employed staff, and we do not employ external agencies to do this work on our behalf. The exception to this is Toilet Twinning where we contract Kingsley Management Consulting to run Toilet Twinning on Tearfund's behalf. We have a close working relationship and hold regular governance meetings and consistently review plans, budget, forecasting and strategy.

We carefully monitor our fundraising activity to ensure our supporters have a positive experience and are treated fairly. We have a Fundraising with Vulnerable Adults policy and train all supporting facing staff on how to engage these supporters. This includes removing them from phone calls and only sending occasional mailings that don't ask for donations. Extremely vulnerable people are removed from our mailing list entirely.

## MULTIPLYING THROUGH PARTNERSHIP

YOUR DONATION DOUBLED!

Matching your donations with  
UKaid

In the summer of 2017, we were delighted the Department for International Development's UK aid match team agreed to support our work in the Central African Republic. As part of this initiative, the UK government promised to match £1 for every £1 raised during our three-month appeal.

Thanks to the support of several key partners, we were able to broadcast our message widely. In Northern Ireland, with the support of the Henderson Group (which includes SPAR, EUROSPAR, ViVO and ViVOXTRA), we were able to go further, inviting people to 'triple your donation'. The Henderson Group matched every pound raised by their customers, in addition to the government's match-funding. The Henderson Group also gave us free advertising in a vast array of different spaces: from bus shelters to store banners, and even on the side of buses.

The Christmas season has always been a strong fundraising period for Tearfund. This year, we set ourselves an ambitious target of raising £1.9 million by reaching out to 19,000 churches and their congregations, a range of trusts, foundations and our supporters, including key investors. Our communications strategy included coverage on Christian TV channels, advertising in newspapers and magazines, and successful articles placed with *The Guardian* and *Reuters* news agency. We were also very grateful for support from *Premier Christian Radio*.

In the event, we were delighted to discover we had hugely exceeded our appeal target, raising £5 million – the maximum amount that the UK government commits to matching. This has enabled us to commit to several years of funding vital work in the Central African Republic.



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

Geena, 34, is washing harvested peanuts from land that Tearfund helped to cultivate, Mbaiki, Central Africa Republic. Photo: Hazel Thompson/Tearfund

### WHAT WE LEARNT

The opportunity to offer matched-funding gives us a compelling reason to reach out to more people, across a broader range of channels than we usually target in our appeals. It also suggests there are new audiences which we have not previously targeted who are open to our messages and appeals.

### GOING FORWARD IN 2018/19, WE AIM TO:

- commemorate our 50th anniversary, inspiring and enthusing the UK church to recommit to supporting our work in prayer, action and giving
- expand our community fundraising through innovative new products, and by developing and nurturing relationships with community fundraisers
- develop and deepen our relationships with churches, charitable trusts and foundations in the USA, parts of Asia and Europe





## CELEBRATIONS AT THE START OF OUR JUBILEE YEAR



Speeches and conversations at Tearfund's Jubilee Dinner 2018, to celebrate 50 years of Tearfund's work. Photos: Stuart Bridewell/Tearfund, Russell Edwards/Tearfund

## GREAT SUPPORTER STORIES



### PEDAL POWER FOR CHILDREN AT RISK

In June, 25 supporters from Northern Ireland joined international rugby star Ruan Pienaar on a 90km cycle along the country's coastline, passing Dunluce Castle and the Dark Hedges. The event, supported by Chain Reaction Cycles and Lynas Foodservice, raised almost £30,000 to help protect children at risk of trafficking, disease and disaster – a cause which Ruan is passionate about.



### PRESSING ON TO WIN THE PRIZE

John and Meg Moseley, who are 79 and 77 years old respectively, took on the Great Bristol Half Marathon in September – and finished first and second in their age category. As if that were not achievement enough, they have also raised nearly £3,000 to help beat hunger. 'The Lord has blessed us with more than we could ask or imagine,' they say.



### INVESTORS IN HOPE

Members from Tearfund's first Impact:Life group travelled to Myanmar to visit communities they have been supporting for the last three years, both financially and in prayer. To date, these eight young professionals have raised £21,506 and inspired the launch of two further Impact:Life groups whose members have committed to raising £10,000 together over the course of a year. [www.tearfund.org/impactlife](http://www.tearfund.org/impactlife)



### TRIPLE CHALLENGE FOR JOANNA

Joanna Burton, 18, raised more than £600 by completing half marathons in Reading, Southampton and Cardiff. Joanna became involved with Tearfund through her home church, Bethel Baptist Church in Cardiff. 'I'm excited and encouraged by Tearfund's work,' says Joanna, 'and running is a simple way of going a few steps closer to ending poverty. That's what encourages me when my legs want to give in!'



'Now all glory to God, who is able, through his mighty power at work within us, to accomplish infinitely more than we might ask or think.'

EPHESIANS 3:20 (NLT)

## 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 ultimately responsible for strategic decisions, having taken advice from the Chief Executive and Executive Team. Trustee Directors are appointed by the Members at the Annual General Meeting. The Trustee Directors may also appoint a Trustee Director to serve until the next Annual General Meeting, at which time he or she ceases to hold office but is 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 unless exceptional circumstances apply. 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: Ensures the organisation's key risks are adequately managed through financial and non-financial internal controls.
- International: Oversees the delivery of Tearfund's work.
- Global Fundraising: Oversees fundraising and marketing of Tearfund globally.
- Theological: Advises 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 major initiatives, appointment of the Senior Executives and approval of the long-term objectives and strategy.

### MEMBERS

The Members constitute the ultimate authority within Tearfund's governance structure. They are 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 recruitment, 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 8,700 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 lifestyle changes. We celebrate the enormous contribution made by so many of our volunteers in organising or participating in fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund's approach and the Board is very grateful for their commitment and contribution.

### INTERNAL CONTROL AND RISK MANAGEMENT

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

The Audit, Risk and Finance Committee, which meets four times a year, receives reports from the 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.

Tearfund is committed to learning from the past and continually strengthening our safeguarding policies and processes. We are deeply committed to building a world where healthy relationships are restored; a world where violence, harassment and abuse is never tolerated. Sadly, even as a Christian organisation, we are not immune from safeguarding incidents, but our solemn commitment is to investigate and deal with all such incidents appropriately. Since the beginning of 2018 we have carried out a ten-year review to ensure this has happened.

We are increasing our investment into safeguarding to better protect all those we and our partners work with. Our Safeguarding Policy has recently been reviewed and re-approved by our Board of Trustees in February 2018 as part of our regular three-year review cycle. We have taken this opportunity to carefully scrutinise our safeguarding and whistleblowing policies and ensure we are maintaining the highest standards.

### 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 sits 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, AMBASSADORS AND EXECUTIVE TEAM



## BOARD OF TRUSTEE DIRECTORS

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

Stephanie Biden (from September 2017) <sup>2</sup>  
 Robert Camp (to July 2017) <sup>2</sup>  
 Ian Curtis <sup>3</sup>  
 John Davidson (from September 2017) <sup>4</sup>  
 Jill Garner <sup>5</sup>  
 Stephanie Heald <sup>4</sup>  
 Sally Jones-Evans (from January 2018) <sup>3</sup>  
 Philip Loney (from September 2017) <sup>2</sup>  
 Deepak Mahtani <sup>3</sup>  
 Clive Mather (Chairman) <sup>1</sup>  
 Rev Mark Melliush <sup>4,5</sup>  
 Rt Rev Harold Miller <sup>5</sup>  
 Rosemary Nuamah Williams (from September 2017) <sup>3</sup>  
 Julia Ogilvy (to July 2017) <sup>4</sup>  
 Rt Rev Anthony Poggo (from September 2017) <sup>3</sup>  
 Craig Rowland <sup>2</sup> (to September 2017) <sup>4</sup>  
 John Shaw (Treasurer) <sup>2</sup>

## COMMITTEE MEMBERS

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

Simon Batchelor <sup>3</sup> (to December 2017)  
 Stafford Carson <sup>5</sup>  
 Hilary Croft <sup>4</sup>  
 Rosalee Ewell <sup>5</sup>  
 Steve Foster <sup>2</sup>  
 Ben Gilbert <sup>3</sup>  
 Nick Henwood <sup>3,6</sup> (to December 2017)  
 Blessings Kachale <sup>3</sup>  
 Iain Macaulay <sup>4,6</sup>  
 Gordon McKechnie <sup>2,6</sup>  
 Fi McLachlan <sup>3</sup>  
 Phillip McMillan <sup>4,6</sup>  
 Ruth Robb <sup>3,6</sup> (to December 2017)  
 Michael Stewart <sup>2,6</sup>  
 Dr Elaine Storkey <sup>5</sup>  
 Adam Taylor <sup>3</sup>  
 Mark Thompson <sup>2,6</sup>

## OTHER MEMBERS

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

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

## AMBASSADORS

Rev Celia Apeagyei-Collins  
 Peter Chambers  
 Anne Coles  
 Rev John Coles  
 Martha Collison  
 Rev Elfed Godding  
 Pete Greig  
 Tamsin Greig  
 Bear Grylls  
 Guvna B  
 David Gyasi  
 Lord Michael Hastings  
 Tom Herbert  
 Dr Krish Kandiah  
 Rev Siew-Huat Ong  
 Rob Parsons  
 Ruan Pienaar  
 Rt Hon Dame Caroline Spelman MP  
 Rt Rev Ric Thorpe  
 Rt Hon Stephen Timms MP  
 Will Torrent

And we give special thanks to Rev Katei Kirby who retired recently

## 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**  
 Ian Causebrook  
**Director of Strategy and Impact (until March 2018)**  
 Nick Chinnery  
**Director of Finance and IT (until March 2018)**  
 Myles Harrison  
**International Director**  
 Jane Pleave  
**Global Fundraising Director**  
 Dr Ruth Valerio  
**Global Advocacy and Influencing Director**



## INDEPENDENT AUDITORS

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

## 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 Theological Committee  
 6 - Council Member





## 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>Christian identity:</b> losing focus on Christian identity	<ul style="list-style-type: none"> <li>• Clear vision and statement of faith</li> <li>• Clear supporter communications</li> <li>• Prayer, worship and devotions central to working practice</li> <li>• Verified with Members at the Annual General Meeting</li> </ul>
<b>Safety and security:</b> inadequate safety, security and plans for health and well-being of staff and volunteers	<ul style="list-style-type: none"> <li>• Security training for all international staff and those who travel</li> <li>• Security and health and safety plans for individuals, countries and operational sites</li> <li>• Tested Crisis Response Plan</li> </ul>
<b>Impact:</b> not demonstrating sufficient impact in our work	<ul style="list-style-type: none"> <li>• Evaluations incorporated into strategies and budgets</li> <li>• Transparency of programme delivery on website</li> <li>• Evidence base for themes and process expertise</li> </ul>
<b>Recruitment:</b> failing to recruit and retain appropriate people in critical positions	<ul style="list-style-type: none"> <li>• Effective recruitment and performance management systems</li> <li>• Management skills development programme, appraisals and training</li> <li>• Succession plan for critical roles</li> <li>• Board members carefully selected to bring appropriate skills</li> </ul>
<b>Staff:</b> non-adherence to staff guidelines by UK and international staff, volunteers, partners or members	<ul style="list-style-type: none"> <li>• Staff handbook read and understood</li> <li>• Staff induction with detailed policies and procedures, and clear performance management</li> <li>• Global volunteering briefing manuals and training</li> </ul>
<b>Safeguarding:</b> Inappropriate conduct of staff, volunteers, members or partners that is inconsistent with our values and safeguarding policies	<ul style="list-style-type: none"> <li>• Safeguarding and whistleblowing policies regularly reviewed</li> <li>• Refresher safeguarding and whistleblowing training for all staff at least once every three years</li> <li>• New independently administered whistleblowing hotline available for anyone to report potential incidents</li> <li>• Preparations in place for external audit and certification by an external organisation specialising in safeguarding in the aid and development sector</li> </ul>
<b>Funding:</b> inappropriate matching of projects and funding levels with partner capacities and specialisms	<ul style="list-style-type: none"> <li>• Country strategy aligns with partner capacity building and funding plans</li> <li>• Partner evaluation and monitoring systems in place</li> </ul>
<b>Financial mismanagement:</b> corruption/fraud/bribery	<ul style="list-style-type: none"> <li>• Policy on fraud, bribery and corruption</li> <li>• Capacity assessments of all partners</li> <li>• Robust criteria for selecting partners and regular review and monitoring</li> <li>• Strong focus at Board level</li> </ul>
<b>IT security:</b> business continuity of information and communications technology and security from cyber attacks	<ul style="list-style-type: none"> <li>• Business continuity plan (BCP) reviewed annually</li> <li>• Back-up through cloud and physical servers with real-time copies of all core systems</li> <li>• Segregated networks and security controls for data moving across boundaries</li> <li>• Secure remote connections</li> </ul>
<b>Brexit impact:</b> negative impact on operations due to implications of UK exit from the EU	<ul style="list-style-type: none"> <li>• 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</li> </ul>

## QUALITY STANDARDS

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



### BEHAVIOURS

We expect the highest behaviour standards across all of our work. We stand against all forms of exploitation, abuse, fraud, bribery and any other conduct that is incompatible with our values. We strive to transfer power to the people we serve, and to transform our own, our partners' and communities' attitudes and practices on inclusion, conflict sensitivity, accountability, gender and learning.



### IMPARTIALITY AND TARGETING

We are committed to impartiality, providing assistance to the most vulnerable people without regard for race, religion, ethnicity, ability, age, gender, sexuality or nationality. We target our work on the basis of need alone, while remaining sensitive to conflict dynamics, and proactively work to support those who would otherwise be marginalised or excluded, in particular children, the elderly and those living with disability.



### ACCOUNTABILITY

We are committed to ensuring that all our work is based upon effective communication with, participation of and feedback from the communities we serve. It is important that all interventions are transparent and based upon continuous learning. We also hold ourselves accountable to our partners, donors, supporters and colleagues, and to all those with whom we relate and interact.



### GENDER

In all our programmes we actively seek to challenge gender inequality and harmful beliefs and practices, and work towards gender justice. We are committed to progressing gender equality and the restoration of relationships between men and women, boys and girls, and ensuring their equal value, participation and decision-making in all aspects of life.



### EMPOWERMENT

We are committed to community-led and participatory approaches to development and humanitarian response for sustainable impact that is based on root cause analysis. We encourage participation from all members of a community, and strive to support beneficiaries to have control over their own development at all levels, from local development activities through to local, national and regional advocacy.



### RESILIENCE

We are committed to helping people to understand, reduce and manage the risks they face, as well as to address the drivers of vulnerability. This includes supporting people and communities in developing resilient livelihoods, strengthening social cohesion, improving access to services, stewarding environmental resources, reducing disaster risk and adapting to climate change.



### PROTECTION

We are committed to restoring relationships and building safe and secure communities. We seek to prioritise the protection of all – especially children and the most marginalised and vulnerable adults – from physical, social and psychological harm. We will take steps to assess risks, including conflict dynamics, to avoid any adverse effects of our work that might expose people to danger or lead to abuse. We believe that community members are the best actors in their own protection, and will support their actions to stay safe, find security and restore dignity.



### TECHNICAL QUALITY

We are committed to the high technical quality of all of our work, and the work of partners, through meeting relevant national and international standards aligned with communities' own priorities. We will continuously learn to improve, and will identify and replicate good practice that is demonstrated to have relevant and positive impact.

## Core Humanitarian STANDARD

As part of Tearfund's commitment to Quality Standards, we are pleased to have been awarded the Core Humanitarian Standard (CHS) since 2016.

The CHS provides assurance that Tearfund is following the highest standards within the sector to improve the quality, accountability and effectiveness of our response and makes sure beneficiaries are kept at the centre of all our work.



# FINANCIAL REVIEW

## INCOME AND EXPENDITURE

Tearfund's total income for the year grew by 3 per cent to a record £74.9m (2016/17: £72.8m). This was primarily due to the tremendous response to our first UK aid match appeal, which largely remained unspent at the end of the year. Income from donations increased to £53.4m (2016/17: £50.3m) mainly as a result of the appeal together with the generous donations of individuals, churches, trusts and foundations. We received voluntary donations for emergency appeals totalling £4.1m (2016/17: £7.3m). In 2017/18 Tearfund supporters responded generously to emergency appeals for crises in East Africa and the Myanmar refugee crisis in Bangladesh.

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 rose to £3.7m (2016/17: £1.9m). Tearfund successfully completed its initial three-year commitment as a delivery partner on a large-scale contract awarded by DFID in the Democratic Republic of Congo to deliver water, health and sanitation improvements. This has been extended until 2020.

The amount invested in fundraising represented 15 per cent (2016/17: 13 per cent) of total income. This planned increase was due to additional campaign and digital activity. Tearfund continues to compare favourably with other UK charities in terms of the cost of generating funds.

Total expenditure increased by 1.4 per cent to £71.9m (2016/17: £70.9m).

Overall, total income has exceeded total expenditure by £3.1m (2016/17: £1.9m). Restricted income has exceeded restricted expenditure by £3.3m (2016/17: expenditure exceeded income by £1.0m) primarily due to the UK aid match appeal. Unrestricted expenditure has exceeded unrestricted income by £0.2m (2016/17: income exceeded expenditure by £2.9m).

## 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
- allow flexibility to respond to unexpected opportunities and challenges
- 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 £4.5m and £6.5m (2016/17: £3.5m and £4.0m).

We believe the increase in the minimum reflects the increasing financial risks of our operating environment with uncertainty about Brexit and other geo-political issues. Tearfund remains in a healthy financial position following a year of very generous support. At the end of 2016/17 our General Fund Reserves stood at £9.6m, with a commitment to spend a portion of those reserves over the next three years by scaling up our priority areas of work. In 2017/18 we began fulfilling that commitment, increasing our programme expenditure by over £5m. In 2017/18 the unrestricted income we received exceeded our target so the Board designated a further £1.5m for projects which build our capacity in the priority areas of Church and Community Transformation, Environmental and Economic Sustainability and Fragile States. As a result, the current level of General Fund Reserves has reduced to £8.2m and we plan to reduce this further over the next two years through continued investment in our priority areas of work.

## 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. At the end of the year the Fixed Asset Fund stood at £4.4m (2016/17: £5.2m).

The Disaster Management Fund at the end of the year stood at £0.4m (2016/17: £0.2m). The majority of this fund represents money set aside for the replacement of emergency response 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 we anticipate will be spent in 2018/19 and for the provision of renewable energy solutions in disaster responses.

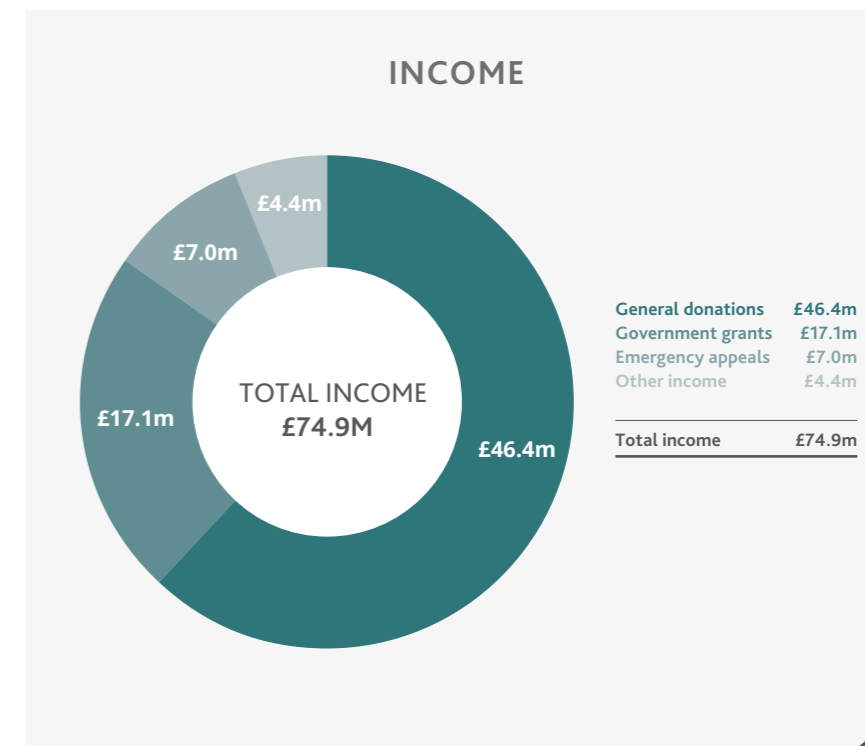
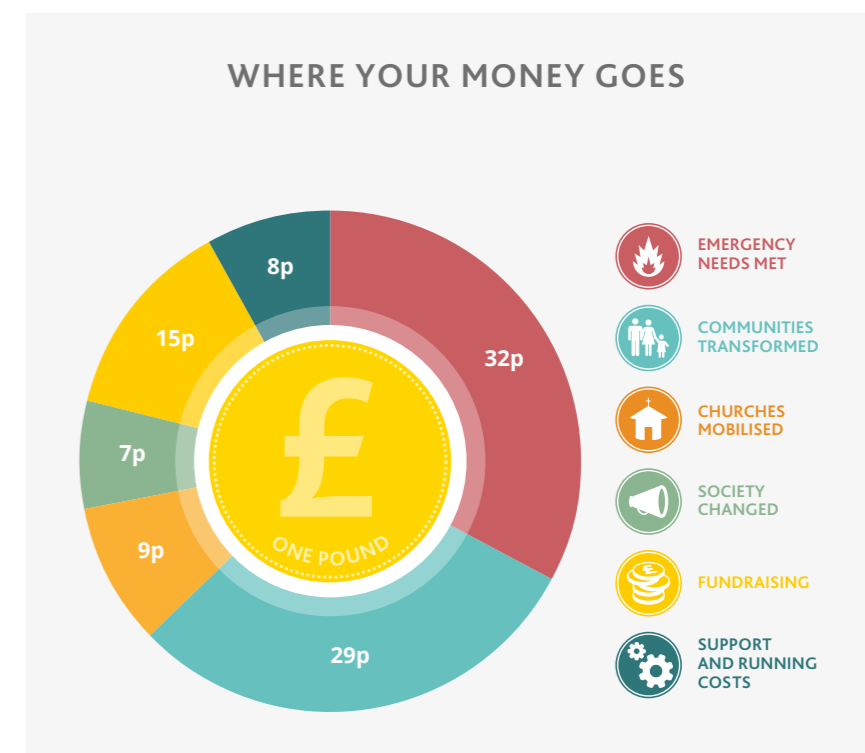
The Corporate Priorities Fund is a new Designated Fund for projects that build our capacity and expertise in the areas of Church Community Transformation, Economic and Environmental Sustainability, and Fragile States. The balance of this fund at the end of the year stood at £1.5m (2016/17: £nil m)

## RESTRICTED FUNDS

Restricted funds are funds subject to specific conditions imposed by donors. The majority of funds have been generated during emergencies and as a result of specific appeals, where we have received substantial income in a short period which is then budgeted to be spent over a period of up to three years to increase the resilience and sustainability of affected communities. At the end of the year, total restricted funds rose to £18.1m (2016/17: £14.6m), mainly as a result of the East Africa emergency appeal and the UK aid match appeal. 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 0.6 per cent (2016/17: 0.8 per cent) compared with an average bank base rate for the same period of 0.35 per cent (2016/17: 0.3 per cent).



'Do not be anxious about anything, but in every situation, by prayer and petition, with thanksgiving, present your requests to God.'

PHILIPPIANS 4:6



## 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  
11 July 2018



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

## OPINION

We have audited the financial statements of Tearfund ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2018 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2018 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATED TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee Directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## OTHER INFORMATION

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises the Chairman's introduction; Trustee Directors' Report; Strategic Report; Structure, governance and management; Trustee Directors, committee members, other members, ambassadors and Executive team; Risk management framework and Quality standards. The Trustees are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion:

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

## RESPONSIBILITIES OF TRUSTEES

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



### Don Bawtree

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

11 July 2018

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



## CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

Year ended 31 March 2018

	Note	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
<b>Income from:</b>					
<b>Voluntary income:</b>					
Donations and legacies	2	26,913	26,524	53,437	50,320
Grants	3	-	17,119	17,119	19,925
Total voluntary income		26,913	43,643	70,556	70,245
Other trading activities	5	46	32	78	69
Investment income		85	33	118	136
<b>Charitable activities:</b>					
Income from contractual services	2	3,716	-	3,716	1,919
Other income from charitable activities		405	56	461	399
<b>Total income</b>		<b>31,165</b>	<b>43,764</b>	<b>74,929</b>	<b>72,768</b>
<b>Expenditure on:</b>					
Raising funds:	4	10,059	866	10,925	9,045
<b>Charitable activities:</b>					
Total expenditure	4	21,299	39,623	60,922	61,829
<b>Total expenditure</b>		<b>31,358</b>	<b>40,489</b>	<b>71,847</b>	<b>70,874</b>
<b>Net income / (expenditure) for the year</b>	<b>6</b>	<b>(193)</b>	<b>3,275</b>	<b>3,082</b>	<b>1,894</b>
Transfers between funds	14	(284)	284	-	-
Net movement in funds		(477)	3,559	3,082	1,894
<b>Reconciliation of funds:</b>					
Total funds brought forward at 1 April		14,991	14,559	29,550	27,656
<b>Total funds carried forward at 31 March</b>	<b>14</b>	<b>14,514</b>	<b>18,118</b>	<b>32,632</b>	<b>29,550</b>

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations. There is no material difference between the net expenditure for the financial year stated above and its historical cost equivalent. The turnover of the Company for the year was £74,851,000 (2016/17: £72,699,000). The net result of the Company for the year was a surplus of £3,082,000 (2016/17: £1,894,000). There is no material difference between the entity and the group Statement of Financial Activities.

## BALANCE SHEETS

31 March 2018

	Note	Tearfund Group		Tearfund	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Fixed assets</b>					
Tangible assets	9	3,896	4,478	3,896	4,478
Intangible assets	9	510	755	510	755
Long-term investments	10	-	-	5	5
<b>Total fixed assets</b>		<b>4,406</b>	<b>5,233</b>	<b>4,411</b>	<b>5,238</b>
<b>Current assets</b>					
Stocks	11	51	102	44	90
Debtors	12	8,712	8,864	8,789	8,928
Short-term deposits		10,500	9,053	10,500	9,053
Cash at bank and in hand		14,056	12,825	13,975	12,761
<b>Total current assets</b>		<b>33,319</b>	<b>30,844</b>	<b>33,308</b>	<b>30,832</b>
<b>Creditors</b>					
Amounts falling due within one year	13	(4,893)	(6,149)	(4,887)	(6,142)
<b>Net current assets</b>		<b>28,426</b>	<b>24,695</b>	<b>28,421</b>	<b>24,690</b>
<b>Long-term creditors</b>	<b>13</b>	<b>(200)</b>	<b>(378)</b>	<b>(200)</b>	<b>(378)</b>
<b>Net assets</b>		<b>32,632</b>	<b>29,550</b>	<b>32,632</b>	<b>29,550</b>
<b>Funds</b>					
<b>Unrestricted funds:</b>					
General fund/Free reserves	14	8,162	9,562	8,162	9,562
Designated funds	14	6,352	5,429	6,352	5,429
		14,514	14,991	14,514	14,991
<b>Restricted funds</b>	<b>14</b>	<b>18,118</b>	<b>14,559</b>	<b>18,118</b>	<b>14,559</b>
<b>Total funds</b>		<b>32,632</b>	<b>29,550</b>	<b>32,632</b>	<b>29,550</b>

The financial statements on pages 38 to 57 were approved by the Board of Directors on 11 July 2018 and signed on its behalf by:



Clive Mather,  
Chairman



John Shaw,  
Treasurer



## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2018

	2018 £'000	2017 £'000	
<b>Net cash provided by operating activities</b>	<b>2,889</b>	<b>2,744</b>	
<b>Cash flow from investing activities:</b>			
Investment income receivable	118	136	
Purchase of property, plant, equipment and intangibles	(332)	(3,380)	
Proceeds from the sale of property, plant and equipment	2	12	
<b>Net cash used in investing activities</b>	<b>(212)</b>	<b>(3,232)</b>	
<b>Change in cash and cash equivalents in the reporting period</b>	<b>2,678</b>	<b>(488)</b>	
Cash and cash equivalents at the beginning of the reporting period	21,778	22,266	
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>24,456</b>	<b>21,778</b>	
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>			
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>3,082</b>	<b>1,894</b>	
Adjustments for :			
Depreciation charges	1,158	805	
Investment income receivable	(118)	(136)	
(Profit)/Loss on sale of tangible fixed assets	(2)	9	
Decrease/(increase) in stocks	51	(17)	
Decrease/(increase) in debtors	152	(1,622)	
(Decrease)/increase in creditors	(1,434)	1,811	
<b>Net cash provided by operating activities</b>	<b>2,889</b>	<b>2,744</b>	
	1 April 2017 £'000	Cash flows 2018 £'000	31 March 2018 £'000
<b>Analysis of changes in net funds</b>			
Cash at bank and in hand	12,825	1,231	14,056
Bank deposits	9,053	1,447	10,500
Interest-free loans	(100)	-	(100)
	<b>21,778</b>	<b>2,678</b>	<b>24,456</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

### 1. ACCOUNTING POLICIES

#### Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, Charities Act 2011, Charities Accounts (Scotland) Regulations 2006, Charities and Trustee Investment (Scotland) Act 2005, Statement of Recommended Practice (SORP) on Accounting and Reporting by Charities effective from 1 January 2015, FRS102, and applicable United Kingdom accounting standards. The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

#### Consolidation

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

#### Critical accounting judgements and key sources of estimation uncertainty

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

#### Company status

Tearfund is a registered charity in England and Wales (number 265464) and Scotland (number SC037624) and is constituted as a company registered in England and Wales and limited by guarantee (company number 00994339). It is governed by its Memorandum and Articles of Association and at the year-end there were 33 members (2016/17: 30) who were each liable to contribute £1 in the event of the company being wound up.

#### Fund accounting

The company maintains three types of funds. General unrestricted funds are funds available for use at the discretion of the Board of Trustee Directors in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Board from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. At the year-end any fund deficits are maintained only when the Trustee Directors are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in note 14.

#### Going concern

The Trustee Directors (who are the Directors of Tearfund for the purposes of company law and the Trustees of Tearfund for the purposes of charity law) have reviewed the Charity's financial position, taking account of the satisfactory levels of reserves and cash, the annual plan and the three-year financial plan and its systems of financial and risk management. As a result of their review, the Directors believe that the Charity is well placed to manage operational and financial risks successfully despite the ongoing uncertain economic outlook. Accordingly, the Trustee Directors have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Income

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

#### Legacies

Recognition of legacy income is dependent on the type of legacy, with pecuniary legacies recognised when notification is received and residuary legacies are recognised at a discounted rate when it is measurable, probate has been granted and entitlement is clear. The discount takes into account fluctuations in value prior to cash being received. No value is included where the legacy is subject to a life interest held by another party.

#### Grants and contracts

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

#### Gifts in kind

Gifts in kind in note 3 consist predominantly of food aid and are included in income at their market value when they are distributed. Pro-bono legal work is included as a donation in note 2 and as support costs as it is received.

#### Expenditure

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



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

The following specific policies apply to categories of expenditure:

### Grants payable

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

### Support costs

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

### Fundraising and publicity

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

### Foreign exchange

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

### Pensions

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

### Tangible fixed assets and depreciation

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

Freehold 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 5-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	2018 Total funds £'000	2017 Total funds £'000
<b>Donations from:</b>				
Individuals	18,746	13,156	31,902	28,509
Churches	1,052	2,034	3,086	2,983
Trusts, companies and schools	1,314	4,253	5,567	4,313
Legacies	5,801	89	5,890	5,952
	<b>26,913</b>	<b>19,532</b>	<b>46,445</b>	<b>41,757</b>
<b>Emergency appeals:</b>				
Individuals	-	2,375	2,375	6,049
Churches	-	1,108	1,108	997
Trusts, companies and schools	-	629	629	261
Legacies	-	6	6	3
	-	4,118	4,118	7,310
Via Disasters Emergency Committee	-	2,874	2,874	1,253
	-	6,992	6,992	8,563
<b>Total donations and legacies</b>	<b>26,913</b>	<b>26,524</b>	<b>53,437</b>	<b>50,320</b>

Gifts in kind of £24,000 (2016/17: £92,000) of pro-bono legal work, which is included in support cost expenditure, and is included above in 'Trusts, companies and schools' income.

Donations income in 2018 was £53,437,000 (2017: £50,320,000) of which £26,524,000 (2017: £23,635,000) was restricted and £26,913,000 (2017: £26,685,000) was unrestricted.

### Contract income from DFID contributed to the following programmes:

WASH	2,280
ICS	1,398
SGBV	38
<b>Total</b>	<b>3,716</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2018

#### 3. GRANTS INCOME

	2018 £'000	2017 £'000
United States Government	4,165	6,067
United Nations	4,123	3,935
Dutch Government (through Tear Netherlands)	1,709	3,125
United Kingdom Government	987	1,307
Canadian Government (through World Relief Canada)	846	777
Canadian Foodgrains Bank (through World Relief Canada)	811	17
Scottish Government	778	860
States of Jersey	716	320
Belgian Government (through Tear Belgium)	418	820
Irish Government	241	102
Other	227	63
GIZ German Government	178	735
States of Guernsey	58	40
European Community	17	771
Swedish Government	(39)	-
	<b>15,235</b>	<b>18,939</b>
Tear Netherlands	1,524	859
Integral Alliance/Other NGOs	360	127
	<b>17,119</b>	<b>19,925</b>

Included within the above grants income are gifts in kind of £406,000 (2016/17: £426,000) which are also included in expenditure. The whole amount for both years is restricted income.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2018

#### 4. TOTAL RESOURCES EXPENDED

	Grants £'000	Direct costs £'000	Support costs £'000	2018 Total costs £'000	2017 Total costs £'000
<b>Unrestricted</b>					
<b>Costs of generating funds:</b>					
Costs of generating voluntary income	-	8,000	2,038	10,038	8,137
Fundraising trading	-	15	6	21	30
	<b>-</b>	<b>8,015</b>	<b>2,044</b>	<b>10,059</b>	<b>8,167</b>
<b>Charitable activities:</b>					
Churches mobilised	968	3,684	1,086	5,738	5,346
Communities transformed	4,108	3,264	2,355	9,727	7,272
Society changed	547	1,796	646	2,989	2,790
Emergency needs met	11	1,470	1,364	2,845	2,652
	<b>5,634</b>	<b>10,214</b>	<b>5,451</b>	<b>21,299</b>	<b>18,060</b>
<b>Total unrestricted</b>	<b>5,634</b>	<b>18,229</b>	<b>7,495</b>	<b>31,358</b>	<b>26,227</b>
<b>Restricted</b>					
<b>Costs of generating funds:</b>					
Costs of generating voluntary income	-	835	7	842	869
Fundraising trading	-	24	-	24	9
	<b>-</b>	<b>859</b>	<b>7</b>	<b>866</b>	<b>878</b>
<b>Charitable activities:</b>					
Churches mobilised	1,301	635	4	1,940	2,457
Communities transformed	5,284	8,410	10	13,704	15,036
Society changed	828	1,969	3	2,800	2,573
Emergency needs met	5,615	15,555	9	21,179	23,703
	<b>13,028</b>	<b>26,569</b>	<b>26</b>	<b>39,623</b>	<b>43,769</b>
<b>Total restricted</b>	<b>13,028</b>	<b>27,428</b>	<b>33</b>	<b>40,489</b>	<b>44,647</b>
<b>Total expenditure</b>	<b>18,662</b>	<b>45,657</b>	<b>7,528</b>	<b>71,847</b>	<b>70,874</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 2018

## 4. TOTAL EXPENDITURE CONTINUED

	2018 £'000	2017 £'000
<b>Grant funding:</b>		
Africa	10,576	11,269
Asia	5,305	5,989
Eurasia	1,311	2,073
Latin America and Caribbean	1,470	1,660
	<b>18,662</b>	<b>20,991</b>

Support costs associated with grant-making activity are £1,843,000 (2016/17: £2,187,000).

<b>The top 15 countries and regions where grants were made:</b>	2018 £'000	2017 £'000
Ethiopia	1,927	2,202
Somalia	1,166	851
Democratic Republic of Congo	1,104	833
India	1,085	900
Yemen	1,039	640
Uganda	1,037	1,023
Nigeria	967	807
Kenya	887	415
Bangladesh	805	391
Nepal	543	2,340
Malawi	533	839
Liberia	523	323
Haiti	480	598
Cambodia	473	590
Niger	418	333

Details of grants made to the top 50 partner organisations are available from the Tearfund website at [http://www.tearfund.org/en/about\\_us/finances/](http://www.tearfund.org/en/about_us/finances/)

Support costs and the basis of their allocation are as follows:	Principal basis of allocation to activities	2018 £'000	2017 £'000
General management	Headcount and expenditure	177	220
Financial management	Headcount and expenditure	1,864	1,520
Human resources	Headcount	1,343	1,124
Strategy and Impact	Expenditure	801	731
Information technology	Headcount and expenditure	1,649	1,475
Premises and facilities	Headcount	1,426	1,340
Governance	Headcount and expenditure	268	277
		<b>7,528</b>	<b>6,687</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

## 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 under Deed of Covenant. Its results and assets for the year ended 31 March 2018 were as follows:

	2018 £'000	2017 £'000
Total incoming resources	78	69
Total expenditure	(45)	(39)
Profit for the year	33	30
Qualifying distribution	(33)	(30)
Retained profit for the year	-	-
Total assets	108	90
Total liabilities	(103)	(85)
Funds	<b>5</b>	<b>5</b>

In 2017/18, £8,000 (2016/17: £6,000) of profits were restricted and the remainder unrestricted.

## 6. NET (INCOME)/EXPENDITURE FOR THE YEAR

Net expenditure is stated after charging/(crediting):	2018 £'000	2017 £'000
Depreciation of tangible fixed assets	913	560
Depreciation of intangible fixed assets	245	245
Auditors' remuneration: audit - Tearfund	52	46
Other assurance services - Tearfund	2	-
Auditors' remuneration: audit - Tearfund Trading Limited	2	2
(Profit)/Loss on sale of tangible fixed assets	(2)	9
Operating leases: land and buildings - unrestricted	62	61
Operating leases: land and buildings - restricted	726	818

The above is all unrestricted expenditure/(income) for 2018 unless otherwise indicated except the profit on sale of tangible fixed assets in 2017/18 that comprises of an unrestricted loss of £1,000 and a restricted gain of £3,000 (2016/17: £21,000 unrestricted loss and £12,000 restricted gain).

## 7. EMPLOYEES AND TRUSTEES

	UK £'000	Overseas £'000	2018 Total £'000	2017 Total £'000
Employee costs				
UK-contracted employees:				
Salaries and wages	15,770	3,772	19,542	17,574
Social security costs	1,566	46	1,612	1,600
Other pension costs	1,595	214	1,809	1,364
	<b>18,931</b>	<b>4,032</b>	<b>22,963</b>	<b>20,538</b>
Staff based overseas on local contracts	-	4,180	4,180	4,194
	<b>18,931</b>	<b>8,212</b>	<b>27,143</b>	<b>24,732</b>

Included in the above employee costs are redundancy and severance costs of £360,000 (2016/17: £24,000). Redundancy costs are provided for when they are estimable and settlement is probable in the next financial year. The increase is largely due to the international review.



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

### 7. EMPLOYEES AND TRUSTEES CONTINUED

Average full-time equivalent number of persons employed during the year	2018 Number	2017 Number
UK-contracted employees based:		
In the UK	425	385
Overseas	101	114
	526	499
Staff based overseas on local contracts	352	497
	<b>878</b>	<b>996</b>

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 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:

	2018 Number	2017 Number
£60,001 - £70,000	8	7
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1
£90,001 - £100,000	1	-

Pension payments of £72,000 (2016/17: £52,000) were made for these twelve (2016/17: nine) higher-paid employees. The total emoluments received by the Chief Executive in the year was £90,000 (2016/17: £90,000). In 2017/18 the senior executives of the organisation earned a total of £610,000 (2016/17: £552,000) including national insurance and pensions. In 2017/18 Tearfund paid severance to an overseas member of staff which resulted in gross earnings in year for the individual totalling £92,538.

#### Trustees

As Charity Trustees, the Board of Directors and Committee Members, who are not employees, received no remuneration for their services. During the year seven Directors/Committee Members were reimbursed for a total of £609.83 for UK travel and subsistence expenses (2016/17: two for £214). No Directors had overseas travel paid for by Tearfund (2016/17: nil).

Indemnity insurance is provided for the Directors at a cost of £3,504 (2016/17: £3,171).

#### 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 £179,000 (2016/17: £148,000) in respect of pension contributions due to be paid to the fund managers.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

### 8. TAXATION

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

### 9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total Tangible £'000	Total Intangible £'000
<b>Cost</b>					
At 1 April 2017	2,683	5,299	81	8,063	1,225
Additions	-	332	-	332	-
Disposals	-	(24)	-	(24)	-
<b>At 31 March 2018</b>	<b>2,683</b>	<b>5,607</b>	<b>81</b>	<b>8,371</b>	<b>1,225</b>
<b>Accumulated depreciation</b>					
At 1 April 2017	1,535	1,969	81	3,585	470
Charge for the year	76	837	-	913	245
Disposals	-	(23)	-	(23)	-
<b>At 31 March 2018</b>	<b>1,611</b>	<b>2,783</b>	<b>81</b>	<b>4,475</b>	<b>715</b>
<b>Net book value</b>					
<b>At 31 March 2018</b>	<b>1,072</b>	<b>2,824</b>	<b>-</b>	<b>3,896</b>	<b>510</b>
<b>At 31 March 2017</b>	<b>1,148</b>	<b>3,330</b>	<b>-</b>	<b>4,478</b>	<b>755</b>

The book value of freehold land not depreciated is £200,000 (2016/17: £200,000). Tearfund's offices in Teddington have a book value of £1,072,000 (2016/17: £1,148,000) and are insured at a value of £7,000,000 (2016/17: £7,000,000).

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

### 10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2018 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 2018

#### 11. STOCKS

	Tearfund Group		Tearfund	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Finished goods	11	14	4	2
IT stores	6	53	6	53
Disaster management stores	34	35	34	35
	<b>51</b>	<b>102</b>	<b>44</b>	<b>90</b>

#### 12. DEBTORS

	Tearfund Group		Tearfund	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Due within one year:				
Trade debtors	19	14	-	-
Amount owed by group undertaking	-	-	98	79
Tax recoverable	411	651	410	651
Other debtors	2,674	2,662	2,673	2,661
Accrued government grants	1,547	1,745	1,547	1,745
Accrued legacy income	3,292	3,115	3,292	3,115
Prepayments and other accrued income	769	677	769	677
	<b>8,712</b>	<b>8,864</b>	<b>8,789</b>	<b>8,928</b>

#### 13. CREDITORS

	Tearfund Group		Tearfund	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Amounts falling due within one year</b>				
Interest-free loans	100	100	100	100
Other creditors	631	781	627	777
Taxation and social security	981	1,264	981	1,263
Accruals	2,207	3,313	2,205	3,311
Deferred income	974	691	974	691
	<b>4,893</b>	<b>6,149</b>	<b>4,887</b>	<b>6,142</b>
<b>Amounts falling due greater than one year</b>				
Consideration due relating to the purchase of Toilet Twinning	200	378	200	378

The interest-free loans, which have been made by supporters, are unsecured and have no set repayment date. During the year £197,000 of the deferred income was released (2016/17: £364,000) and £511,000 of income was deferred (2016/17: £164,000).

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2018

#### 14A. FUNDS MOVEMENT (2017/18)

Tearfund and Tearfund Group	1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2018 £'000
<b>General fund/Free reserves</b>	9,562	30,948	(31,675)	(673)	8,162
<b>Designated funds</b>					
Fixed asset fund	5,233	-	-	(827)	4,406
Disaster management funds	196	(67)	317	-	446
Corporate priorities	-	-	-	1,500	1,500
	<b>5,429</b>	<b>(67)</b>	<b>317</b>	<b>673</b>	<b>6,352</b>
<b>Total unrestricted funds</b>	<b>14,991</b>	<b>30,881</b>	<b>(31,358)</b>	<b>-</b>	<b>14,514</b>
<b>Restricted funds:</b>					
Appeals and emergencies:					
Democratic Republic of Congo	363	24	(104)	-	283
Sudan and South Sudan 2011	538	51	-	(193)	396
Hurricane Matthew	682	37	(594)	-	125
Sahel/Niger crisis	145	1	(14)	-	132
Syria crisis	-	9	(2)	-	7
Central African Republic	2	311	(13)	-	300
East Africa crisis 2011	-	-	(41)	41	-
Pakistan floods	(9)	-	(1)	10	-
Philippines	76	-	(76)	-	-
Middle East	2,698	263	(743)	(53)	2,165
Vanuatu	39	-	(30)	-	9
Ebola	102	1	(87)	-	16
Myanmar	-	771	(500)	-	271
Asia floods	-	365	(279)	-	86
Other	43	14	(96)	64	25
Yemen	729	1,041	(882)	-	888
East Africa 2017	2,797	4,174	(4,246)	129	2,854
Nepal earthquake	1,297	369	(836)	(1)	829
El Nino response fund	3	(3)	-	-	-
	<b>9,505</b>	<b>7,428</b>	<b>(8,544)</b>	<b>(3)</b>	<b>8,386</b>



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

## 14A. FUNDS MOVEMENT (2017/18) CONTINUED

Tearfund and Tearfund Group	1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2018 £'000
Country funds	41	660	(650)	(41)	10
Project funds:					
Institutions and trusts	3,770	21,569	(21,444)	44	3,939
Connected Church	534	1,011	(1,038)	-	507
Other	876	1,498	(1,431)	-	943
Beneficiary funds:					
Other children funds	(7)	3,038	(3,031)	-	-
Issue funds:					
Disaster management	(8)	991	(983)	-	-
Water and sanitation	(26)	2,359	(2,333)	-	-
HIV	(126)	538	(412)	-	-
Conflict and poverty	-	4,942	(609)	-	4,333
Other	-	14	(14)	-	-
<b>Total restricted funds</b>	<b>14,559</b>	<b>44,048</b>	<b>(40,489)</b>	<b>-</b>	<b>18,118</b>
<b>Total</b>	<b>29,550</b>	<b>74,929</b>	<b>(71,847)</b>	<b>-</b>	<b>32,632</b>

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

- The fixed asset fund represents the net book value of Tearfund's tangible and intangible fixed assets to indicate that these resources are not available for other purposes.
- The disaster management funds represent funds set aside for disaster management work which have not yet been allocated to specific projects.
- The corporate priorities fund represent funds set aside for scaling up our work in Church and Community Transformation, Economic and Environmental Sustainability and Fragile States.

## 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 2018, the total deficit balances amounted to £538,000 (2016/17: £1,415,000).

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

## 14A. FUNDS MOVEMENT (2017/18) CONTINUED

## Transfers between funds represent:

(a) movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund and designation of funds for work on our corporate priorities.

(b) reallocations between funds reflecting the analysis of funds or balance transfers

(c) reallocation of general funds to support programmes where additional restricted funding was not found.

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

	1 April 2017 £'000	Income £'000	Expenditure £'000	31 March 2018 £'000
<b>Department for International Development (DFID)</b>				
Global Poverty Alleviation fund (GPAF) Niger	10	286	(296)	-
Democratic Republic of Congo sexual violence	76	225	(301)	-
Pakistan	66	185	(251)	-
Start Network – Democratic Republic of Congo	-	177	(166)	11
Start Network – Ethiopia capacity building	-	25	(25)	-
Start Network – Kenya	-	9	(9)	-
Start Network – Emergency floods in Sierra Leone	-	50	(48)	2
<b>Total DFID funds</b>	<b>152</b>	<b>957</b>	<b>(1,096)</b>	<b>13</b>
<b>Disasters Emergency Committee (DEC)</b>				
Nepal earthquake	(490)	357	133	-
Yemen	(196)	601	(506)	(101)
East Africa appeal 2017	-	1,588	(1,694)	(106)
Myanmar refugees 2017	-	328	(299)	29
<b>Total DEC funds</b>	<b>(686)</b>	<b>2,874</b>	<b>(2,366)</b>	<b>(178)</b>



## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

## 14B. FUNDS MOVEMENT (2016/17)

Tearfund and Tearfund Group	1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2017 £'000
General fund/Free reserves	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>

Tearfund and Tearfund Group	1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2017 £'000
<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 2018

## 14B. FUNDS MOVEMENT (2016/17) CONTINUED

Tearfund and Tearfund Group	1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2017 £'000
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 and 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:**

- (a) 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.
- (b) reallocations between funds where funds are used for the same/similar work in the same country.
- (c) reallocation of general funds to support programmes where additional restricted funding was not found.



## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2018

#### 14B. FUNDS MOVEMENT (2016/17) 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.

#### 15A. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2017/18)

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
<b>Fund balances at 31 March 2018 are represented by:</b>			
<b>Tearfund Group:</b>			
Fixed assets	4,406	-	4,406
Current assets	14,438	18,881	33,319
Current liabilities	(4,130)	(763)	(4,893)
Long-term liabilities	(200)	-	(200)
	<b>14,514</b>	<b>18,118</b>	<b>32,632</b>
<b>Tearfund:</b>			
Fixed assets	4,411	-	4,411
Current assets	14,427	18,881	33,308
Current liabilities	(4,124)	(763)	(4,887)
Long-term liabilities	(200)	-	(200)
	<b>14,514</b>	<b>18,118</b>	<b>32,632</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 March 2018

#### 15B. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2016/17)

	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	16,159	30,842
Current liabilities	(4,547)	(1,602)	(6,149)
Long-term liabilities	(378)	-	(378)
	<b>14,991</b>	<b>14,557</b>	<b>29,548</b>
<b>Tearfund:</b>			
Fixed assets	5,238	-	5,238
Current assets	14,671	16,159	30,830
Current liabilities	(4,540)	(1,602)	(6,142)
Long-term liabilities	(378)	-	(378)
	<b>14,991</b>	<b>14,557</b>	<b>29,548</b>

#### 16. OPERATING LEASE COMMITMENTS

At 31 March 2018 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	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Within one year	515	401	515	401
In the second to fifth years inclusive	179	194	179	194
After five years	-	26	-	26
	<b>694</b>	<b>621</b>	<b>694</b>	<b>621</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. There were no payments to these organisations for the year ended 31 March 2018 (2016/17: £NIL).

In addition, there were expenditure transfers to the subsidiary of Tearfund of £6,187 (2016/17: £5,910) in the year ended 31 March 2018. 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 2018 there were contracted capital commitments of £54,500 (2016/17: £26,000).





Following Jesus  
where the need  
is greatest

**tearfund**

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