



tearfund

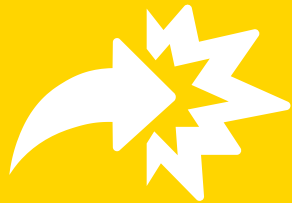
ANNUAL REPORT 2019/20

CELEBRATING THE PAST YEAR

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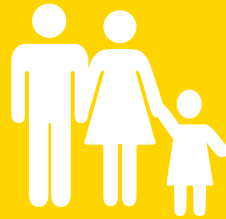
Report and Financial Statements 2019/20
Year ended 31 March 2020

THIS YEAR...



+1m

people reached through
our response to disasters



2.4m

people reached through
community development work



+15,000

local churches mobilised



£85.1m

donated in our strongest year for
income (after a year of Jubilee)

**WE'RE WORKING IN
MORE THAN 50 COUNTRIES
TO BRING AN END TO
EXTREME POVERTY...**



9

countries across
the Americas

Asia & the Middle East

Afghanistan
Bangladesh
Cambodia
Central Asian States
China
India
Indonesia
Iraq
Jordan
Laos
Lebanon
Myanmar
Nepal
Pakistan

Thailand
Syria
Yemen

Africa

Angola
Burkina Faso
Burundi
Central African
Republic (CAR)
Chad
Democratic Republic
of Congo (DRC)
Egypt
Ethiopia

Ivory Coast

Kenya
Liberia
Malawi
Mali
Mozambique
Niger
Nigeria
Rwanda
Sierra Leone
South Sudan
Tanzania
Uganda
Zambia
Zimbabwe

Americas

Bolivia
Brazil
Colombia
Guatemala
Haiti
Honduras
Nicaragua
Peru
USA*

Europe

UK*

1

country in
Europe

19

countries across
Asia and the Middle East

23

countries across
Africa

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📍 Cover: Dorcas, a mother at her home in Nigeria, Plateau State. Photo: Tom Price/Tearfund

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Registered Charity No. SC037624 (Scotland)



12–15

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



08–11

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



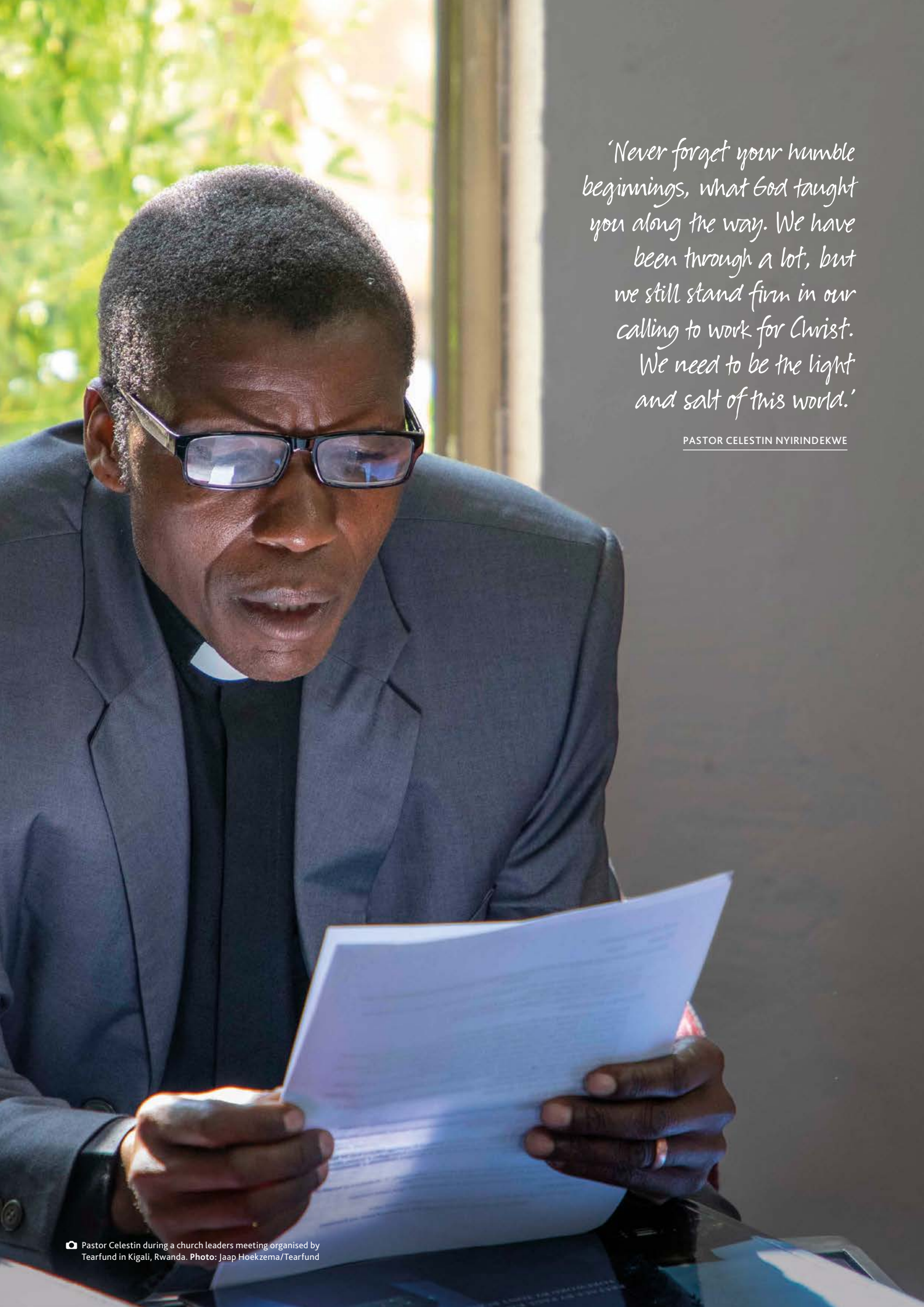
16–19

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



20–23

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



'Never forget your humble beginnings, what God taught you along the way. We have been through a lot, but we still stand firm in our calling to work for Christ. We need to be the light and salt of this world.'

PASTOR CELESTIN NYIRINDEKWE

WE PUT LOVE FIRST

Pastor Celestin Nyirindekwe often thinks back to those 'humble beginnings' – to remind himself just how far he and his community have come.

It's 20 years since he was posted to Bugesera in eastern Rwanda. His parish, Kamweru, needed a miracle. His people were subsistence farmers battling drought and poverty. Memories of the genocide still lingered. The problems loomed large but his faith was greater...

'Our church has a vision and what we aim for is in the commandment that we were given by Jesus: to love God and to love our neighbour as we love ourselves. So we put love first and decided to be practical.

I started visiting people in their homes and praying for them. As a church, we supported the most vulnerable. I would go and farm with them in the fields; I would visit sick people and showed them that we cared. And they trusted us. I had to step up and be a good example so they could accept and follow me as their pastor.

We have been partnering with Tearfund since 2014. I was one of the people trained in our diocese on church and community transformation,* then I came back to my church and shared the knowledge I'd gained.

We taught people how to work towards their objectives. We worked with the community to build houses for them. We started savings groups and we encouraged our congregations to start small businesses like selling items in our local markets. We are also training people to make baskets, and offering tailoring courses.

Before, people were fully dependent on the church. Every problem they faced, they would come running, asking for money. But now, they discuss the problem in their small group and try to find solutions. If the problem is too big, we will be there to help them. But 70 per cent of the time, they can solve their own problems.

We have 27 people who have been professionally trained in modern farming, and they are now training others. One of them, Elia, teaches people how to plan and take care of plantain trees. With these new methods and techniques, people can get enough food to feed their family and have some to sell.

We have seen people change their ways and our church has grown. We've built and renovated about seven churches in the parish. We have many Bible study groups

and even church offerings have increased considerably. For God, everything is possible and people can learn from our experience. Today, we train six other local churches in church and community transformation and we have 560 committed trained members.

We've really appreciated Tearfund's support, starting with helping the community build houses and constructing 12 boreholes. And we really appreciate the knowledge we have received, as it has pushed us to aim for more and better for our community.

Working in rural areas is not easy. You can feel alone, as if you are pushing against a wall. I love how Tearfund goes to the field to get a better understanding of what is happening. I was strengthened by Tearfund's support. It made me want to do more.

There are many challenges: we serve very poor and vulnerable people. This area is prone to drought. We don't have good roads. Many have left to seek better ways of gaining money. But with a lot of Bible studies, training and encouragement, there is a visible change in people's attitude. Fellowship and solidarity have increased. If there is conflict, we forgive each other and move on.

I always look back to where we were. Never forget your humble beginnings, what God taught you along the way. We have been through a lot, but we still stand firm in our calling to work for Christ. We need to be the light and salt of this world.

I did my part but God did amazing things in Kamweru. Nothing could have happened without praying. It is God who has brought us this far.'

Pastor Celestin Nyirindekwe

*Church and community transformation (also known as CCT) is an impact, not a process or a project. We don't do it, but we do everything we can to help bring it about. It's what happens when broken relationships are restored: with self, others, creation and with God.

CHAIR'S INTRODUCTION

I have great pleasure in introducing the Directors' Report and Accounts for 2019/20.



Anna Laszlo, Chair. Photo: Margaret Chandler/Tearfund

Looking back over the year just ended, the world in 2019 seems a very different place from where we are right now. And yet, even while we rightly focus so much effort and forward planning on dealing with the current coronavirus pandemic, we must not lose sight of all that we have seen God do this year.

This year brought great blessing from our generous supporters, to whom we are so grateful. We end the year celebrating record income, including a very significant one-off donation. This has allowed us to build on our work across our three main focus areas: church and community transformation, environmental and economic sustainability, and fragile states. It is also helping us to strengthen our internal processes and systems, both in terms of supporting and training our staff and upgrading the technology we use to deliver our work. We are hugely grateful to the Lord, to his people and to generous institutional donors, particularly as we look ahead into such an uncertain immediate future.

And we have been able to celebrate some wonderful things this year as we have sought to follow Jesus where the need is greatest. We were successful in winning a UK Aid Match agreement from the UK government for the second year in a row, this time for our work in Pakistan developing new waste management and recycling hubs. We were hugely grateful, not just for people's astonishing generosity but also the government's – as they agreed to match supporter donations even when the total rose beyond the original £2 million target to £3 million. This significantly increased what we were able to do through a project that is protecting people's health and the environment, as well as providing jobs.

Our Director of Global Advocacy and Influencing, Dr Ruth Valerio, was asked by the Archbishop of Canterbury to write his Lent book for 2020. *Saying Yes to Life* encourages us all to lift our eyes from our immediate concerns to look at environmental, ethical and social issues which impact millions of people around the world, challenging us to respond. We have begun work through a new office in Syria – which is hugely important in terms of our response to the desperate need in that country. And we have made strong inroads into exploring and addressing root causes of fragility and conflict. This includes peacebuilding work in Iraq, Lebanon, South Sudan and Burundi, which we pray will contribute to establishing foundations for a peaceful future in those countries.

Internally, we have agreed a new Environmental Policy and will continue in 2020/21 to reduce any negative environmental impacts of our own actions. This will include setting targets to reduce our greenhouse gas emissions across a number of key areas, including through: reviewing how much we travel and how often; recycling and reusing materials; and how we equip and use our buildings in the UK.

As you read this *Annual Report*, you will notice we are including more detail about the Board's work. This includes briefly talking through the different committees we have, and the work each of them does. Committees provide a way for the Board to spend more time looking at particular areas of Tearfund's work in greater depth than it could through its quarterly Board meetings alone. We recognise that our Board would benefit significantly from increased diversity. In order to increase the effectiveness of our decision-making and to ensure we continue to comply with the

principles of the Charity Governance Code, we have set targets for ourselves in this area. These include ensuring at least one third of Trustees are female and not then falling below that proportion; increasing to at least one third of Trustees from a black, Asian or minority ethnic background on the Board and then not falling below that proportion; having at least one Board member representative of and based in a country in the global south. We will review these targets regularly as part of our ongoing recruitment and succession planning processes.

I trust that you will find this report informative but also encouraging. We remain excited by what God will do in 2020/21 – even as we consider how the objectives we share in this report, which were set before the Covid-19 pandemic, might now need to change in response. We are so grateful for all the support from individuals, churches and organisations over this past year. We will continue to count on this support over the coming year, even in the midst of a very different global context. We pray and believe that God will go on providing all we need to follow him, wherever he leads us.

Anna Laszlo
Chair

CEO'S INTRODUCTION

It is a privilege for me as Tearfund's Chief Executive to present this Annual Report to you.



📷 Nigel Harris, CEO. Photo: Margaret Chandler/Tearfund

As I write this, the world is wrestling with the devastating outbreak of coronavirus. We are doing all we can to make sure we can continue to follow Jesus where the need is greatest, bringing practical help and powerful hope to the most vulnerable people, just as we have been doing for more than 50 years. As always, we are spending time in prayer, asking for God's protection and his wisdom to deal with this unprecedented global situation and we are reminded again that we are called to live in trust. We can have courage when faced with the fear of the unknown, because we trust in an all-knowing God who has promised to be with us wherever we go, and because we have experienced God's continuing goodness to us.

In 2019/20 we have seen God at work in wonderful ways. We have seen encouraging growth in our church and community transformation (CCT) work, where our three-year ambition is to see nearly 30,000 churches in the world's poorest countries bringing change to those who live around them. In the remote forests of the northern Democratic Republic of Congo (DRC), I listened to a local pastor explain how the church had helped to build a health clinic, and create a savings fund made up of cattle, not cash, which would be used for the benefit of the community. And in a challenging part of Asia where the church is very much in the minority, I heard local Christians describe how they had created rice banks, saving food from their own meals to give to the poorest, no matter what their faith, running literacy classes and cleaning up the local environment. National church leaders in so many of the countries in which we work are now looking to roll out CCT more widely among their churches.

We are focusing as well on the importance of CCT in urban contexts and ensuring churches reach more marginalised groups such as those with disabilities.

Alongside CCT, our other key corporate priorities are fragile states and environmental and economic sustainability (EES). We are putting more emphasis on the root causes of conflict and fragility, recognising that change often comes one person at a time, and working to support and train individuals in peacebuilding, leadership or non-violent action. In the DRC, pastors have been in the frontline of the battle against Ebola, travelling door to door in very dangerous areas to encourage people to change their behaviour and so save lives. And thanks to the generosity of our supporters, we have been able to build up our work in Syria responding to the huge needs created by years of conflict. Tearfund has been a leader in the fight against the destructive effects of climate change, scaling up EES projects in ten countries in 2019/20, and holding multinational companies to account through our *Rubbish Campaign* for the damage caused by plastic products in poor communities.

We have continued to become much more of a global organisation, better equipped to serve the global church for integral mission. 2020 will see the creation of the last of our new regional hubs, and we are already seeing the fruits of this in moving decision-making closer to the communities we serve. We have invested in Christ-centered leadership development for our global leadership team, including all our national country directors, and that has been powerful in building greater unity and cohesion.

We are also working much more closely with other Tearfund family members across the world, pooling our joint expertise and sharing knowledge and resources.

I would like to thank all those who give so faithfully to Tearfund. We are so grateful to individuals, families and churches for their remarkable generosity, and to trusts, foundations and institutional donors for all their continued support. And it is a privilege to work alongside colleagues who give of themselves to see all people freed from poverty, often at great personal cost. Finally, we continue to deepen our organisational commitment to prayer, including the creation of a new prayer mobilisation role. Prayer is at the heart of all our work, and we know we are completely dependent on God for all things.

Nigel Harris
CEO

TRUSTEE DIRECTORS' REPORT

The Board of Trustee Directors present their Annual Report, together with the audited, consolidated financial statements, for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

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

It has been three years since we chose to focus on three core areas, namely church and community transformation, fragile states, and environmental and economic sustainability. We have seen exciting progress, and are now seeking to increase our work in these areas over the next three years, as detailed in our business plan.

This year has reinforced these corporate priorities, especially as Covid-19 has exacerbated the needs of the poor. It has led us to re-imagine our structures, and how we deliver our corporate priorities, both now and as the effects of the pandemic become clearer. While the details of our plans may have to change, our vision, mission and values do not.

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

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

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

In pursuit of our vision, there are four main outcomes we want to see:



Emergency needs met

Immediate needs are met when crises and natural disasters hit, affecting community structures and mechanisms.



Churches mobilised

The church is envisioned, empowered and equipped to play its part in the transformation of the poorest communities and changing society.



Communities transformed

The poorest communities are resilient to shocks and stresses, working for peace and unity, and contributing to a better future for themselves and others.



Society changed

Social, political, economic and environmental systems and policies work for the poorest communities, ensuring access to basic needs, reduced inequality and sustainable growth.

OUR CORPORATE PRIORITIES

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

To this end, we will continue to scale up our work across these corporate priorities:



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

In 2019/20, we continued to embed CCT into country strategies. Priority areas of work have been investing in developing our facilitators, consolidating our CCT evidence, and identifying evidence gaps and drivers of impact, with a strong emphasis on learning this year.



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

In 2019/20, we continued our work with country teams to develop strategies and projects that address the root causes of fragility. We have had particular success in expanding our work in peacebuilding. We also increased our knowledge and experience of responding to the impacts of conflict and natural disasters in fragile states, in particular through working alongside the local church in DRC, Colombia, Malawi, Mozambique, Zimbabwe and Uganda.



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

In 2019/20, we built on the success of EES pilot projects in 14 countries, have continued to scale up activities in ten countries, and campaigned and lobbied on the impact of rubbish on people living

in poverty. We have also completed the first environmental audit of our UK office to ensure we are 'walking the talk'.

In pursuit of our desired outcomes, we continue to work in these ways across the globe:

- **Community development:** We help communities build their capacity to become resilient to shocks and stresses, to work for peace and unity, and to build a better future for themselves and others. We help them unlock the potential that lies in existing resources and relationships.
- **Humanitarian response:** We respond immediately to rapid-onset disasters and protracted crises, and target emergency support at those in greatest need. We are committed for the long haul, staying to help communities work towards recovery, resilience and prosperity.
- **Advocacy and influencing:** We make sure the poorest communities have their voices heard on issues affecting them, and help them access government resources. We influence the church and government at all levels to change systems and policies in favour of those on the margins.

We work across six clusters:

- Asia
- East and Central Africa (ECA)
- Eurasia and North Africa (ENA)
- Latin America and the Caribbean (LAC)
- Southern and East Africa (SEA)
- West Africa

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

We recognise that Tearfund employees are our most important asset and are fundamental to the delivery of our strategic ambitions. See pages 30 and 32 for more information on how we engage with our employees.

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

Tearfund holds key business relationships with: churches and other partners; beneficiaries of our work; suppliers; and our donors and supporters. See page 30 for more information on our business relationships.

We have referred to the Charity Commission's guidance on reporting on public benefit as we prepared this Annual Report.

Tearfund and its partners work with the most vulnerable and marginalised people around the world, regardless of race, religion, gender or nationality, working towards bringing an end to extreme poverty, and enabling people to reach their God-given potential.

The Trustee Directors ensure that the activities undertaken contribute to these aims and objectives of the charity, with appropriate accountability. The Trustee Directors are therefore confident that Tearfund meets the public benefit requirements.

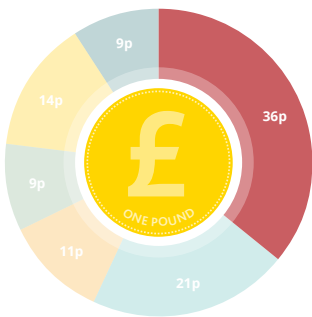
STRATEGIC REPORT

The Trustee Directors present the Strategic Report which details our progress made against our key objectives set last year and our aims for 2020/21.



WE WANT TO SEE EMERGENCY NEEDS MET

We respond rapidly and effectively to the needs of communities vulnerable to conflict and natural disasters. In emergencies, local partners are often first responders so we're committed to developing their capacity to ensure that they and their communities are better prepared and more resilient.



36p

IN EVERY POUND GOES TO MEETING EMERGENCY NEEDS

We believe that every person is made in the image of God, with inherent dignity and worth, and our emergency response is born out of this core belief. Our priority is bringing help to the people in the greatest need, swiftly and effectively, even in areas that are hardest to reach.

We remain committed to supporting locally led responses, recognising that the communities we work with know their context better than we do. We focus on strengthening the capacity of our local partners to take a lead in humanitarian emergencies so that responses, and subsequent recovery, are localised and contextualised. Tearfund is also fully committed to supporting and enabling the local church to be a channel of hope in fragile states, where the needs of communities are enormous and the church's response must be holistic.

As climate change and fragility present communities with ever-greater challenges, it's our priority to strengthen them, help them prepare for disasters and work with them to develop innovative approaches for tackling new and emerging threats.

WHAT MAKES US DIFFERENT

Our real strength lies in our long-established relationships with local churches and Christian networks around the world. This means our reach extends to even the most remote and vulnerable communities, we can support their recovery in the long term and, crucially, we have access and trust when it comes to working with communities to build their resilience. We deliberately choose to work in fragile states, addressing root causes as well as responding to people's needs.

'And my God will meet all your needs according to the riches of his glory in Christ Jesus.'

PHILIPPIANS 4:19

THIS YEAR, WE'RE CELEBRATING:



+1m

people reached through our emergency responses, including:



+85,700

individuals across southern Africa supported in the wake of Cyclone Idai



+42,450

Rohingya people reached in Cox's Bazar displacement camps



+204,750

people reached through our response in South Sudan

OUR YEAR

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

1. Increase humanitarian capacity at the local level by scaling up our programme to support partners in preparing for and responding effectively to disasters

In 2019, we launched a new programme providing in-depth support to local partners over two years to build their capacity to deliver high-quality humanitarian response. We began with four partners in Nigeria and Mali, and are now working with a total of 16 across Chad, Burkina Faso, Liberia, Bangladesh, Haiti, Nepal and Indonesia.

We bolstered our commitment to this work by setting up a Capacity Strengthening Fund which will enable more effective, rapid and locally owned responses to future crises. Through this fund and the support of a dedicated capacity strengthening officer, local partners have started to develop their own Emergency Preparedness Plans and monitoring and evaluation strategies, and have received training on core humanitarian principles. In Nigeria, for example, our partner has already made considerable progress, from implementing better monitoring and evaluation systems and humanitarian response planning, to developing fundraising strategies targeting governments and institutional donors. Over the coming years, we will expand this programme across all the countries we work in where a humanitarian response is highly likely.

At the end of the year, we began responding to the Covid-19 pandemic. Restrictions in many countries, including lockdowns, meant that working with our partners, local churches and church networks has proved a highly effective way to share public health messages and provide emergency support.

2. Continue to respond to new and ongoing humanitarian crises of different scales, especially in fragile contexts, and support our partners to do the same

We continue to respond to ongoing protracted humanitarian crises in Iraq, South Sudan, Central African Republic and the Democratic Republic of Congo, working through local partners and direct operations.

We're responding to the developing humanitarian situation for Venezuelan refugees in Colombia, providing cash, non-food items and community kitchens, using our own Crisis Response Fund and funding from the wider Tearfund family and other Integral Alliance members. We are also still responding to the Rohingya crisis through local partners in Bangladesh and supporting communities in Sulawesi, Indonesia, recovering from the earthquake and tsunami in 2018.

In March 2019, Cyclone Idai caused widespread devastation, affecting more than 3 million people in Mozambique, Zimbabwe and Malawi. We launched an appeal alongside other DEC member agencies and we've been engaged in humanitarian response through local partners and churches in all three countries, providing 85,701 people with immediate lifesaving relief, as well as helping households rebuild livelihoods. The response was complex and required significant, coordinated input from Tearfund staff in country, in the region and in the UK, providing support to communities, partners and even local Tearfund staff personally affected by the disaster.

3. Carry out research on the role that the church can play in protracted crises and identify practical and pragmatic ways to implement its recommendations

In 2019, we worked with the Cambridge Centre for Christianity Worldwide (CCW) to research the role that local churches play in fragile states affected by protracted conflict. Church representatives from South Sudan, Syria and Lebanon provided key insights into the ways their churches are responding holistically to people's needs, including: the importance of churches providing psychosocial support to relieve trauma; the need to support church leaders who themselves may be suffering from trauma; the need to foster hope in young people, for themselves and for their nation; and the opportunity for churches to show hospitality to refugees.

This research will help us to improve the quality of our long-term, supportive relationships with local churches and faith groups in fragile states affected by protracted conflict, and we'll continue to advocate for the vital role they play, with donors and through our networks. We'll also continue to mobilise and champion young people in such contexts. In Burundi we're working with a local partner to provide Bible-based leadership development to young adults, with training which includes conflict transformation skills. More than 100 young people have signed up for an initial eight-hour course, with 34 committing to a year-long course, which runs alongside our Transforming Masculinities programme designed to change harmful practices and promote the equality of men and women.



RESILIENCE IN THE MIDST OF DISASTER

Huge swathes of Bangladesh flood every year. The combination of heavy monsoon rainfall and low-lying land has devastating consequences for homes and livelihoods. The village of Teleyanipar sits precariously at the intersection of several large waterways. Local people have limited knowledge on how to cope in a disaster and poor access to healthcare, which makes them even more vulnerable when disaster strikes.

When the waters rise, the 70 families living in the village are forced to seek shelter on rafts made from banana leaves and raise their beds above the water level. They depend on tube-wells, long pipes bored deep into the ground, to be able to filter and pump safe drinking water. But every year, floodwater used to contaminate the drinking water in these wells and the villagers were at high risk of water-borne diseases. To survive, men travelled long distances to look for tube-wells that hadn't disappeared under floods and find drinking water for their families.

To help build villagers' resilience, our partner Christian Commission for Development in Bangladesh (CCDB) built 19 raised tube-well platforms in Teleyanipar to protect drinking water supplies from being contaminated by floodwater. CCDB has also helped them build safe, flood-resistant latrines.

Afroza Begum, who is part of a self-help group formed as a result of CCDB's disaster risk reduction work, reiterated the importance of this support. 'During floods, there's not only the problem of safe water but also the problem of sanitation, especially for the women and teenagers,' she said.

Villagers are working together to mitigate risks and prepare for future flooding. The floodwaters are almost inevitable – but the risk of disease spreading is much lower now they can rely on having clean drinking water and safe latrines.

WHAT WE LEARNT

In response to Cyclone Idai in southern Africa, it was difficult to access the worst-affected areas. We also encountered challenges in working alongside communities and partners who had previously only implemented development-based programmes. We learnt that we need to integrate disaster management into church and community mobilisation tools to ensure that the church feels more confident about humanitarian response.

WE KNOW WE CAN GO FURTHER

We are exploring how we can integrate local flood forecasting and integrating climate forecasting into our programmes. If possible, these initiatives will make our responses quicker, more efficient, more transparent and more accountable.

This year
£33.4m
spent meeting
emergency needs

In 2019/20, we spent a total of £33.4m (2018/19 £25.6m) meeting emergency needs and supporting people such as Afroza.

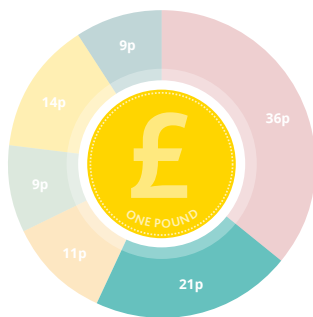
GOING FORWARD IN 2020/21, WE AIM TO:

1. continue to respond to new and ongoing emergencies, with our new regional humanitarian network of staff enabling a more localised response
2. work with church transformation specialists to update existing church mobilisation resources by integrating disaster management
3. roll out our Capacity Strengthening programme to at least nine further countries, and review it after year two, to improve the process and to assess our partners' ability to respond effectively



WE WANT TO SEE COMMUNITIES TRANSFORMED

We believe that the impact we have will last longer when we work through the local church and organisations rooted in the community. These local partnerships prove powerful in addressing the underlying causes of poverty and ensuring everyone has the chance to reach their God-given potential.



21p

IN EVERY POUND GOES TO TRANSFORMING COMMUNITIES

We know there is no place on earth that Jesus has abandoned. He's there in countries which are experiencing conflict and unrest, in situations made worse by environmental damage, where governments don't care or can't care for the poorest and most vulnerable communities. We know Jesus is there among those people. So we seek to follow him into those places and serve alongside him. Where we can, we work through local churches – challenging, empowering and equipping them so they can bring about lasting change and whole-life transformation. We know that, with the right support, the church can play a key role in bringing reconciliation and peace to troubled places, locally and even nationally. And we're excited to see how God is using the church to influence and change behaviours and attitudes that harm people and the planet.

WHAT MAKES US DIFFERENT

We're committed to partnering with local churches and organisations for the long term. We know that the issues facing the communities we serve will only be resolved through long-term commitment, hard work, advocacy and influencing. To allow people to reach their full potential, we need to stand alongside them and together challenge the power structures that keep them trapped in vicious cycles of poverty.

'Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me.'

MATTHEW 25:40



THIS YEAR, WE'RE CELEBRATING:



2.4m

people reached through community development



177

more peacebuilding activists trained this year across eight conflict-affected countries, bringing our total to 364



+176,600

people in 14 countries benefited through our EES pilot projects



227

partner organisations worked with us to reduce poverty

OUR YEAR

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

1. Mobilise and support partners, communities and individuals to work together across social divides, build the peace and address the root causes of conflict in at least 20 countries

This year we've continued to support networks of peace activists across Africa, the Middle East and Asia and are engaged in 17 countries.

In an area of Egypt experiencing high levels of community violence, a local group that we've been supporting has brought together young people from opposing sides to build peace at the personal, community and national levels.

In northern Kenya, faith leaders from nomadic pastoralist communities came together to be trained in conflict transformation techniques and analyse the conflict dynamics, enabling them to act as mediators. Meanwhile, in Myanmar, almost 150 people – Muslim and Christian, interfaith youth group members and church leaders – have taken part in personal healing and resilience workshops. These individuals are now delivering these same workshops in their communities. And in South Sudan, people representing both sides of the conflict have formed a peacebuilding network. Churches are leading community members through a series of conflict transformation dialogues, helping them to reflect on the conflicts that they face and equipping them with the expertise to find lasting solutions.

At the end of the year, our ongoing programming was interrupted in many countries due to the coronavirus pandemic: groups could not gather and, in many countries, movement was severely restricted so our staff and partners were forced to work from home. Those programmes that have been impacted have begun adapting, with some switching their focus to preventing the spread of Covid-19 and others adapting to operating remotely.

2. Support integrated EES programmes in at least 14 countries, with a focus on waste management, renewable energy, livelihoods and resilience

Pilot projects in 14 countries have continued and we've been able to scale up activities in ten countries, thanks to a successful UK Aid Match campaign and a generous supporter. These projects focus on creating 'green' jobs, generating income and restoring or protecting the environment. In Pakistan, our waste management project (that collects, sorts and recycles waste) has expanded from one site in Islamabad to three new communities in Karachi. In Haiti, we're teaming up with a local waste management company to make paving blocks using recycled plastic bags; a similar project in Kinshasa, DRC, has just had a significant order from a primary school. In Tanzania and Zambia, we're working with local churches to extend the household solar project and bring power to more homes, so families no longer have to spend money on kerosene for lamps, their health improves and they can work into the evening, generating more income. In Ethiopia, a local partner is working with self-help groups to start a tree nursery business employing local youth, and to teach women to make and sell energy-efficient stoves, reducing local reliance on firewood. Meanwhile, in Malawi, our partners are helping communities set up beekeeping businesses which provide an income and help protect local forests.

3. Continue to build our evidence of impact, and to adapt and improve our practices and the support we give to all those working towards whole-life transformative change

We have commissioned 31 evaluations of our work and that of our partners this year, ranging from innovative cash programming in South Sudan to emergency support for people fleeing Myanmar into Bangladesh. A comprehensive review of our CCT evidence showed that we could do more to consider environmental responses and include the most marginalised people in each community in CCT processes. We're embedding these findings – and all our evaluations' recommendations – into our future work, with partners and staff.

We completed 29 pieces of research this year and these will inform policy, shape our corporate priorities, demonstrate our impact (including our flagship Transforming Masculinities programme in DRC), and advance our understanding of cross-cutting issues. One notable collaboration was between our Rwanda team and the University of Birmingham: Ageing in Rwanda, which examined the needs and experiences of older people in Rwanda, and the role of the church. It is already informing pilot initiatives to strengthen the inclusion of older people.

Our new online data system, Track, has been rolled out to the six clusters. We have trained more than 400 Tearfund staff in its use, along with 479 staff from 147 partners. We have established a standard menu of indicators, along with guidance to help staff and partners collect good-quality data, to help track activity, improve project design and assess impact.



BUILDING THE PEACE IN SOUTH SUDAN

South Sudan's civil war has dragged on for more than six years, claiming 400,000 lives and displacing more than 4 million people. Half the population have been dependent on food aid this year. While the progress of high-level talks between rival leaders sometimes faltered, peacebuilding has been gathering pace at the grassroots.

Women in South Sudan have paid a heavy price in the conflict, with high levels of gender-based violence. Access to education and therefore literacy are lower for women than for men, so women struggle to make their voices heard in peace processes which tend to be dominated by men.

Tearfund's peacebuilding initiative is encouraging as many women as possible to take part in peacebuilding

and advocacy training, connecting them into self-supporting networks of young peace activists. There's a compelling reason for doing so: evidence shows that when women take part in peace processes, the resulting peace agreements are 35 per cent more likely to last at least 15 years, according to the International Peace Institute.

One peace activist we've been working with is Flora Lukudu Justin.

'I look at a woman as a tree covering everyone in the community,' says Flora, 31. 'They are the wives and the ones taking care of young people. So we're in a position to influence the youth and ask: "Why do we need to kill? What future do I want to prepare for my children?" If we ask ourselves these questions, we will be able to put guns aside.'

WHAT WE LEARNED

To have the impact we want to see, we need to draw on others' expertise and experience. We worked with Waste Aid on our waste management projects, a social investment network to explore more economy-led development within our EES work, and with other faith agencies, secular agencies and local experts in our peacebuilding work. This taught us valuable lessons about collaboration, co-design and accompanying others to implement projects.

WE KNOW WE CAN GO FURTHER

Much of our training depends on participants having a certain level of literacy. But, in many of the areas where we work, women have been excluded from education and literacy levels are low, which prevents them from benefiting fully from the training. So we need to adapt our training to make it accessible for people with low levels of literacy.

This year
£20m
spent on transforming
communities

In 2019/20, we spent a total of £20m (2018/19 £26.3m) on transforming communities like Flora's.

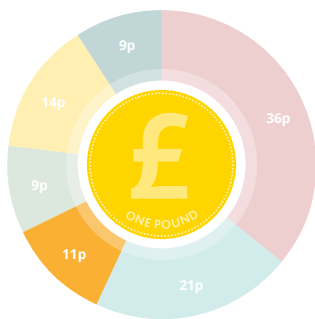
GOING FORWARD IN 2020/21, WE AIM TO:

1. in five countries, combine all elements of our Fragile States framework into our programmes, to test if greater impact can be had on root causes of fragility and conflict
2. start EES pilot projects in at least two new countries, creating 'green jobs' and bringing protection and restoration to the local environment
3. continue to build our pool of CCT trainers across the world with strong links to their communities, who can work closely with churches, local leaders and communities to apply transformational CCT process



WE WANT TO SEE CHURCHES MOBILISED

We believe that God has invested huge potential in his church to bring deep, lasting and whole-life transformation to individuals and communities. We're privileged to play a part in unlocking this potential so that churches can participate fully in God's mission to redeem and restore the whole of creation.



11p

IN EVERY POUND GOES TO MOBILISING THE LOCAL CHURCH

We're passionate about churches fully embracing this mission to end poverty and tackle injustice, working in partnership with their communities. We believe that there is a special role for the church within civil society, being one of the few movements that is both local and global in its influence and reach.

Our key foundation is 'integral mission', which understands that God is working to restore broken relationships by responding holistically to people's needs – whether economic, emotional, spiritual or physical. We want more Christians to grasp this vision – and have set ourselves an ambitious three-year target to see 30,000 churches mobilised in this way. So we share this vision widely, with church denominations, theological colleges and Christian networks. We're also investing a great deal of time and energy in helping young people globally understand integral mission and develop it further, through initiatives focusing on everything from peacebuilding to sustainability.

Keen to learn, we contribute regularly to global discussions on poverty and injustice. Out of this learning, we have developed a number of theological frameworks this year to help shape our approaches and programming. Our learning resources on development continue to be a lifeline for frontline workers overseas, and our research and analysis on theological and development issues attract wide and growing attention.

WHAT MAKES US DIFFERENT

We work closely alongside those who are already putting their faith into action around the world, keen to gain an ever-deeper understanding of what it means to follow Jesus where the need is greatest. We're committed to reflecting on the theology that underpins every aspect of our work, to ensure that we remain Jesus-centred and Christ-focused. We're always keen to learn from others and share our learning with partners, churches, individuals and volunteers, as well as coalitions and the wider sector.

'May the God of hope fill you with all joy and peace as you trust in him, so that you may overflow with hope by the power of the Holy Spirit.'

ROMANS 15:13



THIS YEAR, WE'RE CELEBRATING:



+15,000

local churches mobilised



3

accessible theology publications for a global audience including *Jubilee: God's answer to poverty?*, *Transformation* and *Saying Yes to Life*, the Archbishop of Canterbury's Lent book by Ruth Valerio



129

UK volunteers and 18 in-country volunteers trained and working alongside ten partners in six countries, providing a total of 22,640 volunteer hours (the equivalent of 3,235 working days)



+6,600

active CCT facilitators reaching into over 15,000 communities

OUR YEAR

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

1. Expand our CCT approaches with local churches by strengthening our relationships and influence with key denominations and Christian networks

In Africa we have deepened our relationship with the Network for African Congregational Theology (NetACT), a network of nearly 50 theological institutions, associated with 20 churches, ministries and organisations across sub-Saharan Africa. We supported and helped to deliver four regional training events, in Nigeria, Angola, Malawi and Kenya, with Tearfund staff delivering both theological and practical training to 150 delegates. The aim of these workshops was to help these institutions incorporate integral mission theology and CCT practices and principles into their teaching. Each event included an afternoon session introducing CCT, which offered institutions an opportunity to learn about CCT-specific training and obtain free teaching resources such as our booklet, *A short guide to mission*.

In feedback, leaders described the workshops as 'a game-changer' for them and committed to incorporating integral mission into their teaching. Leaders from training colleges in Nigeria are keen to collaborate with Tearfund in developing a curriculum that will equip church leaders 'to meet the needs of their churches, community and society'. In Angola, the event was also attended by leaders from the country's two major Christian networks and seven major denominations; we continue to nurture these new relationships and engage with them on CCT approaches.

2. Continue to support an expanding global network of local facilitators who are at the frontline of encouraging churches and communities to be agents of change

CCT facilitators are local volunteers who are trained to mobilise their church and then the wider community, and take them through a process that leads to transformation. Our review of CCT evidence has shown us that the quality of our facilitators is the single most important factor in achieving significant and lasting impact through this work. So we've focused on continuing to build capacity within countries and across clusters to train and support strong, effective facilitators. This year, we have more than 6,500 facilitators taking local churches through a mobilisation process to bring change in their communities. We've supported learning events and communities of practice to help develop facilitators and promote learning around the world. For example, about 100 practitioners participated in a regional conference in South-East Asia whose focus was 'Learning together how to get there together'.

We've also invested in establishing a network of more than 350 trainers who are able to train facilitators within countries and provide mentoring and support. Trainers are being developed in a number of ways, including through theological colleges. In Rwanda, for example, 120 church leaders have completed a three-year diploma which included practical action alongside theological study and reflection. So, by the time they graduated, they had already been through a CCT process in their communities and were equipped to train facilitators.

3. Equip churches and Christians to take a whole-life response to poverty and climate injustice, by providing theological materials and resources and by mobilising volunteers

In Latin American and the Caribbean we've focused strongly on mobilising Christians and churches on the theme of environmental and economic sustainability, encouraging a whole-life response through prayer and action. We've done this through helping them engage with the subject, resourcing them and encouraging prayerful reflection. In Haiti, our Thinking Theology gathering for young seminary students encouraged them to read the Bible from a fresh perspective. It also mobilised them to take practical steps such as recycling and reforestation, as well as preaching on environmental questions. Seminary leaders have also asked us to provide a creation care curriculum that they can incorporate into their teaching programme and so influence the wider church.

The Integral Mission and Climate Justice Regional Consultation in Lima brought together about 80 leaders to reflect on climate change from a practical and theological perspective, and to explore ways to strengthen faith communities' responses. One of the outcomes of that consultation is the Evangelical Coalition for Climate Justice, which is currently made up of ten regional faith-based organisations. Its focus is to mobilise the Latin American and Caribbean church for practical action to tackle climate change, and to make the distinctive voice of faith-based communities heard. This has included having a presence at key decision-making forums, such as the COP25 climate talks in Madrid.



EMBRACING CREATION IN CHURCH MISSION

Our team in Latin America and the Caribbean are passionate about seeing the church in their region embrace God's call to care for his creation as part of its whole-life response. So their focus is very much on development that is environmentally and economically sustainable, which is particularly important for a region that includes the Amazon Rainforest, the 'earth's lungs'. Crucially, it's also a region where those who are often the most affected by poverty and injustice also bear the brunt of the impacts of environmental damage – and yet these same people have huge potential to explore innovative development options that are sustainable. This is why this Tearfund region was the first to develop a theology of environmental and economic sustainability (EES), from a distinctively Latin American perspective. The process took six months, involving: an extensive literature review, interviews, and online and face-to-face conversations with a diverse range of theologians including indigenous people whose theologies are mainly oral.

Jocabed Miselis, CEO of Indigenous Memory in Panamá comments 'The Climate Justice Consultation helped to strengthen my theological knowledge and perspective, to walk and work with others, to recognize the importance of advocacy, to know we are not alone.'

This distinctively Latin EES theological framework was the first effort of its kind and a collaboration between a number of representative theological voices, including women, men, young people, black communities and indigenous populations. The process helped establish Tearfund as an authoritative voice on environmental justice in Latin America, and highlighted the need to articulate a solid theological framework to envision churches and theological institutions. As a result, we are now working with two theological teaching institutions to develop a resource called Creation care for churches, setting out a strong theological framework, as well as scientific research and suggestions for practical action.

WHAT WE LEARNT

Our training events in Africa proved the rich potential of working with denominations and Christian networks to embed integral mission into their theology and life. We were extremely encouraged when one of the leaders trained in Kenya used the materials to train other theological leaders in Zimbabwe. We need to continue to provide materials that inspire and equip.

WE KNOW WE CAN GO FURTHER

In our first young theologians' group, we worked with talented theologians, but not all of them came from countries where Tearfund works. In our next cohort, we will try to choose young participants from the regions we prioritise. This will enable us to follow up with them through our in-country teams, and ensure that their learning complements our programmes, for greater long-term impact.

This year
£10.6m
spent on mobilising churches

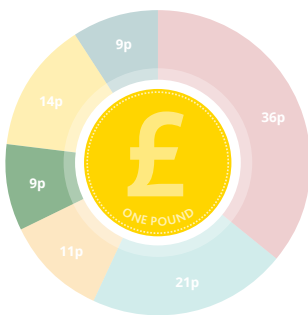
In 2019/20, we spent a total of £10.6m (2018/19 £12.5m) on mobilising churches and equipping them through initiatives such as The Climate Justice Consultation.

GOING FORWARD IN 2020/21, WE AIM TO:

1. grow our CCT facilitators' skills and confidence to bring prayer, Bible reflection and discipleship into their work
2. equip churches and Christians to be more inclusive in their responses to poverty and injustice, by providing theological materials and resources on diversity and inclusion
3. adapt our CCT approaches for oral cultures, so we reach them more effectively and have greater impact

WE WANT TO SEE SOCIETY CHANGED

We want to see systems and policies change so that they tackle poverty and injustice and care for the whole of creation. We partner with local churches, national partners and international organisations to hold decision-makers to account and call on them to create political space for reform.



9p

IN EVERY POUND
GOES TO HELPING
CHANGE SOCIETY

We're passionate about equipping and empowering the most vulnerable people so that their needs and opinions are brought to the table, so that decision-makers hear and act upon them. We use advocacy and influence – with the church, government and the private sector – to bring poverty and injustice to light and to demand change. We influence decision-makers directly and build the capacity of our partners to do the same.

We inspire Christians in the UK and globally to campaign, pray and live out the change they want to see more widely. And we're excited to play a part in building international advocacy movements too. The global campaign we helped establish, Renew Our World, now has expressions in 14 countries, with groups speaking out on climate change and waste at national level and coming together for global action twice a year.

Our *Rubbish Campaign*, which calls on four multinational companies to tackle their plastic waste in poorer countries, has been one of our best advocacy campaigns in terms of engagement, with more than 50,000 actions taken so far. We have also had major successes in partnering with Latin American churches and church-based networks to change government policy to protect the rights of migrants fleeing the fragile state of Venezuela.

WHAT MAKES US DIFFERENT

We leverage the church's long reach to ensure that the voices of poorer communities are heard at local, national and international levels, amplifying them through our networks and advocacy movements. By working through local churches, we ensure that changes in policy and systems translate into change at community level.

'Carry each other's burdens, and in this way you will fulfill the law of Christ.'

GALATIANS 6:2



THIS YEAR, WE'RE CELEBRATING:



26

policies changed



130,174

campaign actions taken globally



46,846

people took part in events we hosted, facilitated or spoke at



2

DfID commendations praising our UK Aid Match campaign for its authenticity and parliamentary engagement

OUR YEAR

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

1. Continue to campaign on climate change and waste management and raise awareness of the impact that climate change is having on people in poor communities

In April we handed in the *Light up the Darkness* campaign petition to the World Bank, with more than 20,000 supporters calling for greater investment in off-grid renewable energy for people in poverty.

Then, in May we launched the *Rubbish Campaign* calling on Coca-Cola, Nestlé, PepsiCo and Unilever to take responsibility for their plastic waste in poorer countries. So far, we've seen more than 52,000 actions – making this our most engaging campaign of recent years. We have secured more than 100 pieces of media coverage, including our schools action featuring in all national newspapers and on the BBC's *Newsround*, and we've had a great response to the campaign at Christian festivals and events, including Big Church Day Out and New Wine.

In June, Tearfund took part in The Time is Now mass lobby of Parliament, where more than 12,000 constituents lobbied over 340 MPs to take more urgent action to address climate change – the largest mass lobby of the UK Parliament on any issue ever.

We joined millions of other protesters in the Global Climate Strike on 20 September (see right), and we led a prayer vigil in London with other Christian agencies and activists.

2. Step up our global advocacy on climate justice through Renew Our World and better equip those organising national campaigns

Renew Our World national campaigns joined in the Global Climate Strike in September, and we helped bring the voice of the church to it. The week of international strikes saw an estimated 7.6 million people take to the streets in 185 countries, in the world's biggest climate mobilisation ever.

As part of the *Renew Our World* campaign, Latin American campaigners attended COP25, which was moved from Chile to Spain at short notice, and presented a petition from church leaders to key players at the talks, including Brazil's Environment Minister.

The India and Zambia campaigns had meetings with some of the multinational companies targeted by our *Rubbish Campaign*, lobbying them to cut their plastic pollution. The campaign in Malawi won a case at the Supreme Court to uphold a national plastic bag ban, thanks to sterling work by their lawyers. Grassroots activists also held many marches and litter-picks to bolster the campaign (see to the right).

In Australia, the *Rubbish Campaign* engaged many Christians to take their first environmental campaign action. The Irish campaign teamed up with the Church of Ireland to equip their youth workers with climate change packs.

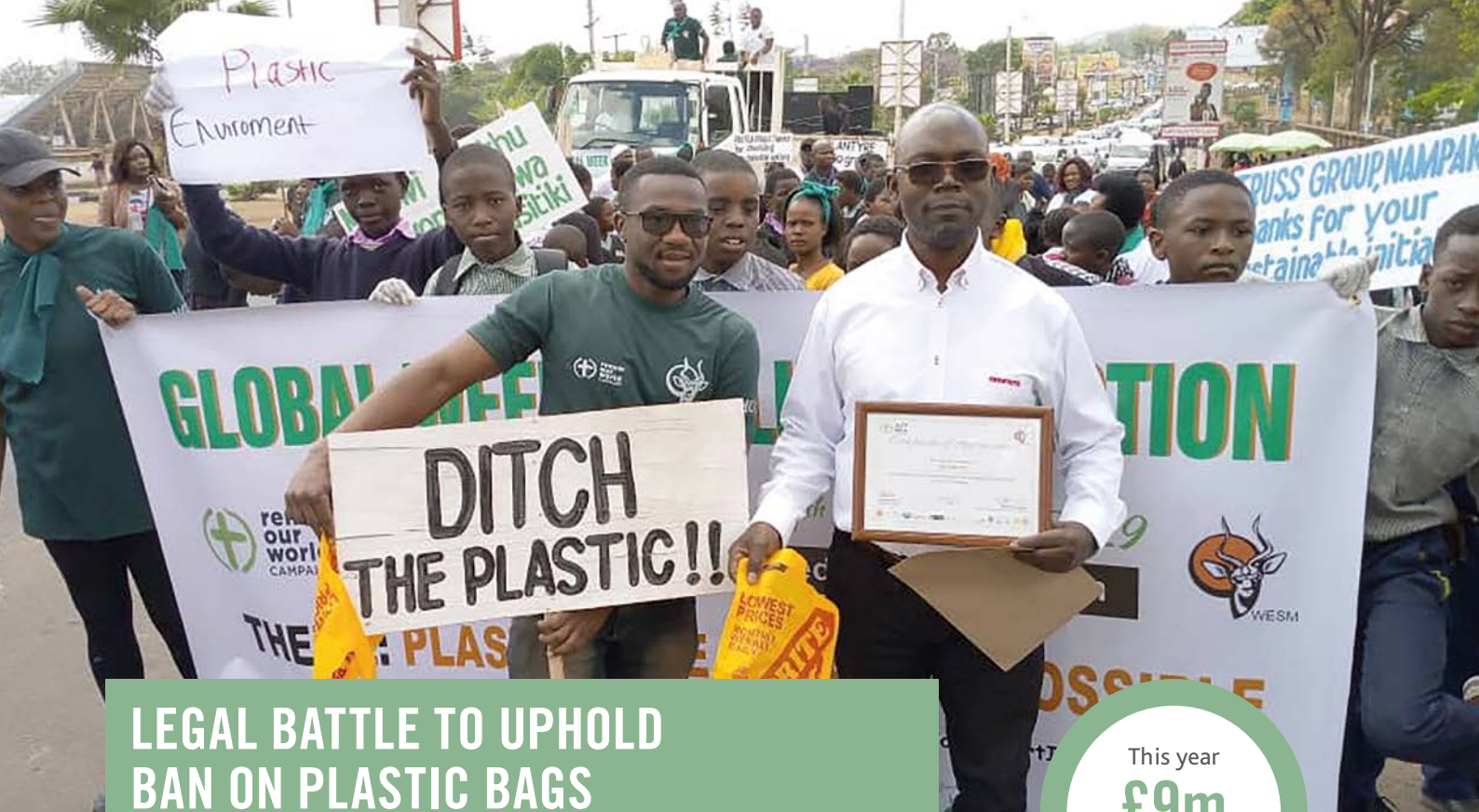
Renew Our World supported national campaign organisers with a mobilisation toolkit, communications toolkits for key moments in the year, and policy briefings on plastic pollution and climate change.

3. Win further policy changes at local, national and international level around waste management, off-grid renewables, climate change and restorative economy, by collaborating with networks and peers

In the UK, the government committed in law to achieving net-zero carbon emissions by 2050 – the first major economy to do so. The Scottish Parliament went further, passing its Climate Change Act with a net-zero deadline of 2045. We have been campaigning and lobbying for these changes as part of The Climate Coalition in the UK and Stop Climate Chaos Scotland for a long time.

Our *No Time to Waste* report, launched by Sir David Attenborough in May 2019, was written in collaboration with conservation charity Fauna & Flora International, the Institute of Development Studies and waste management charity WasteAid. This, together with mounting pressure from our *Rubbish Campaign*, has already achieved significant breakthroughs. We've met with all four multinational companies we are lobbying through the campaign to clean up their act on plastic waste. PepsiCo and Unilever have made commitments to reduce their use of new, non-recycled plastic, such as bottles and packaging, and Unilever has also pledged to collect the same number of plastic units as it sells, or more. We continue to urge them to raise their ambition.

Our clean energy campaigning and lobbying has contributed to a significant shift at the World Bank. It announced a \$200 million off-grid renewable energy project for West Africa to benefit 1.7 million people without electricity, and launched a Clean Cooking Fund.



LEGAL BATTLE TO UPHOLD BAN ON PLASTIC BAGS

In July 2019, Malawi Creation Care Network (MCCN), of which Tearfund in Malawi is a part, won a long-running court battle to uphold Malawi's ban on plastic bags.

Malawi first banned thin plastics in 2015, but some plastic manufacturers sought an injunction, claiming the ban was an 'infringement of business rights'.

MCCN, which is part of the Renew Our World coalition, joined with other activists to pressure the High Court to keep the ban. In response to a second injunction from manufacturers in 2018 and a two-year delay on enforcing the ban, MCCN helped organise demonstrations in Lilongwe and Blantyre. When the ban was upheld, plastic manufacturers appealed to the Supreme Court.

Late on 31 July, just hours before the Supreme Court went into recess, the seven judges ruled to uphold the ban.

Celebrating the news, Dr Tiwonge Gawa, the deputy chairperson of MCCN linked the legal victory to the protest march a year earlier. Tearfund's Country Director for Malawi, Vincent Moyo, said, 'Together we are a voice that will influence policies that are environmentally friendly and lessen the long-term effects of climate change.'

Malawi joins several African countries that have banned single-use plastics, including Tanzania, Kenya and Rwanda. According to the Lilongwe Wildlife Trust, Malawi produces 75,000 tons of plastic each year, of which 80 per cent cannot be recycled. Much of it ends up in rivers and lakes, killing fish and jeopardising the fishing industry.

This year

£9m

spent on changing society

In 2019/20, we spent a total of £9m (2018/19 £7.8m) changing society and influencing policy change such as Malawi's ban on plastic bags.

GOING FORWARD IN 2020/21, WE AIM TO:

1. influence policy makers at UN climate talks, rescheduled for 2021, to address the climate emergency; inspire and equip Christians to pray and act on climate change and plastic waste
2. contribute towards an international movement for change, supporting movement-building in strategic countries and contributing thought leadership on a restorative economy
3. further catalyse local and regional efforts to uphold the rights of migrants and build on our pioneering church-led campaign in Latin America

WHAT WE LEARNT

We have spent many years campaigning for change. We've learnt this year how quickly change can come, amid huge media coverage of plastic pollution and climate strikes, which has sent support for our campaigns soaring. We've also learnt the importance of understanding the different contexts in which our church-based partners do advocacy, and ensuring that our support reflects this diversity.

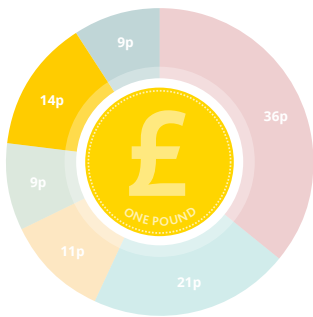
WE KNOW WE CAN GO FURTHER

On environmental and economic sustainability, we are increasingly prioritising work that links our advocacy and in-country development programmes. As that happens, both sides are learning to collaborate and make decisions together across different teams. This is a time-consuming process but is gradually becoming second nature.



OUR SUPPORTERS GIVE GENEROUSLY

Our supporters are integral to all we are as an organisation and all we achieve, in Jesus' name; so building and nurturing our relationship is a key priority. We're passionate about connecting our supporters with the communities God is transforming through their partnership, generosity and prayers.



14p

IN EVERY POUND
IS INVESTED IN
FUNDRAISING

We're hugely blessed by the commitment and passion of our wonderful supporters as they embrace our mission to see people living life in all its fullness. They share their resources in so many different ways: by giving regularly, leaving legacies, responding to financial appeals, praying, promoting Tearfund's work in their churches and workplaces, fundraising, campaigning and volunteering.

We want to honour our supporters by listening, learning and communicating regularly with them. One way we do this is by praying with and for our supporters – which we enjoy. We often ask them for feedback, on our website and in our emails, and we will ask individuals specifically following complaints and regular giving cancellations.

We want every interaction we have with supporters to show them how vital they are to our work: we care passionately about them seeing the difference their gifts and prayers make. We also recognise the trust that supporters have in us. We want to honour this by being accountable and transparent, and showing that we are stewarding resources diligently, monitoring our impact and reviewing our costs and spending regularly.

WHAT MAKES US DIFFERENT

Our faith is at the heart of who we are and how we respond to others, including our supporters. We see our supporters as our brothers and sisters in Christ, members of our family, partners in our mission. We work hard to ensure our Christian values of integrity, gratitude and accountability are expressed in every aspect of our fundraising and our spending.

THANK YOU!



THIS YEAR, WE'RE CELEBRATING:



£85.1m

donated in our strongest year for income (after a year of Jubilee)



+600

churches and 26,000 people took part in our second *Big Quiz Night*, raising £210,000



£8.8m

raised in our second UK Aid Match appeal (including match funding)



+£199,400

raised in 11 days with the launch of Tap Twinning in response to the Covid-19 pandemic

OUR YEAR

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

1. Launch our new regular giving product, *World of Difference*, to encourage more people across the UK to support us with a regular donation

We successfully launched a new way for people to give regularly this year, through *World of Difference*. Through it, supporters have the opportunity to undertake a virtual journey to a different destination every quarter, to see the range and diversity of communities Tearfund works with. They see the incredible change that's possible through their support, as individuals, communities and churches come together and start releasing themselves from poverty.

Our quarterly updates introduce supporters to people from the community, church leaders and Tearfund's local partners, and give them a taste of the culture, worship and society through photos, film clips, recipes, music and more. Our vision is that people will hear stories of faith and challenge that don't normally make it into the news, and they will be encouraged in their own faith as they continue to pray with and support us.

Our supporters' response to the initiative has been very encouraging so far. 'I enjoyed the individual stories and learning more about the country and it helped to be able to pray more specifically,' one supporter told us.

2. Develop a new UK website, as part of a wider digital strategy to make it easier for all our audiences to find what they are looking for and have a positive experience of Tearfund online

This year we began the challenging task of moving key Tearfund websites to a new platform, taking advantage of technological advances to improve our users' online experience. We want to make it easier for our supporters to give, pray, act and learn, using our digital resources.

As well as reviewing our UK website, tearfund.org, we've focused particularly this year on reviewing Tearfund Learn – a source of trusted information and learning and a place of connection for those engaged in frontline Christian development work.

We have spent time this year understanding our key audiences and identifying important ways to communicate with them. We are prioritising crucial areas such as user experience, accessibility and navigation. We remain committed to creating great content that meets supporters' needs.

We've really enjoyed talking to supporters about their current experiences of our website, and are drawing heavily on the insights we've gained as we progress through key milestones in the project.

We hope to be launching our new website by the end of 2020 and we'll continue to improve it. We always value feedback from supporters about what is working well and what could be working better.

3. Promote our *Less Is More* campaign, which will feature our CCT work in Nigeria, with networks and peers

Despite its pockets of wealth, Nigeria now has one of the largest populations living in extreme poverty in the world. In 2019, we decided we wanted to highlight our church and community transformation work in Nigeria through our *Less is More* fundraising campaign.

The aim was to offer a single, clear vision to follow on from our Jubilee year with its *We Won't Stop* campaign and communicate our unique approach to working through the local church.

The message of *Less is More* had a strong theological basis around Jesus' feeding of the 5,000 (Matthew 14:13–21): that every gift, every prayer, is powerful in God's hands. He takes everything we have to offer, no matter how small, and increases the impact.

The material featured mostly in our church and speaker resources, but it was also used in our online resources, Big Quiz Night fundraiser, paper mailings, *Tear Times* and *Prayer Diary*, and community fundraising resources.

One of our long-standing church speakers described it as 'the best resource to date'. 'It raises the need, the solution and most importantly the role the church plays in that solution,' he said.

OUR FUNDRAISING PRACTICES

We're unwavering in our commitment to safeguarding and protecting our beneficiaries across the world. The same principle applies to all Tearfund staff, volunteers, representatives, partners and supporters.

As part of our commitment to upholding high standards, we are registered with the Fundraising Regulator and have zero failures to report against its practices or standards this year. As a member of the Institute of Fundraising and the Direct Marketing Association, we continue to seek to share, learn and improve best practice across the sector.

We monitor carefully our fundraising activity and how we treat any information we hold on our supporters. We are keenly aware of the need to respond appropriately to any supporters who are vulnerable, and we provide clear training for all supporter-facing staff on how to treat people responsibly and in line with our values.

Any complaints we receive are recorded and reported every quarter to our Executive team and the Board's Global Fundraising Committee. In 2019/20, we received 542 complaints about our fundraising, which represented 0.32 per cent of all enquiries we received that year.² These were managed and resolved internally. We consider a complaint as any instance where an expectation has not been met, however unreasonable, or where something reflects poorly on Tearfund, whether we're responsible for it or not. Zero complaints were made to the Fundraising Regulator.

We raise funds through church and national events, digital advertising, direct mail, magazine inserts, radio and Christian TV adverts, and phone calls by our in-house team. Centrally employed staff carry out most of our fundraising, 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 the scheme. We maintain a close working relationship, hold biannual governance meetings and regularly review plans, budget, forecasting and strategy.

² In 2018/19, the number of fundraising complaints was reported incorrectly. In fact, we received 687 fundraising complaints, which represented 0.49% of all enquiries (rather than the 1,889 complaints and 0.92% of enquiries mistakenly documented in our last *Annual Report*)



📷 Campaigners outside the Unilever building, as part of Tearfund's Rubbish Campaign. Photo: Wilde Fry/Tearfund

SPEAKING OUT ON PLASTIC WASTE

We've been hugely encouraged by exceptional levels of support for our *Rubbish Campaign* – from Sir David Attenborough backing the launch of our *No Time to Waste* report, to widespread media coverage.

Strong engagement at festivals and events has also contributed to the campaign's success. We've seen more than 42,000 petition signatures and 10,000 people pledging to reduce their own single plastic use with a Plastic Pledge. We believe all this has resulted in constructive engagement from the four multinationals we're targeting and already some commitments to reduce their 'plastic footprint' (see page 22).

We've had a particularly good response from schools and churches across the UK. Teacher Emily Coulter told us how her school, Pond Park Primary in Lisburn, became involved through the Eco Council, who led two assemblies on climate change and encouraged all 626 pupils to sign our petition.

'The Eco Council monitors our bins, sorts our recycling and keeps the school up to date with all things "eco",' says Emily. 'They wanted their peers to think globally... and Tearfund's campaign was the perfect way to educate the children on the effect of waste, and to take action against it.'

Newton Mearns Baptist Church in Scotland combined a day of tree-planting for St Andrew's Day with petition-signing and a wax-wrap workshop to help people cut down on cling film use. Meanwhile, in Aberystwyth, St Michael's Church began their Rubbish Service with plastic waste strewn round the church as a reminder of those living without waste collection around the world. And Claremount Methodist Church in Wallasey on the Wirral, held a community event whose main event was a plastic-free lunch.

WHAT WE LEARNT

Our Christian ethos is at the heart of what we do and is a key reason that people choose to support us. We want to ensure that we keep our faith at the heart of our communications. The daily devotions we produced this year during Lent and Advent were warmly received by our supporters and proved to be an opportunity for us to 'give back' by encouraging their faith.

WE KNOW WE CAN GO FURTHER

We're grateful to our supporters who've challenged us about how we could improve our environmental footprint. We're committed to living out our calling to protect God's creation, and we've taken a number of steps including switching to a compostable wrapping for *Tear Times*. We're excited about our new environmental policy, which will help us make further improvements in areas such as energy, water, waste and paper use.

GOING FORWARD IN 2020/21, WE AIM TO:

1. introduce our latest campaign to supporters, highlighting our work in the Middle East and our corporate priority of fragile states
2. invest in digital communications and fundraising to capitalise on the growth of online fundraising and to introduce Tearfund to new and younger audiences
3. review and update our strategy for engaging with churches in the UK to build stronger, mutually supportive relationships

GREAT SUPPORTER STORIES



WEIGHTY CHALLENGE FOR A BIG BIRTHDAY

Val completed a rather unusual challenge for her 70th birthday: 70 deadlifts of 70 kilos in 70 minutes, all to raise money for Tearfund. Ever since Val retired, she hasn't stopped taking an active stand against poverty, and to ensure this continues into the future she's chosen to include a gift to Tearfund in her will.



PULLING THEIR HAIR OUT OVER PLASTICS

Holly and Jarvis were so concerned by the endless supply of plastic bottles used for hair products that the mother-and-son duo decided to shave their heads for Tearfund. They raised a whopping £490, which went towards our UK Aid Match appeal to tackle waste and plastic pollution.



GOING THE EXTRA MILE

More than 80 people took part in sponsored runs around the UK this year, either as a team event or a personal challenge. Together, they raised more than £35,000 through their fundraising.



THERE'S NO US WITHOUT YOU

In August, ten young people from the UK who are part of the Church of God in Christ network travelled to Zambia to volunteer alongside ten young people from Chipata for two weeks. As well as supporting the work of our partner Jesus Cares Ministries (JCM), they learnt about each other's cultures and became excited about the potential of empowering young people to become changemakers. The team were involved in helping to build a church and led youth Bible studies alongside the JCM staff team. One volunteer said his placement had been 'life-changing'.



GENEROUS COMMITMENT TO LOCAL CHURCHES

Ben is an inspirational member of Tearfund's Impact:Life initiative through which groups of young professionals use their god-given resources generously to support projects overseas through prayer, finance and relationship. Ben's been part of a group for three years and has helped to raise more than £30,000 to help local churches in rural Guatemala. These churches are working with their communities to identify problems and find solutions to overcome them. Their work has included setting up a powerful network of church and civil organisations to lobby government representatives on issues affecting poorer communities.

Ben made a 100-day journey by motorbike down the west coast of Africa, to visit and raise awareness of local churches working to reduce poverty in the region, enjoying local hospitality on the way!

'We are only vaguely aware of the huge needs that our world has at the moment. We are very grateful to you for being the channel through which much-needed help is given. Thank you.'

TEARFUND SUPPORTER



STAKEHOLDER ENGAGEMENT

The revised UK Corporate Governance Code was published in July 2018 and applies to accounting periods beginning on or after 1 January 2019. The Companies (Miscellaneous Reporting) Regulations 2018 require the Board to explain how they considered the interests of key stakeholders and the broader matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 ('S172') in promoting the success of the company under S172. The statement focuses on matters of strategic importance and the level of information disclosed in this statement is consistent with the size and complexity of the business.

S172(1) (f) 'The need to act fairly as between members of the company' is not relevant to Tearfund's organisational structure.

GENERAL CONFIRMATION OF TRUSTEE DIRECTORS' DUTIES

Tearfund's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Pages 34–38 explain the roles and responsibilities of the five Committees and highlight some of their principal areas of involvement and decisions taken during 2019/20. When making decisions, each Trustee Director ensures that they act in good faith to best promote the company's success for the achievement of its charitable purposes, and in doing so will have regard (among other matters) to:

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

Tackling deep-rooted challenges needs long-term vision and commitment. In reaffirming the three core areas of our work, namely Church and Community Transformation (CCT), Fragile States, and Environmental and Economic Sustainability (EES), the Board ensures Tearfund has a clear strategic focus (see page 7). Each of these corporate priorities has detailed three-year plans and the Board receives regular reports on their progress and challenges. Our long-term vision is exemplified by our actions and objectives on climate change and waste management set out on pages 22–23.

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

The Board recognises that Tearfund employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them. The annual staff survey is one of the Board's principal tools to measure employee engagement, motivation and commitment to Tearfund, with a consistently high response rate. It enables the Board to understand how we are learning from survey findings to strengthen Tearfund culture and values, and informs decision-making from pay and benefits to health, safety and well-being.

In 2019/20 we commissioned a new Global Leadership Team, including our 35 country directors. At a three-day landmark meeting in January 2020, we underlined the importance of this team in stewarding Tearfund's identity and culture. Tearfund is in transition to becoming a much more global organisation, with the geographic Cluster model anchoring our work more clearly in-region.

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

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

Our focus on mobilising the local church and serving the poorest is expounded throughout this report (see for example the powerful testimony of Pastor Nyirindekwe on page 3).

Likewise, the importance we attach to building relationships with our committed, generous donors and supporters is affirmed on pages 24–29. The Board's role in overseeing our fundraising practices is set out on page 26, while key areas of input into the global fundraising strategy

by the Global Fundraising Committee are described on page 36.

We are strengthening relationships with our suppliers by entering into framework agreements and clear contractual terms and conditions. During 2019/20 we have purchased our first-ever global procurement system which will be rolled out to our larger country operations over the coming year, as well as to UK teams, giving greatly enhanced visibility over our supply chain.

The Board receives regular updates on stakeholder engagement, ranging from aspects of our corporate priorities work to supporter surveys which underlie our global fundraising strategy.

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

Transformation of communities is one of the main outcomes we want to see, with the poorest communities resilient to shocks and stresses, working for peace and unity, and contributing to better futures for themselves and others (see pages 12–15).

We're seeing significant, positive impact in our EES project work in 14 countries, combined with our advocacy efforts focused on waste, climate and environment, much of which is drawing the attention of global policy- and decision-makers. The International Committee identified climate change as such a major factor affecting the people Tearfund serves that EES needs to be embedded in all our work (see page 37).

In 2019/20 we introduced an enhanced, wide-ranging environmental policy. The Board requested that it should combine recognition of the positive environmental impacts of our programme work with the imperative for us to 'walk the talk' in terms of our own footprint (see pages 44–45).

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

It is crucial that Tearfund maintains its reputation for high standards of conduct, not least because local churches around

the world are affected by our work and reputation. Reputation is one of the six areas of impact that we use to evaluate all corporate risks, to ensure it informs all key decision-making.

In September 2019 the Board discussed at length how Tearfund approaches impact measurement, its complexities and how the Board can be assured that we are having the impact we want to, across our portfolio. One of the outcomes was approval to develop a strategic dashboard to track our top-level key performance indicators (KPIs) and qualitative data, to demonstrate how well we are outworking our strategy (see also our Quality Standards on page 39). This builds on our quarterly review process which tracks our work across the categories of financial health; operational health; organisational health; and strategic impact.

Treating everyone with care and respect is of paramount importance to us (see our safeguarding commitments on

pages 40–41). 2019/20 was the first full year of operation of the Safeguarding Committee, whose responsibilities and activities are described on page 34.

PRINCIPAL DECISIONS: RISK APPETITE STATEMENTS

During 2019/20 the Board developed several risk appetite statements to guide management and staff when making decisions that involve various types of risks. Statements were developed regarding legal risk, safety & security, health & wellbeing, safeguarding, and fundraising. These statements took into account risks to staff, partners, beneficiaries, community members, members of the public, volunteers and supporters.

A specific example of how these statements seek to balance the interests of our stakeholders is regarding the safety and security of our staff in 'high risk' environments. Our mission, to be where

the need is greatest, compels us to accept some risks inherent in working amid natural disasters, conflict or insecurity.

In countries we designate as having 'High' safety and security risk, staff must constantly strike a balance between meeting extreme community needs and potential threats to their person. The new risk appetite statements clarify that we are generally averse to such threats, so we must (a) maintain very strong safety- and security-risk controls and support in these countries, and (b) obtain approval from the Board for specific situations where staff are permitted to accept higher levels of personal risk in order to save lives.

In 2020/21 the Board will be developing further risk appetite statements regarding advocacy, programming and projects, fiduciary risks, and our use of information technology.



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.

In March 2019 the Board carried out a re-evaluation of the skills and experience required to be present in the Trustee Directors. Where key gaps were identified, a plan to fill them over the course of the next two years is in place.

The current composition of the Board of Trustee Directors is set out on page 46. 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. Trustee Directors of the Board receive no remuneration for acting as Trustee Directors of Tearfund.

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 challenges it to think more deeply about relevant issues arising.
- **Safeguarding:** provides oversight to the development of Tearfund's safeguarding culture and handles and reviews all reported safeguarding incidents across Tearfund and its partners.

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 appointed at the invitation of the Trustee Directors, with a focus on people who have a longstanding association with Tearfund and who care deeply for its mission and ministry. They are entitled to attend all general meetings, including the Annual General Meeting (AGM). They receive the Annual Report and financial statements, elect or re-elect Trustee Directors, appoint auditors and fix the remuneration of the auditors. Regular contact is 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 9,700 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, rolling, three-year planning and budgeting process with an annual budget approved by the Board of Trustee Directors. Significant changes are subject to specific approval. 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.

In 2019/20, the Trustee Directors approved a new Risk Management Policy for Tearfund. It commits the organisation to a comprehensive set of policy measures regarding roles and responsibilities, processes and culture, to manage risk effectively. New policy measures under development for implementation in 2020/21 include:

- a corporate Risk Appetite Statement that guides staff and management on the types and amounts of risk Tearfund is willing to take in pursuit of its vision, mission and objectives
- updates to job descriptions and annual objectives for most roles to show responsibilities for risk management
- risk registers to manage operational and strategic risks at the country, cluster and directorate level

Tearfund maintains a comprehensive register of corporate-level risks, the top ten of which are stated on page 42. The 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 reviewed quarterly 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 48, 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 chairs the Financial Wrongdoing Review team and maintains a register of the irregularities, actions taken and results. This register is reviewed regularly by the Audit, Risk and Finance Committee. Serious frauds are reported to the Charity Commission, including all frauds with a potential financial impact of £20,000 or more. In 2019/20, Tearfund appointed a full-time Investigations Manager to bolster prevention and response to fraud and other types of wrongdoing.

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. In line with sector good practice, Tearfund is publishing a fuller report on our safeguarding processes, procedures and a review of safeguarding incidents reported during the year and how we have dealt with them, which is stated on page 40.

FINANCIAL RISK MANAGEMENT

Our principal financial risks are those arising from the economic consequences of the Covid-19 pandemic and the anticipated impacts on Tearfund income. This is discussed in detail in the going concern note on page 57.

Amounts due from donors relate mainly to major governmental and institutional donors, and the associated credit risk is therefore considered to be low. The risk of disallowances arising from donor audits is also considered to be low, and this is borne out by recent experience. Cash flow and liquidity risks are minimised by a conservative investment policy and a lack of borrowings. Appropriate action is taken to mitigate foreign exchange risk. Tearfund does not enter into foreign exchange contracts for speculative reasons.

REMUNERATION

Tearfund's Pay Policy seeks to balance our Christian values with the ability to attract and retain the best people in our sector.

We do this by market reviewing our salary scales every two to three years. We use a number of pay surveys including Birches Group, Croner Reward, XpertHR and Reward Connected to provide robust market data. The surveys are charity sector specific and include a broad range of comparable organisations. The data is drawn from these surveys, based on the following criteria:

- location eg London
- organisations with an income of between £40 million and £75 million
- organisations of between 200 and 499 employees
- median pay levels

Our latest benchmarking exercise was completed in 2019 and our current pay policy is as follows:

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

We take inflation into account by considering yearly increases based on available finances, consultation with the Staff Council and a survey of similar organisations in the sector. Tearfund's Executive team sits in the top grade 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. A Health, Safety and Well-being Risk Register is maintained and reviewed every six months by a management committee.

TEARFUND SCOTLAND

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

SAFEGUARDING COMMITTEE

Tearfund is deeply committed to protecting and safeguarding everyone who comes into contact with our work, in whatever capacity – whether they are our partners or representatives, our staff or, most importantly, our beneficiaries.

The role of the Safeguarding Committee is to provide Board oversight of how Tearfund's safeguarding culture develops, how cases are handled and how learning is embedded.

Our committee, which was established in 2018, is made up of three trustees and members of Tearfund's Safeguarding Review team. We support the Board in overseeing how Tearfund's safeguarding policies and procedures are developed and implemented. An important aspect of our work is reviewing all reported safeguarding incidents across Tearfund globally and its partners: monitoring how investigations are managed, providing support and advice, identifying and mitigating risks, and reviewing learning and outcomes.

We scrutinise incidents, investigations and their outcomes, to ensure that we capture learning before cases are closed. We review cases on a quarterly basis but our committee chair and members also liaise with the Safeguarding Review team on an ad hoc basis, when required. Updates from the committee are shared with the full Board on a quarterly basis.

This year, we continued to monitor ongoing implementation of a standardised framework which helps staff and partners carry out risk assessments effectively. We gave more detailed consideration to the safeguarding risks which could arise in relation to Tearfund's fundraising and supporter relations activities, mitigating these risks through bespoke risk assessments, and reviewing the training we provide. We have also formulated a Board-approved risk appetite statement, which includes a section on safeguarding. We liaised with Tearfund's Theology Committee to develop a deeper theological underpinning for our safeguarding commitments.

We hope all this will help to develop a deeper understanding of best safeguarding practice among all our staff and partners – and a deeper commitment in everyone to upholding people's dignity and ensuring their safety.

For more information on our safeguarding and for a review of our 2019/20 cases, please see pages 40–41.



THEOLOGICAL COMMITTEE

Tearfund wants to be an organisation that is Jesus-centred and Christ-focused. It cares passionately that its work should reflect kingdom values and should help people 'live life to the full' as God intended.

The Theological Committee exists to help Tearfund reflect deeply on how it is responding to injustice and poverty from a theological perspective.

Our role as a committee is to help Tearfund gain an ever-deeper understanding of what it really means as Christians to follow Jesus where the need is greatest. Put simply, we exist to help Tearfund stay 'on track' with its biblical mandate, and we do so by liaising with various staff members who are engaged with different areas of theological work.

Influencing: This year, we have focused particularly on the corporate priority of environmental and economic sustainability. We worked with Tearfund's Global Advocacy and Influencing Director, Dr Ruth Valerio, on the Archbishop of Canterbury's Lent book, *Saying Yes to Life*, which has been distributed across many denominations and churches around the world. It helps Christians to reflect on the climate crisis and on their faith through Genesis's account of creation, and prompts us to consider how we might live differently, to bring life and hope, both to people and our planet. The committee provided theological input at an early stage and read drafts of the different chapters as they were written.

Peacebuilding: We also explored how Tearfund as an organisation is able to act as a bridge between opposing sides to bring peace, especially in fragile states, and what that means from a biblical perspective. We also considered how the peace on offer should embrace every aspect of people's lives, being much more than just the absence of conflict.

Campaigning: We reflected on the campaigns that Tearfund has focused on this year and thought both about the theology behind them and their appropriateness. This included providing input into the *Rubbish Campaign* and considering how the organisation could engage churches in the UK with it.

Overarching all these individual focuses, we continued to explore what it means to be a Christian relief and development agency with absolute integrity and how that interacts with our desire as Christians to live out and share our faith.



GLOBAL FUNDRAISING COMMITTEE

Tearfund's Global Fundraising Group seeks to inspire and help supporters to enter into a whole-life response to poverty and live generously, following our ever-generous God.

The Global Fundraising Committee exists to support, pray for and bring challenge into the Group's work.

This year, we had the opportunity to review Tearfund's fundraising campaigns, and communications associated with them, as we seek continuously to improve the ways we engage with our supporters. We also played an oversight role in planning, envisioning and balancing risk. We received regular reports reviewing the previous quarter's activities and performance statistics, and we had lively debates about our successes and challenges.

Among the things on which we focused particularly this year were:

Our 50th-birthday Jubilee year: Our groundbreaking Jubilee year and its associated *We Won't Stop* campaign in 2018/19 were hugely successful. We discussed key things that we learnt from the response to Jubilee and how these will be used in planning future integrated campaigns and in understanding how we encourage and equip our supporters for whole-life responses.

A new three-year global fundraising strategy: A significant task for us this year has been to scrutinise and provide input to the preparation of Tearfund's new global fundraising strategy. With several areas of innovation and challenge, we are committed to our plan of growth to support Tearfund's life-transforming work around the world. We look forward particularly to our growth in digital reach and continuing to build a stronger engagement with the wider church family. For more information on our new strategy, please see the objectives cited in 'Going forward' on page 27.

The worldwide Tearfund family:* We have welcomed the expansion of the worldwide Tearfund family and enjoyed exploring new opportunities arising from having a presence in different countries now and being able to learn from each other. This year, we welcomed Tearfund Germany into the family and helped with the ongoing establishment of Tearfund USA. Our specific role as a committee is to oversee the risks associated with sharing a global brand and any investments Tearfund makes in setting up new family members.

Tearfund's fundraising work is not without risk, particularly in increasingly complex markets around the world. We seek to balance risk in a way that enables innovation and breakthrough, but we also remain faithful to our core belief that fundraising is a ministry that invites all Christians to engage in God's kingdom purposes, both today and in the future.

*The Tearfund family is a global network of 11 Christian relief and development agencies. There are independent, national Tearfund agencies in the UK, Ireland, Belgium, France, Germany, the Netherlands, Switzerland, Canada, the USA, Australia and New Zealand. It is a family with a common set of values and shared ways of working, united by God's call to reduce poverty and injustice in the world.



INTERNATIONAL COMMITTEE

Tearfund puts a strong emphasis on having robust evidence for the effectiveness and impact of its work, its sustainability and its value for money.

The International Committee exists to review effectively and thoroughly the way that Tearfund delivers its corporate outcomes. Three of the Executive Directors report to us regularly: those responsible for Tearfund's international operations, global advocacy and influencing, and strategy and impact.

At three of our quarterly meetings, we spend most of our time on a 'deep dive' focus on one of our corporate priorities: church and community transformation (CCT), fragile states, and environmental and economic sustainability (EES). In the fourth quarter, we concentrate on other business, such as considering how country operating models and resources might need to change for the year ahead. Other areas that we've looked at this year include international safety and security, quality standards, embedding of new regional 'clusters', continuous monitoring of country scorecards, and the development of country strategies.

To illustrate what our meetings might entail:

Early in 2019, our deep dive into EES looked at the pilot scheme for the UK Aid Match programme in Pakistan, which is setting up waste management and recycling hubs. We looked at how the project was structured, what monitoring and evaluation was planned, and how the budget would be spent. We also considered how the work could be scaled up if successful, and how transferable the expertise would become to other countries. We also looked at the maturing plans for the *Rubbish Campaign* due to be launched later in the year, and gave feedback to help shape its development.

For our meeting looking at CCT, we reviewed the evidence of Tearfund's impact and effectiveness, and tested whether it is learning lessons and applying them across countries as knowledge and experience evolve. We focused particularly on how CCT work in rural and agricultural contexts could best be adapted in the light of growing urbanisation in Africa and elsewhere, and amid forecasts of demographic shifts such as a growing youth population.

One of the main themes that has become increasingly significant this year is the sense that EES infuses all of our CCT and fragile states work, as well as being a corporate priority in its own right. The climate is becoming such a major factor affecting the livelihoods and well-being of the people Tearfund serves that EES needs to be embedded in all its work.

Serving on this committee, we see both the breadth of Tearfund's global operations and the depth and value of specific projects and programmes, all the while testing that its impact is truly reaching where the need is greatest.



AUDIT, RISK AND FINANCE COMMITTEE

Tearfund seeks to make best use of the resources it has been blessed with and recognises the paramount importance of showing supporters and wider stakeholders it is stewarding these resources well.

Our role as the Audit, Risk and Finance Committee is to promote and ensure good governance, sound financial management and disciplined risk-taking, working closely with Tearfund management.

Collectively, our seven members have considerable experience of governance, risk management, internal control, financial management, legal affairs and information technology. Each year, we review our effectiveness and in 2019 we agreed that we needed to ensure that we focused sufficient time on more strategic matters.

We also identified four key priorities that we as a committee are addressing:

Risk management: Tearfund's Head of Risk and Compliance has been consulting with us to develop a set of statements that describe the appetite for risk that is acceptable to the Board. This in turn helps guide the organisation in its approach to decision-making and managing risk. We have helped frame and shape these statements: some have already been approved by the Board and some will be developed and submitted for approval early next year.

IT systems programme: The Board has approved a significant investment in a global systems programme that aims to address the weaknesses in the current systems and meet Tearfund's needs in the longer term. We were asked to oversee the programme, and progress is reported to us at each of our quarterly meetings. During the year, our focus has been on governance, risk management and benefits realisation, as well as ensuring that lessons are learnt and applied to the programme going forward.

Financial management: We reviewed and recommended the proposal from the Director of Finance and IT on the reserves policy, and it was subsequently approved by the Board (see page 48). This proposal helped guide our deliberations over the budget for 2020/21 and the three-year outline financial plan for 2020–2023.

Internal control: A key part of our role is to review findings and recommendations from internal audits and monitor progress on how they are being implemented; we also review risk incidents. In doing so, it's our job to assess whether or not internal control within Tearfund is sufficient. This year, we approved two additional posts to increase the capacity of internal audit and agreed a more ambitious audit programme for 2020/21. This will help us identify organisational trends and patterns and underlying systemic control weaknesses in terms of policies, procedures and processes, so we can ensure we are always improving.

It's essential that Tearfund takes risks to achieve its purpose. A key part of our role is to help the organisation get the right balance through appropriate policies, procedures, processes and systems, and ensure that we learn from when things go wrong.



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.

OUR COMMITMENT TO SAFEGUARDING

We are deeply committed to following Jesus' example in treating everyone with care and respect, and building a world where healthy relationships are restored and where violence, harassment and abuse are not tolerated. It is of paramount importance to us that we safeguard and protect all our partners, representatives, staff and, above all, our beneficiaries, some of the world's most vulnerable people.

SAFEGUARDING POLICIES AND PROCEDURES

We have in place a robust suite of policies and procedures aimed at preventing abuse and harm. In line with the Charity Commission's expectations, we review and update our Safeguarding Policy annually. We also regularly revisit our Whistleblowing and Personal Conduct policies in accordance with our review schedule. The safeguarding committee provides an update of cases to the full Board every quarter.

This year, we continued our mandatory e-learning on safeguarding children and adults at risk; all staff and Board members must complete this every year and we record completion for audit purposes. We updated the training content to take into account learning from past incidents and emerging sector good practice, and to improve identification and awareness of different forms of abuse. Our network of country, cluster and directorate 'focal points' have received additional in-depth training. We are mid-way through a three-year rolling plan to ensure that all partners with whom we work receive training and embed good safeguarding practice into their organisations. In 2019/20 we increased our scrutiny of safeguarding through our compliance and internal audit functions.

We carry out enhanced Disclosure and Barring Service (DBS) checks to ensure that all relevant staff and representatives are securely vetted and safely recruited to work with children and vulnerable adults. This year we strengthened our pre-employment checks for non-UK citizens by procuring the services of a third-party provider, Sterling.

We actively encourage our staff, representatives and beneficiaries to report safeguarding concerns and incidents when they occur, as well as to report any allegations of historic incidents they may become aware of. We have a number of mechanisms in place to ensure concerns and incidents can be safely reported, including a dedicated confidential safeguarding and whistleblowing email and an independently administered 24/7 whistleblowing hotline, Safecall, with the option to report in more than 100 languages. Both mechanisms are advertised through beneficiary-friendly posters displayed in our offices, our partners' offices and Tearfund projects, communication updates, training events and the 'Safeguarding and reporting concerns' page on our website.

We have achieved Level 1 certification from Keeping Children Safe, an organisation specialising in advising international NGOs on safeguarding best practice. This gives us an independent assessment of the quality of our policies and practices and also recommendations for strengthening our practices further. We have also been independently audited for re-accreditation by the Core Humanitarian Standards (CHS). CHS are the standards required for membership of the Disasters Emergency Committee and by a number of our donors. They cover all aspects of our work and have a particular focus on accountability with communities. Through our own Quality Standards we have continued to train partners and staff on the importance of communities being involved in the design of all feedback mechanisms, protective measures and behaviours, which are all an intrinsic part of safeguarding.

SUPPORTING SURVIVORS

Tearfund takes a 'survivor-centred' approach and will work sensitively with the survivor to ensure that their well-being and interests are prioritised. On the rare occasion where a beneficiary, partner, Tearfund staff member or representative might experience sexual assault, we are committed to providing the best possible support for them. Our protocol

for Tearfund staff and representatives on sexual and violent physical assault includes providing clear guidance to the survivor and those who are supporting them on ensuring access to emergency medical and psychological support, and on the process of investigation and follow-up. In 2019/20, we introduced the role of Survivor Liaison Officer to improve the way survivors are supported following a safeguarding incident and through the investigation process, and we have trained specific staff to take on this role. In addition, we supported Tearfund partners with their safeguarding case investigations, monitored outcomes and ensured that the safety and well-being of survivors were prioritised at all times.

HANDLING COMPLAINTS AND CONCERNS

All safeguarding complaints and concerns are initially reviewed by our Safeguarding Adviser and then by the full Safeguarding Review team. This team is formed of key senior staff from across the organisation. This year we hired a dedicated Investigations Manager, and 2019/20 was the first full year that our Board Safeguarding Committee operated, providing invaluable oversight, advice and scrutiny (see page 34).

ASSESSMENT OF SAFEGUARDING RISKS

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

2019/20 REVIEW OF CASES

We work in more than 50 countries through 227 partners and have reached more than 1 million people through our response to disasters and 2.4 million people through our community development work this financial year. In this period, we received 30 cases through our safeguarding

channels. We investigated and closed 33 cases which included seven cases carried forward from 2018/19 and three cases from 2017/18; seven cases remain open investigations at the year end. Of the 30 cases received during the year, 16 cases were safeguarding cases:

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

Fourteen cases reviewed were not classified as safeguarding allegations. These fourteen cases were either reallocated to the relevant business area for further action or resolved by means of advice and assistance to the parties affected. The cases dealt with this year included breaches of the Personal Conduct Code, low level security incidents, community concerns not related to Tearfund and concerns regarding Tearfund and partner staff behaviour which did not relate to safeguarding.

Of the sixteen safeguarding cases received this year and the ten cases carried forward from last year 23 cases were substantiated as abuse, harm or exploitation. Of these 23 cases, four were classified as Tearfund cases, ten were partner cases and nine were community cases.

Of the fourteen reports classified as Tearfund or partner cases, three of the substantiated cases were allegations made against Tearfund staff; one case involved a Tearfund staff member as the survivor. Of the ten cases related to partner staff or representatives, five cases relate to incidents where both the perpetrator and

survivor, were partner staff. The remaining five cases identify partners as perpetrators, in these cases the survivors are members of the community.

CHILD SAFEGUARDING

Six of the substantiated cases investigated this year, involving either a Tearfund member of staff or representative, or a member of partner staff, related to the safeguarding of a child. One case involved the sexual abuse of a child by a Tearfund staff member, four cases involved the sexual abuse of a child by a member of partner staff or volunteer. The remaining case did not involve sexual abuse. In all substantiated cases the perpetrators were dealt with appropriately by Tearfund, the partner and/or local authorities. The needs of the survivors were prioritised and appropriate support offered. Tearfund's partners were encouraged and supported to offer similar support to survivors. In addition, the alleged perpetrators were given the opportunity to ask for support during the investigation process.

ADULT SAFEGUARDING

Eight of the substantiated cases investigated this year, involving either a Tearfund member of staff or representative, or a member of partner staff, related to the safeguarding of adults at risk. Six of the cases involved allegations of sexual abuse and exploitation by a member of partner staff. These cases were investigated and closed. Tearfund followed up all six cases with the partners and offered support including safeguarding training as appropriate. The other two cases were not of a sexual nature and involved Tearfund staff or volunteers. In all substantiated cases the perpetrators were dealt with appropriately by Tearfund, the partner and/or local authorities. Survivor needs were carefully prioritised during investigation including the offer of psychosocial support. We proactively encouraged and supported our partners to consider and meet the support needs of their survivors.

LESSONS LEARNT

We are committed to improving our safeguarding continually. In 2019/20 we implemented a number of actions to address safeguarding learning points we had identified. These included:

- strengthening our investigation protocols, including our standard communications to partners on our expectations for cooperation with an investigation; developing guidance and templates on risk assessment for investigation teams; and recommendations for appointing a psychologist at the outset who understands the local context and culture
- keeping under regular review the impact of blocking funding to a partner during an investigation
- reminding partners to notify Tearfund as quickly as possible when they are dealing with a safeguarding incident
- strengthening briefings to volunteers visiting programmes about possible cultural differences.

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

DEFINITIONS

Child safeguarding

A child is anyone under the age of 18.

Adult safeguarding

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

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
<p>Christian distinctiveness: actual or perceived loss of our core Christian identity or ways of working</p>	<ul style="list-style-type: none"> • Distinctively Christian guiding documents: Vision, mission, values, characteristics, Theory of Poverty and Statement of Faith • Brand guidelines for fundraising and supporter communications • Prayer, worship and devotions central to working practice • Appointment process for trustees, key staff, partners and other representatives includes exploration of Christian identity and signing of Statement of Faith • Board's Theological Committee
<p>Safety and security: loss of life, health, safety or well-being of staff, volunteers or others under our duty of care</p>	<ul style="list-style-type: none"> • Policies and procedures for Safety & Security, and Health, Safety & Well-being • Security training for all international staff and those who travel • Country Safety & Security Plans • Emergency Response and Crisis Response Plans documented and tested • Pastoral care structures • Global Health & Safety Committee reviews risks and mitigations twice a year • Board and Executive continuously reviewing safety and security protocols during the Covid-19 pandemic, based on risk assessments
<p>Safeguarding: abuse or other harm of a child or adult at risk</p>	<ul style="list-style-type: none"> • Policies on Safeguarding, Personal Conduct, and Whistleblowing; regularly reviewed and communicated • Mandatory annual staff training on safeguarding and whistleblowing • Independent reporting hotline publicised to staff, partners and communities • Safeguarding adviser and network of trained safeguarding focal points • Minimum standards for partner safeguarding policies • Board Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice • Working towards safeguarding risk assessments on all partner projects and all areas of Tearfund operations • Reminders to staff about the need for heightened vigilance and reporting of concerns during the Covid-19 pandemic, because of increased vulnerability and reduced visibility of beneficiaries
<p>Major programmes: failure to deliver on key outcomes of a high-profile donor-funded project</p>	<ul style="list-style-type: none"> • Programme Funding & Support team • Programme design approval process • Finance Manager and Grants Officer roles in all country offices that receive donor funding • Partner capacity assessments are used to identify suitable partners to receive donor funding • Contingency plans to operate programmes remotely as far as possible during Covid-19 lockdowns or disruptions
<p>Funding: insufficient unrestricted income to cover unrestricted expenses</p>	<ul style="list-style-type: none"> • Annual business planning process to match budgeted expenses with forecast income • Quarterly fundraising reviews to identify shortfalls and mitigations • Reserves policy and position reviewed regularly • Management accounts reviewed monthly by Executive team and quarterly by the Board • Investment in Tearfund USA and other sources of unrestricted income • Board and Executive work closely on forecasting income impacts of Covid-19, and adjusting expenditures to match

IDENTIFIED RISK	MITIGATION
<p>Impact: not measuring or demonstrating impact in our work adequately</p>	<ul style="list-style-type: none"> • Corporate and country strategy processes align work and outcomes with corporate priorities • Annual business plan includes strategy, impact and evidence plan • Design, monitoring and evaluation system used for all projects and programmes • Grant coordinators for all major operational programmes • Corporate scorecard reviewed quarterly by Executive team and the Board
<p>Sanctions and terrorism: our funds are used by a sanctioned party, or for the purposes of terrorism</p>	<ul style="list-style-type: none"> • Policy and procedure on Financial Sanctions and Anti-Terrorism • Enhanced due diligence procedures for high terror-risk countries • Partners are required to make their staff aware of risks of financing terrorism, and report incidents • Partner capacity assessments cover policies and training on countering terrorism
<p>IT security: inadequate cybersecurity and/or protection of personal data</p>	<ul style="list-style-type: none"> • Policies on Data Protection and Information Security • Mandatory annual staff training on data protection and cybersecurity • Segregated networks and security controls for data moving across boundaries • Secure remote connections • Data Protection Officer appointed and trained • Guidance to staff on detecting and preventing cyber attacks while working remotely
<p>Financial wrongdoing: corruption, fraud, bribery or conflict of interest involving our staff or partners</p>	<ul style="list-style-type: none"> • Policies on Fraud, Bribery, Corruption, and Conflicts of Interest • Mandatory annual staff training on fraud awareness, bribery and corruption, conflicts of interest, and whistleblowing • Partners are required to maintain a policy on conflicts of interest, and have processes and systems to prevent fraud and bribery • Partner capacity assessments cover policies and training on fraud and bribery, conflict of interest, and whistleblowing • Financial Wrongdoing Review Team coordinates response to all incidents; Executive team and the Board's Audit, Risk and Finance Committee review all cases before closure • Tearfund audits of partner governance, finance and project management • Reminders to staff about the need for heightened vigilance and reporting of concerns during the Covid-19 pandemic, because of increased opportunity and pressure to commit fraud
<p>Environmental impact: our activities have negative environmental impacts, insufficient resilience to environmental change, or fail to achieve changes to environmental policies and practices</p>	<ul style="list-style-type: none"> • EES corporate priority, with associated objectives across the organisation and dedicated roles • Comprehensive new Environmental Policy, with dedicated project manager to support implementation • Internal group to champion environmental conduct consistent with our public stances on environmental care and justice • Partner project proposal template includes aspects of environmental design and impact

ENVIRONMENTAL PERFORMANCE REPORT

We have made environmental and economic sustainability one of our three corporate priorities – because every day we work with poor communities who are bearing the brunt of climate change and environmental degradation.

As a consequence of practices and processes in other countries, poor communities are experiencing more intense storms, changing seasons, less predictable rainfall and encroaching deserts. This is also why we are committed to improving our own environmental performance.

To that end, Tearfund agreed a new Environmental Policy in 2019, to reduce further our environmental impact across our work. Among many other goals, the policy commits us to setting targets for and reducing our greenhouse gas emissions across ten major areas: flights, water use, paper use, waste, car fleet, taxis, bus, rail, Tube, gas use, commuting and electricity use.

We have already taken many decisive steps in recent years to improve our environmental impact:

Travel: We're using trains instead of flights for most travel in Western Europe.

Reduce, recycle, reuse: We've significantly stepped up recycling and reuse in our offices. We've reduced our paper use and the volume of publications we print by converting more of them to digital formats. We've also switched to using compostable bags for mailing supporter publications.

Sustainable buildings: Renovations on our Teddington office (including updating heating, cooling and ventilation equipment to modern, energy-efficient systems, installing a limited heat recovery system and roof insulation, and applying solar film to most windows) have made it significantly more efficient and sustainable.

Champions for change: We've set up an internal group of environmental champions, to improve environmental performance across our organisation.

Planning ahead: We're carrying out environmental risk assessments for all the countries where we work and integrating these into each project proposal.

Setting the bar high: We're including good environmental standards into our procurement policy, agreements with our partner organisations, country strategies and quality standards, as well as in many other key standards and planning documents.

We're encouraged that we've been able to take action to reduce our emissions across most areas of our work. Reducing the number of flights we take remains our greatest challenge. As an international development organisation, we have to fly, so we can remain close to those living in poverty on the ground and implement programmes in those contexts. But we need to hold ourselves accountable to minimise the number of flights we take as far as possible and use alternative travel and online conferencing wherever possible.

Another major challenge is the sheer complexity involved in tracking our emissions and environmental impact across all the countries where we work – and having the systems in place to make this possible. We have been encouraged, though, by the interest, passion and commitment of our staff to help improve our performance, and we're working hard to create a positive culture of change. We have established good internal communications to promote our environmental policy and good practice and we encourage one another, share ideas and celebrate success as we roll out our commitment to this key area.

For a more detailed explanation of our energy use data, please see page 45.

GREENHOUSE GAS EMISSIONS AND ENERGY USE DATA

(UK ONLY) FOR THE PERIOD OF 1 APRIL 2019 TO 31 MARCH 2020

We know that environmental issues are hitting people living in poverty the hardest, which is why environmental sustainability is not a new area for Tearfund. We have a long history of working on environmental issues where they impact on poor communities around the world.

This is the first year we're reporting this data, and we will be able to build up a clearer picture of progress in future years when figures can be compared. We have followed the UK government's 'Environmental reporting guidelines: including streamlined energy and carbon reporting requirements' (March 2019), and its 'Government emission conversion factors for greenhouse gas company reporting' (June 2019) to produce these figures:

ENERGY CONSUMPTION USED TO CALCULATE EMISSIONS	KWH
Gas	79,784
Electricity	357,944.94
Transport fuel	33,957.2
Other energy sources	N/A
TOTAL	471,686.14

EMISSION SOURCES	TONNES OF CO ₂ E
Combustion of gas (Scope 1)	30.97
Combustion of fuel for transport purposes (Scope 1)	1.10
Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	13.60
Purchased electricity (Scope 2 location-based)	99.26
TOTAL GROSS BASED ON ABOVE	144.93
Intensity ratio: tonnes of CO ₂ e per full-time equivalents	0.34

ENERGY EFFICIENCY ACTION

In the period covered by the report, Tearfund has continued to change internal lighting to LED and movement sensors where appropriate. New system features have been integrated into the building management system and a condition survey of the building has been scheduled for 2020. We also created our new environmental policy in September 2019 and communicated this to all staff. The policy aims to strengthen our monitoring and reporting so that we can continually improve our actions to minimise environmental impact.

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 Trustee Directors who were in office during the year and up to the date of signing the financial statements were:

Stephanie Biden^{2,6}

Ian Curtis (served on safeguarding committee until June 2020)^{3,6}

John Davidson (also member of Tearfund USA Board)^{4,6}

Jill Garner (retired September 2019)⁵

Stephanie Heald⁴

Sally Jones-Evans³

Anna Laszlo (Chair)¹

Philip Loney (Deputy Chair from September 2019)²

Rev Mark Melliush^{4,5}

Rt Rev Harold Miller⁵

Rosemary Nuamah Williams^{3,6}

Harry Phinda (appointed March 2020)

Rt Rev Anthony Poggo (retired December 2019)³

Craig Rowland (retired September 2019)⁴

John Shaw (Treasurer)²

David Wesson (appointed in December 2019)⁴

COMMITTEE MEMBERS

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

Mark Andrews (served on committee until November 2019)^{4,7}

Joanna de Berry (joined committee May 2020)³

Stafford Carson⁵

Hilary Croft⁴

Rosalee Ewell⁵

Steve Foster²

Ben Gilbert (served on committee until April 2020)³

Jim Ingram⁵

Blessings Kachale (retired February 2020)³

Rev Iain Macaulay (served on committee until November 2019)^{4,7}

Gordon McKechnie^{2,7}

Fi McLachlan³

Phillip McMillan (served on committee until November 2019)^{4,7}

Simon Poole (served on committee from June 2019)⁴

Michael Stewart^{2,7}

Dr Elaine Storkey⁵

Adam Taylor³

Mark Thompson^{2,7}

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:

Mark Andrews (from November 2019)

Robert Camp

Gary Carpenter

Steve Clifford

Dr Elizabeth Corrie

Graham Fairbairn

Paul German

Richard Gough

Kim Hurst

Anne de Leyser

Rev Iain Macaulay

Deepak Mahtani (sadly passed away April 2020)

Fiona Major

Clive Mather (also Chair of Tearfund USA Board)

Philip McMillan

Julia Ogilvy

Rt Rev Anthony Poggo

Rev Dr Chris Wright

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 – Member of Safeguarding Committee

7 – Council Member



NATIONAL ADVISORY COMMITTEE MEMBERS

NORTHERN IRELAND

Phillip McMillan (Chair)
Paul Coulter
Susie McCollough
Denise Hayward
Sarah Francis

SCOTLAND

Rev Iain Macaulay (Chair)
Richard Atkinson
Jill Brown (from May 2019)
Carolyn Finlayson
Jenny Honey
Rev David McCarthy
Fiona Morrison
Ellyn Oliver (from May 2019)

WALES

Mark Andrews (Chair)
Dr Jane Hanson
Rev Simeon Baker
Andy Bull

AMBASSADORS

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

EXECUTIVE TEAM

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

Nigel Harris
Chief Executive
Karen Brown
Director of People and Talent
Catriona Dejean
Director of Strategy and Impact
Nigel Gavin
Director of Finance and IT
Myles Harrison
International Director
Jane Pleave
Global Fundraising Director
Dr Ruth Valerio
Global Advocacy and Influencing Director

INDEPENDENT AUDITORS

BDO LLP
55 Baker Street, London W1U 7EU

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

FINANCIAL REVIEW

INCOME AND EXPENDITURE

Tearfund's total income for 2019/20 was £85.1m, another record year and an increase of 11 per cent on last year's total of £76.3m. The main factors driving the increase were individual donations, up from £28.4m to £39.4m, and institutional grants which increased from £22.8m to £26.4m, largely due to success in obtaining US government funding for projects in the Democratic Republic of Congo, Iraq and South Sudan. The increase in individual donations was due to a very generous donation from an individual supporter. The Board designated this gift to Tearfund's strategic priorities, notably a series of projects over three years in 12 countries focusing on environmental and economic sustainability (including waste and renewable energy projects), together with investment in improved information systems and in leadership and management development and training. Emergency appeals income was down to £3.8m (2018/19: £7.4m): most of this related to Cyclone Idai which hit Mozambique, Malawi and Zimbabwe in March 2019.

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.

Total expenditure increased by three per cent to £85.2m (2018/19: £82.7m). This was slightly higher than total income (by £153,000) as a result of spending against restricted appeals and emergencies income which had been received in prior years. Overall restricted expenditure exceeded restricted income in the year by £3.8m. This was offset by unrestricted income which exceeded unrestricted expenditure by £3.6m. The increase in fundraising expenditure is in line with Board-approved budget and reflects our intention to be bolder in our fundraising and grow income from new audiences.

The year's results were only marginally affected by the coronavirus crisis. The section below on 'General funds' gives further details of the expected impact of the crisis on future years' income and reserves.

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 and Tearfund's grant spending in 2019/20 was £17.8m (2018/19: £18.5m). Project proposals received from partner organisations are subject to a formal approval process that includes a technical assessment of the project and a review of the organisation's capacity and compliance policies. An agreed monitoring process is undertaken during the life cycle of all projects. In addition, financial evaluations are carried out on all large projects and on a sample of smaller projects. Details of grants made to the top 50 partner organisations are on our website at www.tearfund.org/top50

GENERAL FUNDS

General funds are needed to:

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

The Board of Trustee Directors reviews the level of required general funds annually to ensure that an appropriate level is held. The review takes into account the main financial risks of our operating model and environment in respect of all income streams and categories of expenditure. The target range to cover these risks in addition to routine working capital is set at between £4.5m and £6.5m (unchanged from 2018/19).

At the end of 2019/20 our general fund stands at £3.9m, which is below the lower end of the target range. This is mainly because unrestricted legacies income, which is by nature volatile, was below expectations at £5.5m (2018/19: £7.6m). 2019/20 was the final year of a three-year spending programme, investing a planned portion of our reserves into scaling up our priority areas of work. As a result we spent a further £1.8m of unrestricted income on building our capacity in the

priority areas of Church and Community Transformation, Environmental and Economic Sustainability, and Fragile States. We also continued to invest in our staff worldwide through leadership and management training, as well as in systems to increase efficiency, transparency and compliance, both areas picked up in the designated Strategic Priorities Fund described on page 49.

We recognise that the consequences of the Covid-19 pandemic are likely to cause a reduction in Tearfund's income over the coming years, even if the extent of this is highly uncertain at present. We are therefore working to a revised budget, approved by the Board in May 2020, which assumes a £6.5m reduction in unrestricted income in 2020/21, including reductions in cost recoveries. This is set against reduced expenditure of £7m, much of which is temporary and reversible although some permanent cost savings have also been made. The revised budget does not envisage the general fund being brought back into the target range during 2020/21, since we have sought to avoid making deeper permanent cost reductions until we have more clarity on our income. We will bring updated financial plans for Board approval in September which will set out additional detailed cost reduction measures which can be implemented if required to match falls in income. Our longer-term plans assume that the global economic situation will remain depressed during 2021/22 and that it will take until the end of 2022/23 to build the general fund back to the middle of the target range. However, we are also considering options for returning the general fund to the bottom of the target reserves range (£4.5m) by the end of March 2022. We recognise that long-term planning is subject to a fast-changing context where plans can quickly become outdated and we know we need to stay agile to respond to changing circumstances. We continually take reassurance from Tearfund supporters, who remain loyal and generous.

Further financial details are given in the going concern note on page 57.

DESIGNATED FUNDS

Designated funds are part of the unrestricted funds which the Trustee Directors have earmarked for a particular use, without restricting or committing the funds legally. The Fixed Asset Fund represents the net book value of Tearfund's

fixed assets, including the purchase of Toilet Twinning, to indicate that these resources are not available for other purposes. At the end of the year, the Fixed Asset Fund stood at £2.5m (2018/19: £3.5m).

The Overseas Assets Fund at the end of the year showed a deficit of £0.1m (2018/19: surplus of £0.2m). This fund is used for the replacement of vehicles in our overseas locations. The deficit will be covered by repayments due over the life of the vehicles. The fund also includes a small balance of money set aside for the provision of renewable energy solutions in disaster responses.

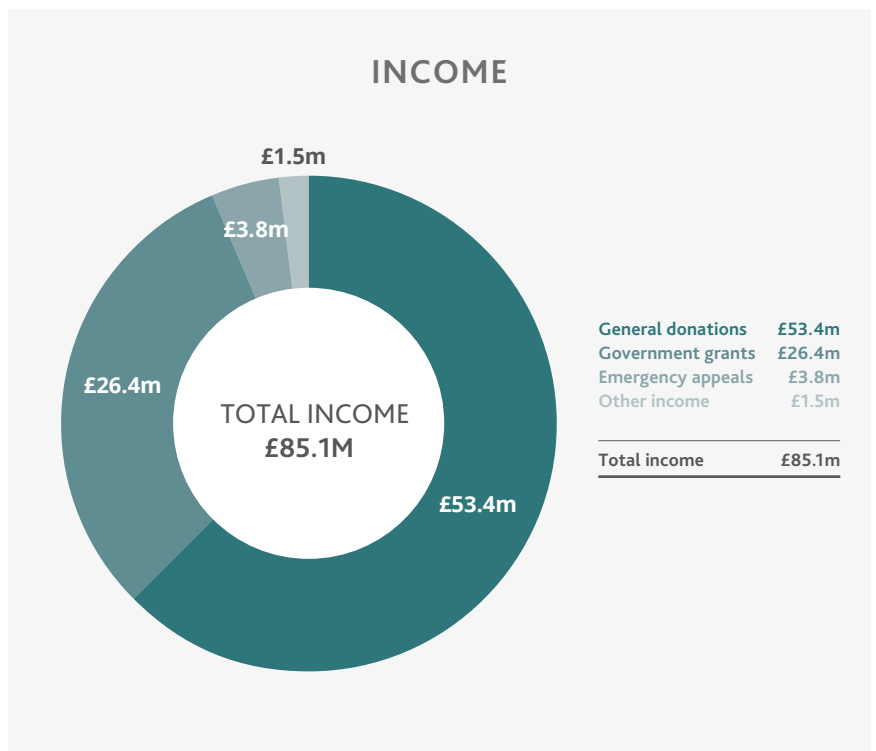
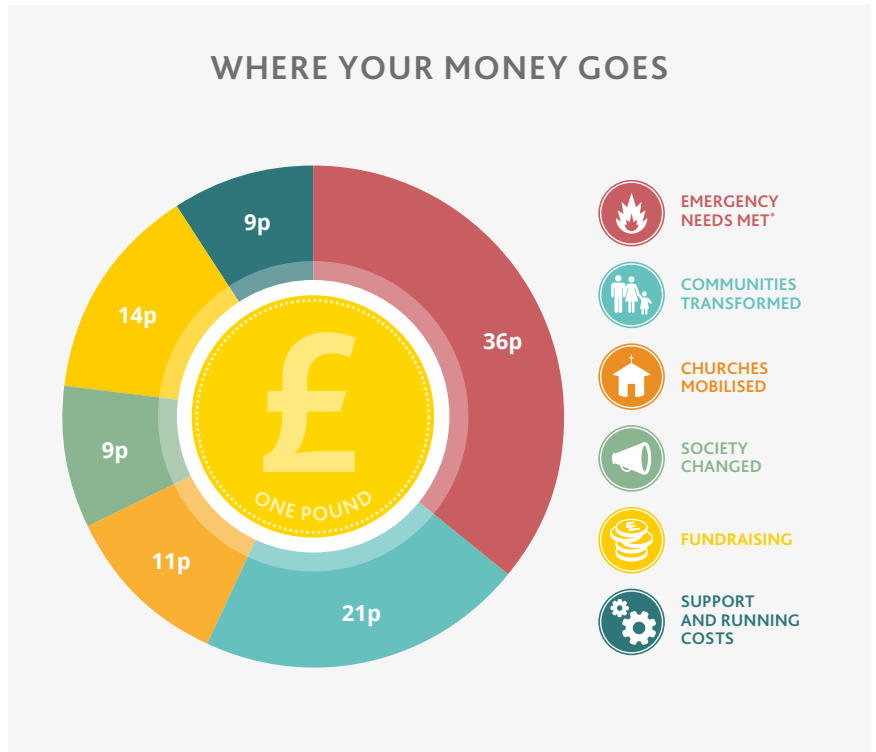
The Strategic Priorities Fund is a new fund enabling Tearfund to run a series of projects over three years in 12 countries focusing on environmental and economic sustainability (including waste and renewable energy projects), together with investment in improved information systems and in leadership and management development and training. The balance remaining on this fund at the end of the year is £8.5m.

RESTRICTED FUNDS

Restricted funds are funds subject to specific conditions imposed by donors. The year-end balances represent income which has been recorded but where the related expenditure has not yet been incurred. The majority of these funds are either institutional awards, or funds generated during emergencies or as a result of other specific appeals. In many cases these appeals generate income over a short timeframe which is then planned to be spent over a period of up to three years in line with the purpose of the appeal. At the end of the year, total restricted funds had decreased to £11.3m (2018/19: £15.1m). For each fund, Tearfund's assets are available and adequate to fulfil its obligations.

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 0.81 per cent (2018/19: 0.78 per cent) compared with an average bank base rate for the same period of 0.72 per cent (2018/19: 0.67 per cent).



*The increased proportion of spend on Emergency Needs Met compared to last year is mainly due to a move within our institutionally-funded Iraq programmes towards cash distribution activities.

'For we live by faith,
not by sight.'

2 CORINTHIANS 5:7



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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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



Anna Laszlo
Chair
27 August 2020

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 subsidiary ("the Group") for the year ended 31 March 2020 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 2020 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 six and eight 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and 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 Trustees' Annual Report, We put Love First, Chair's Introduction and CEO's Introduction. 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 Trustee's report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

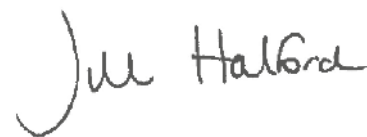
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

USE OF OUR REPORT

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



Jill Halford

Senior Statutory Auditor for and on behalf of BDO LLP, Statutory Auditor London

2 September 2020

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 2020

	Note	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Income from:							
Donations and legacies	2	38,091	45,525	83,616	29,362	44,635	73,997
Charitable activities	3	1,122	69	1,191	2,076	64	2,140
Other trading activities	5	27	78	105	33	45	78
Investment income		100	45	145	76	45	121
Total income		39,340	45,717	85,057	31,547	44,789	76,336
Expenditure on:							
Raising funds	4	11,197	982	12,179	9,708	822	10,530
Charitable activities	4	24,508	48,523	73,031	25,274	46,953	72,227
Total expenditure		35,705	49,505	85,210	34,982	47,775	82,757
Net income / (expenditure) for the year	6	3,635	(3,788)	(153)	(3,435)	(2,986)	(6,421)
Net movement in funds		3,635	(3,788)	(153)	(3,435)	(2,986)	(6,421)
Reconciliation of funds:							
Total funds brought forward at 1 April	14b	11,079	15,132	26,211	14,514	18,118	32,632
Total funds carried forward at 31 March	14a	14,714	11,344	26,058	11,079	15,132	26,211

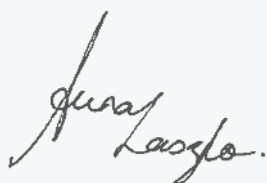
The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities 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 £84,952,000 (2018/19: £76,258,000). The net result of the company for the year was a deficit of £153,000 (2018/19: deficit of £6,421,000). There is no material difference between the entity and the group Statement of Financial Activities.

BALANCE SHEETS

31 March 2020

	Note	Tearfund Group		Tearfund	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets					
Tangible assets	9	2,459	3,216	2,459	3,216
Intangible assets	9	18	265	18	265
Long-term investments	10	-	-	5	5
Total fixed assets		2,477	3,481	2,482	3,486
Current assets					
Stocks	11	1,280	53	1,267	45
Debtors	12	10,091	12,570	10,141	12,600
Short-term deposits		11,780	4,000	11,780	4,000
Cash at bank and in hand		5,850	11,492	5,826	11,482
Total current assets		29,001	28,115	29,014	28,127
Creditors					
Amounts falling due within one year	13	(5,420)	(5,385)	(5,429)	(5,402)
Net current assets		23,581	22,730	23,585	22,725
Net assets		26,058	26,211	26,067	26,211
Funds					
Unrestricted funds:					
General fund	14a	3,896	7,402	3,905	7,402
Designated funds	14a	10,818	3,677	10,818	3,677
		14,714	11,079	14,723	11,079
Restricted funds	14a	11,344	15,132	11,344	15,132
Total funds		26,058	26,211	26,067	26,211

The financial statements on pages 54 to 73 were approved by the Board of Directors on 27 August 2020 and signed on its behalf by:



Anna Laszlo,
Chair of the board



John Shaw,
Treasurer

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2020

	2020 £'000	2019 £'000	
Net cash provided by operating activities	2,273	(8,753)	
Cash flow from investing activities:			
Investment income receivable	145	121	
Purchase of property, plant, equipment and intangibles	(384)	(433)	
Proceeds from the sale of property, plant and equipment	8	1	
Net cash used in investing activities	(231)	(311)	
Change in cash and cash equivalents in the reporting period	2,042	(9,064)	
Cash and cash equivalents at the beginning of the reporting period	15,392	24,456	
Cash and cash equivalents at the end of the reporting period	17,434	15,392	
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(153)	(6,421)	
Adjustments for :			
Depreciation charges	1,387	1,356	
Investment income receivable	(145)	(121)	
(Profit)/Loss on sale of tangible fixed assets	(7)	1	
Decrease/(increase) in stocks	(1,227)	(2)	
Decrease/(increase) in debtors	2,479	(3,858)	
(Decrease)/increase in creditors	(61)	292	
Net cash provided by operating activities	2,273	(8,753)	
Analysis of changes in net funds	1 April 2019 £'000	Cash flows £'000	31 March 2020 £'000
Cash at bank and in hand	11,492	(5,642)	5,850
Bank deposits	4,000	7,780	11,780
Bank overdrafts	-	(96)	(96)
Interest-free loans	(100)	-	(100)
	15,392	2,042	17,434

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

1. ACCOUNTING POLICIES

Basis of preparation

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

Consolidation

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

Accounting estimates and key judgements

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

Company status

Tearfund is a registered charity in England and Wales (number 265464) and Scotland (number SC037624) and is constituted as a company registered in England and Wales and limited by guarantee (company number 00994339). It is governed by its Memorandum and Articles of Association and at the year-end there were 34 members (2018/19: 33) 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) reviewed the Charity's business plan and budget in March 2020 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis. However, the impact of the Covid-19 pandemic and its financial effects have required the executive team and trustees to prepare a revised budget and three year plan to ensure that Tearfund can continue its business-critical activities and remain a going concern.

Worsening economic conditions and forecasts indicate that our supporters are likely to have reduced average income and wealth over the coming years as a result of lower than anticipated profits, asset values or employment income. This will probably lead to a decrease in fundraising income, through reduced regular and one-off giving from individuals, churches, trusts and foundations, and through the cancellation of major events. We also expect a reduction in legacy income as we see falls in investments, property prices and a delay in the administration of wills.

The Trustees have, therefore, decided to carry out a range of immediate cost reductions to mitigate these potential future impacts. Most are temporary and are reversible, depending on the actual scale of reduced income. They include reduced costs as a result of global travel restrictions, recruitment limited only to essential roles,

the cancellation of summer events and the temporary closure of the Teddington office. Some will directly affect overseas operations and in some cases will result from a need to concentrate on business-critical activities. We have also made use of the government furlough scheme for staff whose activity has stopped under Covid-19 restrictions. In total, the revised budget, which was reviewed and approved by the Trustee Directors in May 2020, builds in cost savings of around £7m in 2020/21 compared to the budget approved in March 2020.

There remains much uncertainty around the duration and impacts of the Covid-19 pandemic and we will continue to review income on a weekly basis and review financial stability as matters progress. We recognise that this might require us to take additional cost-saving measures.

In order to assess Tearfund's ability to continue as a going concern, we have prepared cash flow forecasts for the next twelve months which are based on the revised budget approved in May 2020. These projections include additional cost savings over and above those built into the budget. We have noted that we are not yet seeing any significant falls in our income. We have run stress tests on the forecasts which in the worst case scenario show that a sustained fall of 20% in unrestricted donations requires us to take action to ensure that we are not using cash from restricted funds to finance general day to day needs. We have therefore put in place a £6m credit facility, secured against our Teddington building. Having considered these matters, the Trustee Directors do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

Income

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

Legacies

Legacies are recognised when they are measurable, probate has been granted and entitlement is clear. No value is included where the legacy is contentious or is subject to a life interest held by another party.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

Grants and contracts

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

Gifts in kind

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

Expenditure

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

The following specific policies apply to categories of expenditure:

Grants payable

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

Support costs

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

Fundraising and publicity

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

Foreign exchange

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

Pensions

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

Tangible fixed assets and depreciation

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

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

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

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

Intangible assets and amortisation

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

Financial instruments

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

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

Bought-in goods are valued at lower of costs and net realisable value. Humanitarian supplies are valued at cost with obsolete stock written off.

Cash and cash equivalents

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

Operating leases

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

2a. DONATIONS

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Donations from:				
Individuals	30,167	9,262	39,429	28,412
Churches	1,560	1,547	3,107	3,291
Trusts, companies and schools	844	4,328	5,172	4,254
Legacies	5,520	130	5,650	7,839
Grants	-	26,417	26,417	22,823
	38,091	41,684	79,775	66,619
Appeals and emergencies:				
Individuals	-	1,173	1,173	3,946
Churches	-	506	506	695
Trusts, companies and schools	-	329	329	633
Legacies	-	7	7	-
	-	2,015	2,015	5,274
Via Disasters Emergency Committee	-	1,826	1,826	2,104
	-	3,841	3,841	7,378
Total donations and legacies	38,091	45,525	83,616	73,997

Gifts in kind of £5,200 (2018/19: nil) of pro-bono legal work, which is included in support cost expenditure, is included above in 'Individuals' income. Donations income in 2019/20 was £83,616,000 (2018/19: £73,997,000) of which £45,525,000 (2018/19: £44,635,000) was restricted and £38,091,000 (2018/19: £29,362,000) was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

2b. GRANTS INCOME

	2020 £'000	2019 £'000
United States Government	12,581	9,494
United Nations	5,289	5,618
Dutch Government	2,795	2,833
United Kingdom Government	2,083	1,058
Canadian Foodgrains Bank	1,073	777
European Union	526	15
Scottish Government	441	696
States of Jersey	142	360
New Zealand Government	127	82
States of Guernsey	40	60
Belgian Government	-	333
Canadian Government	-	283
GIZ German Government	-	(50)
Irish Government	(2)	57
Other	(49)	76
	25,046	21,692
Tear Netherlands (includes funding from the Evangelical Broadcasting Co.)	1,292	619
Integral / Other NGOs (Food for the Hungry)	79	512
	26,417	22,823

Included within the above grants income are gifts in kind of £1,753,000 (2018/19: £1,751,000) which are also included in expenditure and stock. The whole amount for both years is restricted income. They consist mainly of water and sanitation products; food aid; latrines and seeds and tools for planting.

3. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Contract income from DFID contributed to the following programmes:				
SWIFT (WASH)	675	-	675	1,435
ICS	-	-	-	210
Total contract income	675	-	675	1,645
Other income from charitable activities	447	69	516	495
Total income from charitable activities	1,122	69	1,191	2,140

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

4. TOTAL RESOURCES EXPENDED

	Grants £'000	Direct costs £'000	Support costs £'000	2020 Total costs £'000	2019 Total costs £'000
Unrestricted					
Costs of generating funds:					
Costs of generating voluntary income	-	8,506	2,655	11,161	9,702
Fundraising trading	-	30	6	36	6
	-	8,536	2,661	11,197	9,708
Charitable activities:					
Churches mobilised	1,411	3,490	1,611	6,512	8,542
Communities transformed	2,677	3,115	2,368	8,160	8,318
Society changed	740	3,556	1,403	5,699	4,334
Emergency needs met	489	1,611	2,037	4,137	4,080
	5,317	11,772	7,419	24,508	25,274
Total unrestricted	5,317	20,308	10,080	35,705	34,982
Restricted					
Costs of generating funds:					
Costs of generating voluntary income	-	954	2	956	795
Fundraising trading	-	26	-	26	27
	-	980	2	982	822
Charitable activities:					
Churches mobilised	1,670	2,454	1	4,125	3,938
Communities transformed	4,217	7,576	2	11,795	18,047
Society changed	584	2,705	1	3,290	3,444
Emergency needs met	6,085	23,226	2	29,313	21,524
	12,556	35,961	6	48,523	46,953
Total restricted	12,556	36,941	8	49,505	47,775
Total expenditure	17,873	57,249	10,088	85,210	82,757

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 2020

4. TOTAL EXPENDITURE CONTINUED

	2020 £'000	2019 £'000
Grants to partner organisations by geographical region:		
Africa	10,067	8,280
Asia	3,342	5,872
Eurasia	2,761	2,250
Latin America and Caribbean	1,037	1,302
Total grants to partner organisations	17,207	17,704
Assistance in establishing Tearfund USA	666	756
Total grants	17,873	18,460

Grant management costs were £2,668,000 (2018/19: £2,442,000).

	2020 £'000	2019 £'000
The top 15 countries and regions where grants were made:		
Malawi	1,322	490
Nigeria	1,158	1,329
Ethiopia	992	1,079
Democratic Republic of Congo	937	716
South Sudan	885	777
Mozambique	840	290
Bangladesh	830	1305
Tanzania	759	601
India	689	976
Burundi	593	212
Yemen	589	819
Rwanda	549	371
Indonesia	532	465
Zimbabwe	518	212
Burkina Faso	512	300

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

Support costs and the basis of their allocation are as follows:	Principal basis of allocation to activities	2020 £'000	2019 £'000
General management, risk and compliance	Headcount and expenditure	210	186
Financial management	Headcount and expenditure	1,550	1,588
Human resources	Headcount	2,342	2,033
Strategy & impact	Expenditure	239	174
Information systems	Headcount and expenditure	3,657	2,210
Premises and facilities	Headcount	1,647	1,565
Governance	Headcount and expenditure	443	283
		10,088	8,039

The 2019 amount for Information systems includes £466,000 which was disclosed last year as part of Financial management.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

5. SUBSIDIARY

Tearfund has a wholly-owned trading subsidiary, Tearfund Trading Limited, which is registered in England and Wales, company registration number 03779450. The registered address is 100 Church Road, Teddington TW11 8QE. The company undertakes various trading activities to raise funds for Tearfund and all its taxable profits are treated as qualifying distribution to Tearfund under Deed of Covenant. Its results and assets for the year ended 31 March 2020 were as follows:

	2020 £'000	2019 £'000
Total incoming resources	105	78
Total expenditure	(62)	(33)
Profit for the year	43	45
Qualifying distribution	(52)	(45)
Retained loss for the year	(9)	-
Total assets	58	57
Total liabilities	(62)	(52)
Funds	(4)	5

In 2019/20, £52,000 (2018/19: £25,000) of profits were restricted. There was an unrestricted loss of £9,000 (2018/19: unrestricted profit of £20,000).

6. NET (INCOMING)/OUTGOING RESOURCES FOR THE YEAR

Net (incoming)/outgoing resources for the year are stated after charging the following:	2020 £'000	2019 £'000
Depreciation of tangible fixed assets	1,140	1,111
Depreciation of intangible fixed assets	163	245
Permanent diminution of intangible fixed assets	84	-
Auditors' remuneration: audit – Tearfund	54	53
Other assurance services – Tearfund	1	26
Auditors' remuneration: audit – Tearfund Trading	2	2
(Profit) / Loss on sale of tangible fixed assets	(38)	1
Operating leases: land and buildings – unrestricted	56	70
Operating leases: land and buildings – restricted	1,056	955

The above is all unrestricted expenditure/(income) unless otherwise indicated except the profit on sale of tangible fixed assets in 2019/20 that comprises an unrestricted gain of £7,000 and a restricted gain of £31,000.

7. EMPLOYEES AND TRUSTEES

	2020 UK £'000	2020 Overseas £'000	2020 Total £'000	2019 UK £'000	2019 Overseas £'000	2019 Total £'000
Employee costs						
UK-contracted employees:						
Salaries and wages	16,334	4,824	21,158	16,211	4,042	20,253
Social security costs	1,662	35	1,697	1,627	37	1,664
Other pension costs	1,688	189	1,877	1,658	245	1,903
	19,684	5,048	24,732	19,496	4,324	23,820
Staff based overseas on local contracts	-	7,751	7,751	-	4,877	4,877
	19,684	12,799	32,483	19,496	9,201	28,697

Included in the above employee costs are redundancy and severance costs of £296,000 (2018/19: £717,000), of which £89,000 were ex-gratia payments. Redundancy costs are provided for when they are estimable and settlement is probable in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

7. EMPLOYEES AND TRUSTEES CONTINUED

Average full-time equivalent number of persons employed during the year	2020 Number	2019 Number
UK-contracted employees based:		
In the UK	423	424
Overseas	128	113
	551	537
Staff based overseas on local contracts	653	413
	1,204	950

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 mainly on projects funded by institutions. All staff were employed across the range of activities detailed on the SOFA. No employees are employed directly by Tearfund Trading Limited.

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

	2020 Number	2019 Number
£60,001 – £70,000	14	13
£70,001 – £80,000	1	2
£80,001 – £90,000	3	3
£100,001–£110,000	2	-
£110,001 – £120,000	-	1

Pension payments of £130,000 (2018/19: £111,000) were made for these twenty (2018/19: nineteen) higher-paid employees. The total emoluments received by the chief executive in the year was £90,000 (2018/19: £90,000). In 2019/20 the senior executives of the organisation earned a total of £653,000 (2018/19: £609,000) including national insurance and pensions. In 2019/20 Tearfund paid severance to two UK members of staff which resulted in gross earnings in the year for the individuals totalling £213,124 (2018/19: £115,585).

Trustees

As Charity Trustees, the Board of Directors and Committee Members, who are not employees, received no remuneration for their services. During the year, nine directors/committee members were reimbursed or had costs paid for by Tearfund for a total of £6,748 for UK travel and subsistence expenses (2018/19: five for £3,121). One director/committee member had overseas travel paid for by Tearfund, totalling £2,447 (2018/19: three for £931).

Indemnity insurance is provided for the Directors at a cost of £6,496 (2018/19: £6,496).

Pensions

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

Included within creditors falling due within one year is £198,000 (2018/19: £164,000) in respect of pension contributions due to be paid to the fund managers.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

8. TAXATION

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

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total Tangible £'000	Total Intangible £'000
Cost					
At 1 April 2019	2,688	5,876	150	8,714	1,225
Additions	-	384	-	384	-
Disposals	-	(31)	(41)	(72)	-
At 31 March 2020	2,688	6,229	109	9,026	1,225
Accumulated depreciation					
At 1 April 2019	1,687	3,729	82	5,498	960
Charge for the year	77	1,046	17	1,140	163
Permanent Impairment	-	-	-	-	84
Disposals	-	(30)	(41)	(71)	-
At 31 March 2020	1,764	4,745	58	6,567	1,207
Net book value					
At 31 March 2020	924	1,484	51	2,459	18
At 31 March 2019	1,001	2,147	68	3,216	265

The book value of freehold land not depreciated is £200,000 (2018/19: £200,000). Tearfund's offices in Teddington have a book value of £924,000 (2018/19: £1,001,000) and are insured at a value of £10,000,000 (2018/19: £10,000,000).

The intangible asset is the cost of the purchase of Toilet Twinning, which has been amortised over its useful life of five years.

10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2020, Tearfund had one wholly-owned subsidiary which is registered in England and Wales.

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

NOTES TO THE FINANCIAL STATEMENTS

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11. STOCKS

	Tearfund Group		Tearfund	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Finished goods	1,222	13	1,209	5
IT stores	47	21	47	21
Disaster management stores	11	19	11	19
	1,280	53	1,267	45

12. DEBTORS

	Tearfund Group		Tearfund	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Due within one year:				
Trade debtors	2	15	-	-
Amount owed by group undertaking	-	-	52	45
Tax recoverable	502	756	502	756
Other debtors	981	1,829	981	1,829
Accrued institutional grants	3,338	4,516	3,338	4,516
Accrued legacy income	4,381	4,688	4,381	4,688
Prepayments and other accrued income	887	766	887	766
	10,091	12,570	10,141	12,600

13. CREDITORS

	Tearfund Group		Tearfund	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts falling due within one year				
Bank overdrafts	96	-	96	-
Interest-free loans	100	100	100	100
Amount owed to group undertaking	-	-	20	25
Other creditors	1,060	932	1,052	927
Taxation and social security	1,767	1,161	1,767	1,161
Accruals	1,949	2,814	1,946	2,811
Deferred income	448	378	448	378
	5,420	5,385	5,429	5,402

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

	2020 £'000	2019 £'000
Deferred income balance		
Opening balance	378	974
Released income	(61)	(752)
Deferred income	131	156
Closing balance	448	378

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

14a. FUNDS MOVEMENT (2019/20)

Tearfund and Tearfund Group	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
General fund	7,402	29,340	(33,850)	1,004	3,896
Designated funds	-	-	-	-	-
Fixed asset fund	3,481	-	-	(1,004)	2,477
Overseas assets fund	196	-	(307)	-	(111)
Strategic priorities	-	10,000	(1,548)	-	8,452
	3,677	10,000	(1,855)	(1,004)	10,818
Total unrestricted funds	11,079	39,340	(35,705)	-	14,714
Restricted funds:					
Appeals and emergencies:					
Asia floods	27	-	(13)	-	14
Bangladesh	-	632	(374)	-	258
Burundi and Rwanda	484	7	(251)	(2)	238
Central African Republic	287	2	(95)	-	194
Democratic Republic of Congo	93	3	(97)	1	-
East Africa	214	4	(185)	-	33
Hurricane Matthew	8	-	(9)	1	-
Indonesia	1,432	552	(843)	(1)	1,140
Middle East	1,520	128	(863)	(1)	784
Myanmar	387	115	(454)	-	48
Nepal earthquake	156	1	(157)	-	-
Other	189	3	(61)	(30)	101
Pakistan	-	189	(74)	30	145
Sahel/Niger crisis	45	-	(45)	-	-
Southern Africa cyclone	1,035	2,132	(2,430)	-	737
Sudan and South Sudan	415	14	(426)	164	167
Syria crisis	669	299	(143)	-	825
Yemen	1,381	682	(634)	-	1,429
	8,342	4,763	(7,154)	162	6,113

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

14a. FUNDS MOVEMENT (2019/20) CONTINUED

Tearfund and Tearfund Group	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
Restricted funds brought forward	8,342	4,763	(7,154)	162	6,113
Country funds	158	143	(291)	(10)	-
Project funds:					
Institutions and trusts	3,325	31,108	(29,979)	(164)	4,290
Connected Church	415	666	(704)	1	378
Other	300	2,121	(1,869)	11	563
Beneficiary funds:					
Other children funds	679	2,722	(3,401)	-	-
Issue funds:					
Disaster management	316	940	(1,256)	-	-
Water and sanitation	287	2,688	(2,975)	-	-
HIV and AIDS	271	483	(754)	-	-
Conflict and poverty	1,039	-	(1,039)	-	-
Other	-	83	(83)	-	-
Total restricted funds	15,132	45,717	(49,505)	-	11,344
Total	26,211	85,057	(85,210)	-	26,058

Designated funds are set up for the following purposes:

- The fixed asset fund represents the net book value of Tearfund's tangible and intangible fixed assets to indicate that these resources are not available for other purposes.
- The overseas assets fund represents money set aside in our overseas locations for the replacement of vehicles and for the provision of renewable energy solutions. The debit balance of the fund will be recovered over the life of the vehicles by recharging the projects.
- The strategic priorities fund represents monies set aside to fund a range of strategically important projects across multiple countries, together with investment in leadership and management development and new information systems.

Restricted funds are shown under the following main categories:

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

Fund balances may be negative for the following reasons:

- 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.

At 31 March 2020, the total deficit balances amounted to £489,000 (2018/19: £1,071,000).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

14a. FUNDS MOVEMENT (2019/20) CONTINUED

Transfers between funds represent:

- (a) movements on the net book value of fixed assets between the general fund and the fixed asset fund and designation of funds for work on our strategic priorities
- (b) reallocations between funds reflecting the analysis of funds or balance transfers
- (c) reallocations 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 2019 £'000	Income £'000	Expenditure £'000	31 March 2020 £'000
Department for International Development (DFID)				
Democratic Republic of Congo Sexual Violence	-	(29)	29	-
Central African Republic: AID Match	3	1,579	(1,585)	(3)
Pakistan: AID Match	-	12	(56)	(44)
Start Network:		-	-	-
Burundi flooding	-	80	(80)	-
Democratic Republic of Congo	3	-	(3)	-
Democratic Republic of Congo IDP of Kamango	-	26	(26)	-
Democratic Republic of Congo Alert 363	-	128	(128)	-
Democratic Republic of Congo Alert 384	-	158	(158)	-
Nigeria	15	(11)	(2)	2
Nigeria evaluation	-	10	(7)	3
South Sudan Ebola	-	130	(130)	-
Total DFID funds	21	2,083	(2,146)	(42)
Disasters Emergency Committee (DEC)				
Myanmar refugees 2017	274	81	(355)	-
Indonesia tsunami	28	483	(419)	92
Cyclone Idai 2019	-	1,262	(1,117)	145
Total DEC funds	302	1,826	(1,891)	237

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

14b. FUNDS MOVEMENT (2018/19)

Tearfund and Tearfund Group	1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2019 £'000
General fund	8,162	31,540	(33,302)	1,002	7,402
Designated funds					
Fixed asset fund	4,406	-	-	(925)	3,481
Overseas asset fund	446	7	(257)	-	196
Corporate priorities	1,500	-	(1,423)	(77)	-
	6,352	7	(1,680)	(1,002)	3,677
Total unrestricted funds	14,514	31,547	(34,982)	-	11,079

Tearfund and Tearfund Group	1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2019 £'000
Restricted funds:					
Appeals and emergencies:					
Asia floods	86	(9)	(50)	-	27
Burundi and Rwanda	-	977	(493)	-	484
Central African Republic	300	6	(19)	-	287
Democratic Republic of Congo	283	30	(183)	(37)	93
East Africa	2,854	556	(3,196)	-	214
Ebola	16	-	(16)	-	-
Hurricane Matthew	125	1	(118)	-	8
Indonesia	-	2,192	(688)	(72)	1,432
Middle East	2,165	110	(755)	-	1,520
Myanmar	271	634	(587)	69	387
Nepal earthquake	829	5	(752)	74	156
Other	25	37	(1)	128	189
Sahel/Niger crisis	132	-	(87)	-	45
Southern Africa cyclone	-	1,120	(29)	(56)	1,035
Sudan and South Sudan	396	19	-	-	415
Syria crisis	7	682	(20)	-	669
Vanuatu	9	-	(9)	-	-
Yemen	888	999	(506)	-	1,381
	8,386	7,359	(7,509)	106	8,342

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

14b. FUNDS MOVEMENT (2018/19) CONTINUED

Tearfund and Tearfund Group	1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2019 £'000
Restricted funds brought forward	8,386	7,359	(7,509)	106	8,342
Country funds	10	631	(483)	-	158
Project funds:					
Institutions and trusts	3,939	27,612	(28,049)	(177)	3,325
Connected Church	507	942	(1,041)	7	415
Other	943	1,560	(2,285)	82	300
Beneficiary funds:					
Other children funds	-	2,835	(2,156)	-	679
Issue funds:					
Disaster management	-	962	(646)	-	316
Water and sanitation	-	2,334	(2,047)	-	287
HIV and AIDS	-	505	(234)	-	271
Conflict and poverty	4,333	49	(3,325)	(18)	1,039
Total restricted funds	18,118	44,789	(47,775)	-	15,132
Total	32,632	76,336	(82,757)	-	26,211

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

	1 April 2018 £'000	Income £'000	Expenditure £'000	31 March 2019 £'000
Department for International Development (DFID)				
Global Poverty Alleviation Fund (GPAF) Niger	-	10	(10)	-
Democratic Republic of Congo Sexual Violence	-	29	(29)	-
Central African Republic: AID Match	-	824	(821)	3
Start Network:				
Emergency floods in Sierra Leone	2	-	(2)	-
Democratic Republic of Congo	11	-	(8)	3
Nigeria Plateau	-	40	(40)	-
Nigeria	-	155	(140)	15
Total DFID funds	13	1,058	(1,050)	21
Disasters Emergency Committee (DEC)				
Yemen appeal 2017	(101)	546	(445)	-
East Africa appeal 2017	(106)	496	(390)	-
Myanmar refugees 2017	29	523	(278)	274
Indonesia tsunami	-	535	(507)	28
Cyclone Idai 2019	-	4	(4)	-
Total DEC funds	(178)	2,104	(1,624)	302

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

15a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2019/20)

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Fund balances at 31 March 2020 are represented by:			
Tearfund Group:			
Fixed assets	2,477	-	2,477
Current assets	15,767	13,234	29,001
Current liabilities	(3,530)	(1,890)	(5,420)
	14,714	11,344	26,058
Tearfund:			
Fixed assets	2,482	-	2,482
Current assets	15,760	13,254	29,014
Current liabilities	(3,519)	(1,910)	(5,429)
	14,723	11,344	26,067

15b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2018/19)

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Fund balances at 31 March 2019 are represented by:			
Tearfund Group:			
Fixed assets	3,481	-	3,481
Current assets	11,560	16,555	28,115
Current liabilities	(3,962)	(1,423)	(5,385)
	11,079	15,132	26,211
Tearfund:			
Fixed assets	3,486	-	3,486
Current assets	11,565	16,562	28,127
Current liabilities	(3,978)	(1,424)	(5,402)
	11,073	15,138	26,211

16. OPERATING LEASE COMMITMENTS

At 31 March 2020 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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Within one year	892	671	892	671
In the second to fifth years inclusive	680	467	680	467
After five years	132	131	132	131
	1,704	1,269	1,704	1,269

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

17. RELATED PARTY TRANSACTIONS

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

In addition, there were expenditure transfers to the subsidiary of Tearfund of £6,376 (2018/19: £6,314) in the year ended 31 March 2020. 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 of the group is Tearfund.

19. CAPITAL COMMITMENTS

At 31 March 2020 there were contracted capital commitments of £27,800 (2018/19: £123,831).

Following Jesus
where the need
is greatest

tearfund

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