

Annual Report 2024/25

Celebrating the past year

Report and Financial Statements 2024/25
Year ended 31 March 2025



tearfund

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 **Front cover:** Mary is a member of the Komenta Village Savings and Loan Association (VSLA) created as a result of a Church and Community Transformation (CCT) project in South Sudan. Photo: Tom Price/Tearfund

Where we work

We're working in more than 40 countries to bring an end to extreme poverty.



Afghanistan
Angola
Bangladesh
Bolivia
Brazil
Burkina Faso
Burundi
Cambodia
Central African Republic (CAR)
Chad
Colombia
Côte D'Ivoire
Democratic Republic of Congo (DRC)
Ethiopia
Guatemala
Honduras
India
Indonesia
Iraq
Kenya
Lebanon
Liberia
Malawi
Mali
Mozambique
Nepal
Nicaragua
Niger
Nigeria

Pakistan
Papua New Guinea
Philippines
Rwanda
Sierra Leone
South Sudan
Syria
Tanzania
Thailand
Uganda
Ukraine
Yemen
Zambia
Zimbabwe

UK*
USA*

*Fundraising, raising awareness and mobilising the church to act and speak out on injustice and poverty.

Chair's introduction

As I write, we are in a time of great instability across the world. We see conflicts all around us; climate change continuing to wreak havoc and drive people from their homes; global poverty reduction almost at a standstill according to a recent World Bank report; and longstanding, vital support to address these issues being withdrawn by those at the highest level with little or no notice, and with devastating impact.

At times like this, we need solid ground beneath our feet. We need support we can trust, from those we can trust. Around the world, and with the support of Tearfund, we are seeing the local church stand up as a source of hope and transformation in the communities around. The church is always there, and will always be there. And its very calling is to be light in the darkness.

Over the past ten years, under the leadership of Nigel Harris, Tearfund has come into a place of focus and clarity about its role in what could be seen as a crowded marketplace. We are called to act as a servant and enabler of the church, both global and local, as it responds to its call to be salt and light in an increasingly dark and troubling world. As we have taken up this calling, we have found the church around the world responding in extraordinary ways: playing out its role as God's agent of transformation, being itself transformed, and being used to transform others in every way. We have seen, and continue to see, individuals, relationships, churches and

communities deeply and sustainably changed. It is Nigel's direction, under God and with our extraordinary team around the world, that has brought Tearfund to this privileged place of service. And I am so grateful to each one of our supporters who, whether through prayer, financial giving or in other ways, enable us to do this work every day.

As Nigel comes to the end of his time with Tearfund, I would like to pay huge tribute to his humble and servant-hearted leadership. Through both good times and challenging times, Nigel has consistently shown us what it looks like to seek God's guidance, to take hard decisions and see them through, and always to have at our heart those who live in the most vulnerable situations and the deepest poverty. He leaves behind an organisation that is clear and focused: clear on its role to serve the church in bringing transformation; increasingly focused on that calling; continuing to follow Jesus where the need is greatest; and knowing it is utterly reliant on God in all of this.

We are so grateful for that gift.



Anna Laszlo, Chair of the Board

CEO's introduction

Tearfund has a vision for the world in which all people are freed from poverty, living transformed lives and reaching their God-given potential, and we work with, through and alongside the local, national and global church and churches to see that vision fulfilled. We know that the church – for all its challenges – is God's chosen vehicle for bringing good news to those who live in poverty. We know, too, that the local church is uniquely suited to this role. It's everywhere and it's permanent and it is God's vessel of transformation.

I have just spent two days in the company of church leaders from across Asia, from the central Asian states to the Philippines and Cambodia, who together represent nearly 11 million Christians across the region. It is so exciting to see the commitment to local churches as centres of hope and transformation across the countries in which Tearfund works. We are now working with more than 57,000 churches globally, well on our way towards our vision of 250,000 churches transforming their communities by 2030. We thank God for this achievement and for his continued goodness to us.

At the same time, we are called to serve a deeply hurting world. As I look out into the world, I see two massively contrasting themes and a significant spiritual battle: I see a deeply traumatised and conflicted world, and I see the church bringing the good news of Jesus to the most deprived people, and the most marginalised.

We have wealthy governments around the world reducing their funding for both humanitarian aid and development, and

walking away from supporting people in the most vulnerable situations. Yet, in the face of such need and dwindling external resources, we see churches at work in the world's toughest places. We continue to strengthen capacity within our church networks and partners, to build resilience, respond to multiple crises and alleviate need.

My time at Tearfund has shown me that God is a multiplier. He takes what we freely offer him – money, time, resources and abilities – and multiplies them for his kingdom. Poverty destroys, but empowering people through the power of the gospel releases physical and spiritual resources, creates identity and agency, and changes mindsets.

Let me finish by thanking all of you who support our work so generously, our amazing teams around the world who serve with such commitment and faithfulness, and the partners, churches and communities we work with. As I step down from this role, it has been such a privilege to be part of the worldwide body of Christ with you all, to share relationships all around the world and to work together in supporting the church to bring transformation. Above all, I give glory to God and thank him for his faithfulness to Tearfund and to me.



Nigel Harris, CEO

Celebrating a year of global impact and hope

This past year, we have witnessed God's extraordinary faithfulness as we partnered with local churches and passionate supporters to bring tangible transformation and enduring hope to communities facing immense challenges. Even amid global instability and conflicts, the resilience and impact of the local church have shone brightly.

Through our supporters unwavering commitment and God's abundant grace, we are thrilled to celebrate significant milestones in our mission to see people freed from poverty, living transformed lives, and reaching their God-given potential:



£80.2 million
raised to transform
lives around the world

Compared with £82.6 million
in 2023/24



243 partners
across **46 countries**
collaborating with us

Compared with 190 partners
across 56 countries in 2023/24



3.3 million people
reached directly
through our projects

Compared with 2.9 million
people in 2023/24



57,000 churches
mobilised as
transformation centres
impacting **9.4 million**
individuals

Compared with 30,000
mobilised churches, impacting
6.1 million individuals in
2023/24



60 public policies and
practices changed
through our influence

Compared with 41 in 2023/24



2.3 million
people reached in
humanitarian
responses funded by
Tearfund

Compared with 1.3 million
people in 2023/24

These achievements are not merely statistics; they are stories of lives transformed, communities restored, and the church rising as a beacon of light in the darkness.



Trustees' strategic report

The Board of Trustees present their strategic report, including the audited, consolidated financial statements, for the year ended 31 March 2025.

Charitable purpose

Tearfund is a registered charity in England and Wales, established to support other charities/voluntary bodies and the general public/humankind.

The charitable purposes of the organisation are summarised as follows:

- the prevention or relief of poverty
- overseas aid/famine relief
- Christian education and religious activities

The Trustees confirm that due consideration has been given to the Charity Commission's guidance on public benefit, including 'public benefit: running a charity (PB2)' and 'public benefit: reporting (PB3)'. They are confident that all activities undertaken by Tearfund this year contribute to the charity's aims and objectives and have been delivered in accordance with the charitable purposes. Therefore, they believe Tearfund meets the public benefit requirements of the Charity Commission in our reporting.

Principal activity

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

Our vision is to see people freed from poverty, living transformed lives and reaching their God-given potential. Our mission is to follow Jesus where the need is greatest, responding to crises and partnering with local

churches to bring restoration to people living in poverty.

Our values mean that we seek to be Christ-centred, compassionate, courageous, truthful and servant-hearted. Our approach is to invest in mobilising the church for integral mission, bringing transformation to every area of life and eradicating extreme poverty. We inspire and equip churches and individuals to transform their communities, respond to disasters and influence people in power to lead fairly. Our ambition is to see 250,000 churches becoming centres of transformation by 2030.

Partnerships and principles

Our partners are local churches, denominations and Christian national and international non-government organisations who agree with our Statement of Faith and meet our partnership criteria.

We undertake our institutionally funded operational programmes, which are directly implemented and overseen by Tearfund staff, in countries affected by protracted and/or recurrent crises, where the availability and capacity of partners are limited.

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

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

With a shared Christian identity and common goal to reduce poverty and injustice, the immediate Tearfund Family brings together agencies in the UK, Ireland, Belgium, France, Germany, the Netherlands, Canada, USA, Australia and New Zealand. They collaborate with a wide range of other organisations and agencies globally, all committed to bringing lasting transformation. Tearfund and our partners work with people in the greatest need around the world, regardless of their race, religion, ethnicity, ability, age, sex and gender or nationality.

Our corporate priorities

As an organisation, we've chosen to focus on four areas of intervention – our corporate priorities – where we bring specific expertise and experience as we partner with the church, locally, regionally and globally. These are complementary, strategic areas of focus which help the church achieve holistic transformation and the restoration of four broken relationships: people's relationship with God, themselves, each other and creation.

Church and Community Transformation (CCT) is the foundation of our work, supported and complemented by the other three priorities:

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

These are the priorities that we have agreed for the medium term, that we consider we are uniquely placed to deliver and that will enable us to contribute to transformational change in the countries in which we work. The corporate priorities are applied according to contextual needs, bringing together different thematic areas, but the church remains central to all four of our priorities.

Together, the corporate priorities contribute to our movement towards 250,000 churches becoming centres of transformation by 2030.

In 2025/26, we will continue to scale up our impact through the delivery of integrated outcomes that work across our four corporate priorities, with Church and Community Transformation being the foundation and the glue that holds it all together. This will enable us to deliver a truly Tearfund-shaped contribution towards transformational change in the communities we serve.

In the pages that follow, this strategic report details progress made against our key objectives set last year and our aims for 2025/26.



Church and Community Transformation



📷 Hope FM presenter Joseph Longa at the Diocese of Kajo Keji's HQ, where CCT messages are transmitted across the county.
Photo: Tom Price/Tearfund

Church and Community Transformation (CCT)

We want to see local churches and communities transformed. We inspire and support the church to be a catalyst for change: to be active, vibrant and living out a theology of integral mission so that entire communities experience whole-life transformation.

Core statistics

This year, we've supported:



27,814

local churches actively
engaging in transforming
their community



802

denominations and
church networks
mobilised in CCT



694

theological training
organisations integrating CCT
into their curriculum

Strategic update

CCT – or 'Transforming Communities' as we describe it to our supporters – is central to Tearfund's mission to end extreme poverty. Our vision is to activate 250,000 churches as centres of transformation by 2030, a tenfold increase on 2023. Amid serious global challenges, we need innovative strategies to realise this ambitious goal.

We focus on mobilising local churches to drive sustainable change using local solutions. This means that we facilitate, encourage, resource, train and challenge churches, denominations, networks and theological colleges to fulfil their integral mission. There is already strong evidence that CCT processes are having a profound and lasting impact. Consequently, many denominations and networks are adopting CCT and expanding it with their own resources.

Growing demand for CCT needs highly skilled individuals. To address this, Tearfund has launched a 'Master Trainer' programme and regional 'Training of Trainers' programmes, and has integrated CCT into theological education. A full-time Head of CCT in Africa role has been appointed to coordinate CCT work and support movement building across the continent, working with the African Christian Transformation (ACT) Forum. As we continue to integrate further our thematic expertise and four corporate priorities, we are confident that we can support more churches and communities to address the root causes of poverty and achieve holistic transformation.

Key objectives and achievements

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

1

Increase capacity to serve new partnerships to mobilise more churches, denominations, networks and peer organisations

This year, we launched a two-year Master Trainer programme through which an initial cohort of 17 trainees are being equipped to provide leadership, training and mentoring to churches and denominations globally. In addition, Asia and all three African regions held 'Training of Trainers' gatherings, resulting in 77 new regional trainer of trainers and 411 new trainers. We trained 4,921 new facilitators, including new CCT training programmes launched for the first time in Bolivia, Colombia and Syria. An online CCT training for facilitators which was piloted with Eagles, a Tearfund partner in Malawi, will be available later in 2025.

National steering groups of the ACT Forum have now been established in 29 African countries. The West African region held two conferences this year, one for francophone church leaders and another for anglophone ones. More than 100 delegates from 12 countries committed to implementing CCT and establishing ACT Forums nationally. They are committed to fundraising in Africa, and to building capacity, particularly in integrating advocacy into CCT approaches. The importance of this was underlined in December 2024 when the ACT Forum supported churches in Mozambique to advocate for peace during post-electoral unrest.

2

See 10,000 new local churches active as transformation centres through CCT

This year, Tearfund has actively engaged 29,346 churches globally through mobilising denominations, networks and theological training organisations in CCT. Expanding the international pool of trainers and facilitators is expected to galvanise further church involvement in the coming year.

The CCT movement-building programme has launched in 29 African countries, leading to the scaling up of involvement of local churches. Notably, the first CCT training in the Middle East brought together 26 facilitators from diverse denominations, representing 95 per cent of Christians in the area. This initiative aims to scale up and integrate integral mission into theological institutions.

Tearfund in Nigeria is launching 'The Great Reset 2030', coinciding with the 70th anniversary of the country's independence. This initiative aims to build on the 2,500 local churches already involved in CCT, to mobilise the largest church population in Africa for socio-cultural transformation. The Nigerian ACT Forum has already made a presentation to the Christian Association of Nigeria.

In Latin America, alliances with three organisations have mobilised 100 new churches. A new, Latin America-adapted CCT course has launched in Bolivia, Colombia and Central America, with plans for expansion into El Salvador and Guatemala.

3 Focus on churches integrating RPS, EES and C2R into CCT processes

Amid rising insecurity, integrating our corporate priorities into CCT approaches is increasingly important. Mounting conflict in the DRC and Middle East makes Reconciled Peace-filled Societies (RPS) and Crisis to Resilience (C2R) vital.

It will be a focus for our new Master Trainers to encourage this integration, to improve the quality and effectiveness of CCT approaches, and to address through them key issues such as sexual and gender-based violence (SGBV), disaster resilience and environmental sustainability.

In the East and Central Africa region, savings groups, livelihoods, SGBV and peacebuilding are already integrated into CCT approaches. In Mozambique, a peace initiative led to a 'Gilgal' movement-building camp, supported by our RPS Team. Twenty-five participants learnt about best practice for this kind of integration at a regional meeting in January.

In Asia, our Transforming Masculinities programme tackling gender violence was expanded this year and integrated into CCT in Nepal. Creation care training, part of our Environmental and Economic Sustainability (EES) work, is also beginning in Nepal and India.

Meanwhile, C2R principles are also being integrated into CCT. Our new Church and Disasters Specialist (CDS) is supporting countries and regions as they implement CCT to address disaster risks that keep people in poverty. Training has taken place in Ethiopia and a new guide is being produced.

We also launched new social accountability tools, such as budget tracking and citizen journalism, to help churches undertake strategic, local-level advocacy and hold local leaders to account. Training on these tools has taken place in Kenya and Latin

America, and the Anglican Church of Kenya has committed to mobilise leaders to roll this out further.

4

Increase savings groups, such as self-help groups, established and integrated into CCT

Several evaluations highlight the role of savings groups, or other types of income-generating support, in complementing CCT approaches and creating a strong foundation for individuals and communities to improve their incomes. We continue to scale up this work, particularly in West Africa where Restore Savings Groups are already set up in Burkina Faso, Côte D'Ivoire and Chad, and where we are starting to establish groups in Mali, Sierra Leone and Togo.

So far, an estimated 3,152 savings groups globally have been established through CCT. We realise that this is not a complete number as there have been difficulties for churches in reporting new groups.

To get a more accurate picture, we are introducing the DreamSave savings group app for use in our CCT work globally, starting with a pilot in 2025/26 in Ethiopia, Nigeria and Rwanda. The app is specially designed for savings groups, to help them become more efficient and transparent in their reporting, while also providing members with support, greater financial literacy and access to financial services.

What we learnt

Our updated [CCT impact study](#), now incorporating responses from more than 15,000 individuals across eight countries, confirmed that CCT brings positive whole-life transformation to communities. This impact is sustained and far-reaching, including in Christian-minority and urban contexts and in CCT processes of different lengths. It also provides great value: every £1 invested in CCT by Tearfund and partners unlocks £7 of community resources and creates over £150 of social value. We also found CCT strengthens the local church. As the success of CCT is more widely known, the demand from churches for CCT training, translated materials and wider support is growing exponentially, and we are looking at how to build capacity internally and with partners to meet this demand.



Going forward in 2025/26

We aim to:

- Build capacity with 20,000 new CCT facilitators and 350 new trainers, to support CCT partnerships with 30,000 new local churches, 500 new denominations and networks, 300 new theological institutions and five new peer organisations globally.
- Support 1,000 new local churches to integrate advocacy, campaigning, social accountability and movement building into CCT.
- Pilot new e-learning/virtual CCT training in three countries.



Environmental and Economic Sustainability



 In Uganda, a church member waters tomatoes using organically made insecticides.
Photo: Kabanda Samuel/Infomercial Media Agency/Tearfund

Environmental and Economic Sustainability (EES)

We work with local churches and communities to tackle environmental and climate challenges while creating jobs that help protect the environment, improving livelihoods and ensuring sustainable economic development. We advocate to governments and companies too, to ensure economic development and environmental protection go hand in hand.

Core statistics

This year, we've seen:



12

national movements
advocating on EES issues
involving **14,000** people



3,152

new savings groups
established and engaged in
movement building and
influencing policy



30

policies and practices
changed bringing positive
change to tens of millions of
people

Strategic update

Our strategic focus for our EES work in this and the coming years reflects a slight shift in emphasis from previous years. In addition to our longstanding work on advocacy and movement building around EES, we are also now prioritising more tangible, measurable outcomes.

Since 2023/24, our approach has had a strong focus on advocating for systemic policy changes, alongside mobilising and developing projects that promoted circular economies, renewable energy and climate resilience across the countries where we work.

Our strategy for 2025–27 builds on these foundations and places a growing emphasis on large-scale integrated programmes that address environmental, livelihood and economic sustainability. We are focused on community-led financial empowerment, including a significant scale-up of savings groups where EES is embedded, and the creation of long-term sustainable employment opportunities is encouraged.

Climate adaptation, too, is now a central goal: we want to see 75 per cent of countries where we work implementing localised strategies.

We also want to see many more people engaging directly with Bible teaching on EES within their own cultures and globally. This year, we have produced a podcast series in Latin America designed to connect Christian faith with socio-environmental challenges and to promote care for creation. We have also actively engaged in theological dialogue through EES theology consultations in Kenya, and a presentation at the Britain and Ireland Association for Political Thought conference in Oxford.

More broadly, we continue to drive systemic change towards a restorative economy through advocacy, movements and policy change.

Key objectives and achievements

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

1

Embed EES church movement activities through self-help groups in Africa

The Care for Creation movement is key to our promotion of EES principles to churches and this year we extended this work to all regions of Africa. Our goal now is to see the churches setting up self-help groups that reflect these same principles and promote them within their communities, creating closer connections between CCT and EES approaches.

Savings groups, which are one form of self-help group, have proved to be particularly powerful agents of behaviour change within communities, and hold great potential for holistic transformation more broadly.

From April to June, Tearfund organised an EES Boot Camp for the DRC team where they were trained in how to promote new savings groups aligned with the broader EES movement. There was also a strong focus on promoting social accountability: the aim is that self-help groups will become part of wider policy-influencing work by CCT and EES movements across Africa.

2

Establish new savings groups, aligned to movement building, that are able to engage in policy-influencing initiatives

Savings groups have already proved their ability to influence local and national policy on issues such as financial inclusion, banking practices and employment. The aim is to multiply this potential by aligning groups with EES movements.

In Kenya, we collaborated with the Kileleshwa Covenant Community Church (K3C) Youth Summit, equipping young people with theological and community development skills to empower them as agents of social transformation. Further emphasising the importance of youth engagement, the Amplify Gathering in Kenya brought together young theologians and movement leaders to discuss theology's role in social change, fostering networking and movement-building efforts. This gathering aimed to equip and inspire young theologians to amplify their impact in areas such as social justice, climate action and peacebuilding.

Tearfund is also committed to supporting diverse voices and developing theological resources. This is evidenced by initiatives such as training to enhance the capacity of women theologians in francophone Africa to engage with environmental issues, and workshops updating theological curriculum materials in francophone Africa to integrate EES principles into them. These resources and training have directly informed and strengthened the advocacy efforts of self-help groups, enabling them to engage more confidently and theologically in addressing community challenges.

3

Align national EES movements with existing CCT movements

By partnering with local theological institutions and advocacy groups, we aim to build national EES movements that resonate with the goals of CCT movements. Simultaneously, we are prioritising the integration of EES principles into existing regional CCT strategies to ensure long-term impact. A key focus for EES movements, such as Care for Creation, is social justice and policies that benefit people living in vulnerable situations.

Movement integration brings shared insights leading to improved strategies, innovation and capabilities, and consequently greater impact. Tearfund-supported EES movements have played crucial, active roles in driving significant policy and practice changes. In Zambia, the Zambia Youth Environmental Network (ZYEN) successfully lobbied Chipata City Council for regular rubbish collection and the Ministry of Education for a large-scale school tree-planting programme. Persistent

advocacy directly contributed to revisions to Zambia’s Environmental Management Act 2024.

Similarly, the Malawi Creation Care Network successfully advocated for upholding the ban on thin plastics, securing a high court judgement in January which empowered environmental authorities to enforce regulations on plastic-producing companies.

Tearfund, with some movement allies, attended two rounds of the UN global plastics treaty negotiations (in April and November) to lobby for waste pickers’ rights and environmentally sound waste management for communities living in poverty. We continued to play a pivotal role in the **Fair Circularity Initiative**, driving forward corporate action in respecting the human rights of waste pickers, and we developed a **‘Waste picker rights due diligence toolkit’**, for global brands and NGOs.

We also began developing a global advocacy strategy focused on climate change and small-scale agriculture. Revisions to our movement-training manual reflected this, linking CCT, EES and peacebuilding in the broader policy-influencing agenda.

What we learnt

We increasingly recognise the importance of integrating EES into local community development. A key way to do this is through theological education that shapes the training of Christian leaders, influencing how churches understand mission and integrate creation care into their practice and priorities. We need to deepen this work by partnering with more theological training institutions, equipping leaders to embed EES within the priorities of local churches, denominations and church networks.



Going forward in 2025/26

We aim to:

- Reach 600 people with EES theology through events and speaking engagements.
- Set up or support 5,000 self-help groups to carry out EES activities.
- Create 2,000 jobs annually that support sustainable livelihoods and help protect the environment through CCT initiatives and specific projects.
- Achieve 15 changes in EES policy, practice or systems.



Reconciled Peace-filled Societies



Chuchu was supported by a self-help group in Ethiopia.
Photo: Mahad Usman (Ayaana)/Tearfund

Reconciled Peace-filled Societies (RPS)

We equip communities to work together across divides to resolve conflict peacefully. We support churches, faith groups and local communities to play a pivotal role in addressing the effects and systemic causes of violent conflict and bring lasting peace for their society and everyone in it.

Core statistics

This year, we've supported:



5,073

churches and faith leaders mobilised to pursue peace, justice and gender equality



1,552

peacebuilders and gender champions equipped and supported



12

new countries working on peacebuilding and gender approaches

Strategic update

We remain committed to mobilising churches, equipping local changemakers and addressing structural injustices to advance peace, justice and gender equality. This year, we worked on expanding survivor-led movements, applying faith-based approaches to healing, advocacy and community transformation.

Recognising the vital role of young people, women and faith leaders in peacebuilding, we strengthened theological and leadership training to support their impact. We also worked closely with churches involved in peacebuilding and reconciliation, forming networks to address violence and injustice, and strengthen social cohesion.

We also engaged in national and global advocacy, challenging harmful security narratives, promoting gender justice and interfaith engagement, and influencing policies for just and peaceful societies.

Key objectives and achievements

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

1 Mobilise churches and faith leaders for RPS

We know that churches can be centres of transformation, fostering resilience, reducing violence, promoting reconciliation and building sustainable peace. In Latin America, Tearfund brought together leaders from 110 churches from Colombia, Ecuador, El Salvador, Guatemala, Honduras and Peru in a regional network committed to mutual support and advocacy, and working towards peace and transformation in conflict zones.

In Mozambique, amid post-elections violence, Tearfund supported church-led peace and reconciliation initiatives, including dialogues with political leaders, public statements, prayer gatherings and roundtable discussions to promote accountability and prioritise the needs of communities.

In Syria, the Week of Light in Aleppo aims to rebuild community spirit in a shattered city, bringing together young people and families from both Christian and Muslim communities, to foster peace, unity and resilience, and to support groups in vulnerable situations.

In Burkina Faso, Chad, Mali and Nigeria, about 400 church and faith leaders were mobilised and trained to lead efforts to challenge harmful gender norms and promote peace in their communities.

2 Equip and support peacebuilders and gender champions

This year, we continued supporting local changemakers in their efforts to drive positive transformation. We collaborated with survivor-led movements addressing sexual and gender-based violence (SGBV) in eight countries across Africa and Asia. These movements use our Journey to Healing approach, focusing on mutual support, advocacy and breaking cycles of violence. A key milestone was establishing the Solidarity in Action for Justice Global Network.

In Nepal, the Journey to Healing process has helped communities address trauma and support healing. This work built on a Transforming Masculinities pilot with 48 groups across six districts. The initiative is now scaling up to reach more than 100

groups in other districts.

Meanwhile, 215 gender champions were trained in Transforming Masculinities in Southeast Asia. Facilitators were also equipped in the Jesus 4th Way approach, which addresses violence and injustice through non-violent, scripture-based principles, spiritual practices and peacebuilding strategies.

In Burundi, peace champions have led 27,485 community members through Community Conflict Transformation Dialogues, strengthening local capacity in conflict transformation. SEMERERA, an SGBV survivor-led movement with 6,254 members, has engaged more than 500 faith leaders.

And in Pakistan, we are collaborating with others to foster gender justice, social cohesion and interfaith understanding. On International Women's Day 2025, we convened more than 120 government officials, legal experts and community leaders to influence people in power for women empowerment.

3

Expand peacebuilding approaches, as well as gender-based violence reduction approaches into new countries

We are strategically scaling up our peacebuilding and gender-based violence (GBV) reduction initiatives to expand impact in new contexts.

With support from our partner, the Imago Dei Fund, Tearfund Asia is expanding its GBV work across the region through the Transforming Masculinities approach. The programme has been adapted and scaled in Bangladesh, Central Asia, India, and Nepal by engaging with local partners, communities and leaders. It is now being launched in Cambodia and Sri Lanka, beginning with formative research and the envisioning of key leaders. GBV scale-up is a priority in our 2024–27 strategy for Asia.

More broadly, our 'shifting security narratives' work is challenging fear-based discourse that justifies violence and creates insecurity. Internationally and within the UK, we are exploring attitudes towards security to inform our advocacy. In West Africa, for example, faith leaders and traditional leaders from 12 countries gathered to explore peacebuilding theology and the role of faith communities and traditional institutions as centres of conflict transformation and reconciliation. Surveys on security narratives and related theology are ongoing in the UK, Nigeria and South Sudan, with plans to expand them into Chad, Ethiopia, Iraq, Mali and Zimbabwe.

What we learnt

We have seen that responding to interconnected needs, including through emergency support, strengthens peacebuilding. We also recognise that collaborating with partners, government and local stakeholders enhances our impact, and have seen the importance of interfaith dialogue in addressing SGBV. For lasting impact, we know that integrating advocacy, Journey to Health and Transforming Masculinities approaches into RPS programmes is vital, as is integrating RPS into CCT approaches. We know that expanding reach, scale and scope is a crucial next step, requiring collaboration across countries and regions.



Going forward in 2025/26

We aim to:

- Mobilise 2,400 churches and faith leaders for RPS.
- Equip and support 1,200 sexual and gender-based violence (SGBV) champions.
- Equip and support 800 peacebuilders.



Crisis to Resilience



Crisis to Resilience (C2R)

We equip churches and local communities in disaster preparedness, help them respond to emergencies, and invest in building resilience and hope for people in the long term.

Core statistics

This year, we've supported:



2,780

local churches equipped to understand the risks their communities face, prepared and mobilised to respond



28

local partners' capacity to strengthen their disaster preparedness, response and resilience building



2.28 million

people in humanitarian responses funded by Tearfund

Strategic update

This year, we and our partners have continued to support communities affected by crises. As in previous years, we have seen disasters becoming more frequent and severe around the world, driven by climate change and conflict, and we have seen the devastating impact these crises can have on people's lives and livelihoods. As ever, those living in poverty suffer the most.

At the same time, the humanitarian sector is increasingly stretched, especially because of the decline in humanitarian funding in the past year. This highlights the need for greater investment in disaster preparedness, acting before a crisis to reduce its impacts, and in long-term resilience, in addition to different forms of risk financing for disasters. Crucially, it underlines the need for us to work alongside local communities and churches to mitigate risks and help people prepare for future challenges.

Tearfund is supporting communities in more than 30 countries in three key ways to reduce the risk of and respond to crises. In the most acute cases, and in the absence of local partners with sufficient capacity, we implement life-saving projects directly, ensuring immediate assistance reaches those who need it most. We also work alongside local partners, working to strengthen their capacity to prepare for and respond effectively to crises in their communities. Finally, we work closely with churches, believing that they have an important role to play as a source of hope and practical support to their communities both in times of crisis and in building long-term resilience.

Key objectives and achievements

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

1

Equip churches and church networks to take on their role in inclusive disaster preparedness, response and resilience building

In 2024/25, we increased our focus on equipping churches to prepare for and respond to disasters within their communities. We have created a new Church and Disasters Specialist role to lead our work in integrating disaster management into our CCT work.

We are refreshing our training for church leaders on how local churches can take an active role in disaster risk management, rolling this training out in countries including Colombia, Ethiopia, Lebanon and Uganda. In a recent training with leaders in Ethiopia, participants learnt how their churches can strengthen community preparedness, respond effectively to hazards, and integrate disaster risk management into their ministry. We are capturing key findings, recommendations and lessons learnt so that training can be rolled out more widely.

In Lebanon, our partner, Middle East Council of Churches (MECC), is responding to the emergency needs of people displaced by conflict, collaborating with a diverse group of local churches. MECC has led local training and initiatives to share knowledge and best practice relating to crisis response, which has proved vital during the Israel–Gaza conflict.

2

Increase capacity for local partners for disaster preparedness, response and resilience building

This year, we supported 22 partners across 12 countries, through our Disaster Management Capacity Assessment (DMCA) programme. This two-year, partner-led initiative is designed to strengthen capacity at both structural and programmatic levels, supporting partners to better assess, influence and deliver high-quality and effective humanitarian preparedness and response.

Partners report that they are better prepared for disasters, with emergency response plans now in place. Advocacy training has helped raise their visibility, while developing and implementing strategic plans has led to them submitting more proposals to donors and increased funding opportunities. Stakeholder mapping has

improved coordination, fostering stronger collaboration with other organisations on emergency preparedness and response.

Following disaster management training in Bangladesh, our partner, Shalom, reported an increase in its ability to support communities in preparing for and responding to disasters.

3

Reach people through high-quality and timely humanitarian responses that go beyond immediate needs to strengthen resilience and preserve hope

We continued to respond to urgent crises around the world this year, both directly and through the work of our local partners, ensuring that the emergency needs of people and communities are met. For example, during the ongoing humanitarian crisis in Gaza, Tearfund and our partner, International Health Partners, have responded to urgent healthcare needs, delivering medicine and other medical supplies in order to support local healthcare systems.

We are exploring new ways to support communities as they build their resilience to crises. One innovative example is drought risk financing – a way to provide financial relief to farmers facing extreme weather by using parametric insurance that pays out automatically when conditions, such as low soil moisture, reach a critical level.

This means that money reaches those in need quickly, preventing disasters from becoming crises and allowing people to manage climate shocks. In Malawi, 1,200 households have benefitted from such insurance payouts this year, preventing a hunger crisis before it took hold. We have also introduced this financing into Ethiopia, Nepal and Pakistan and plan to extend it further in 2025/26. Similar financing for communities at risk of excess rainfall is also being considered.

What we learnt

We recognise the need to continue to strengthen our evidence about the unique part churches play in supporting their communities to move from crisis to resilience. As we equip more churches for this role, we want to improve our ability to track and measure the difference that our equipping makes. In 2025/26, we will conduct a review of our work with churches in building resilience to crises, and do more with that evidence to advocate to others in the humanitarian sector about the importance of involving churches and other faith actors.



Going forward in 2025/26

We aim to:

- Train and equip an additional 3,000 churches in inclusive disaster preparedness, response and resilience building, including those responding to emergencies.
- Build the capacity of 46 of our local partners in disaster preparedness, response and resilience building.
- Provide high-quality and timely humanitarian responses that go beyond immediate needs, to strengthen resilience and preserve hope.
- Advocate for the role of faith actors in the humanitarian sector.



Our supporters



📹 Bryony walked 17 miles over two days in the British countryside, in aid of Tearfund's work.

Photo: Tearfund supporter

Our supporters

Our supporters are the very heart of who we are and what we do. We work hard to nurture strong relationships and connect them with all that God makes possible through their generosity, actions and prayers.

Core statistics

This year, we're celebrating:



£80.2 million

raised through generous giving



24,000

supporters regularly praying for Tearfund's work



1 million+

estimated readers of *The Times* aware of our work in South Sudan

Strategic update

We continue to be humbled and grateful for our amazing supporters and the many ways they partner with us. It is because of them that we are able to touch and transform millions of lives every year, and we never take them for granted. Close, transparent relationships with our supporters remain our priority.

Even with a challenging fundraising landscape, we are always finding new and innovative ways to connect and share the Christian distinctiveness that underpins our work. While we have made great strides in engaging with supporters through digital channels, we know that in-person connections have declined since the pandemic. That's why a key focus this year has been creating more opportunities to speak at and engage with churches.

While it has taken a bit longer than we had hoped to grow income from some areas, we have taken decisive steps this year to boost engagement in others. We are strategically planning how we can best position ourselves to maximise our global fundraising potential in the years to come.

Key objectives and achievements

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

1 Maintain a healthy balance of income streams

Thanks to our compassionate supporters, we raised an inspiring £35.3 million in unrestricted income this year. This flexible funding is absolutely vital, allowing us to respond quickly to urgent needs and seize new opportunities. We have seen a fantastic response to our appeals, and it is truly humbling to know that 421 supporters made the wonderful decision to leave a gift in their will, securing a brighter future for those we serve.

We are always looking for new ways to connect with more people who share our passion. While bringing new regular givers on board has been a challenge this year, we are taking action. We have strengthened our Church and Supporter Engagement Team and reviewed our church speaking programme, so we can reach more communities and share the stories of lives transformed.

We are incredibly grateful for the significant contributions from our key investors and trusts. Their generous gifts grew this year. While we did not quite hit our ambitious target, we are building strong, lasting partnerships. We are strategically recruiting talented new people and working across our teams to streamline our efforts, to ensure we can maximise the impact of every donation.

Our global work continues to thrive thanks to strong partnerships and institutional grants. Despite big changes in the international development sector, we secured £26.5 million in institutional grant income this past year. This includes significant funding from partners such as USAID, Tearfund Netherlands and the Dutch Government, alongside gifts in kind. These collaborations allow us to reach vulnerable communities around the world, bringing hope and real change where it is needed most. The unpredictability of future United States Government funding and expected reductions in overseas aid budgets from many governments will increase the challenge in securing institutional income going forward.

2 Focus our fundraising on key objectives

We know that building awareness of our work is key to helping even more communities. We've increased the number of churches we've spoken at, bringing stories of transformation to churches across the UK. And thanks to our supporters' enthusiasm, the *Big Quiz Night* in the autumn raised over £200,000 – a fantastic achievement. It is truly inspiring to know that more than 24,000 supporters have prayed regularly for our work this year, and 3,000 supporters joined us in campaigning against UK aid cuts. Their collective voice is powerful.

Bringing new supporters into the Tearfund Family remains a priority. We are actively re-evaluating our strategy to find new and effective ways to connect with people who share our passion for making a difference.

We are thrilled that Tearfund's work continues to gain significant media attention. A major highlight this year was a six-page article in *The Times'* print magazine and online, which focused on our vital work in South Sudan. This powerful coverage had an estimated reach of more than a million readers, spreading awareness far and wide of the change our supporters make possible.

What we learnt

In our communications this year, we emphasised our CCT work under the strapline 'Transforming Communities' to demonstrate our Christian distinctiveness and to show what faith in action looks like in practice. While this resonates with longstanding supporters, we need to refine our messaging to attract new supporters. We will articulate more clearly the connection between our faith-driven work and tangible community impact, in a way that inspires and motivates.



Going forward in 2025/26

We aim to:

- Raise £36.4m in unrestricted and lightly restricted income and £28.0m in highly restricted income (including institutional funding). This is compared to the 2024/25 figures of £38.4m in unrestricted and lightly restricted income and £41.9m in highly restricted income.
- Raise £23.6m through church and supporter engagement (excluding Gift Aid and legacies), and £10.6m from key investors and trusts.

We are passionate about seeing lives transformed, and that is why we are committed to some key areas:

- We want to attract more Christians to engage with Tearfund in order to end extreme poverty through the local church.
- We are dedicated to providing an exceptional experience for every supporter. Our focus is on making sure they feel truly connected, engaged and committed to our shared mission of empowering churches and communities to lift themselves out of poverty.
- We want to help supporters get involved in even more ways – praying, giving, acting and volunteering with Tearfund.



I'm the one in
**the yellow
t-shirt**

Risk management

including principal risks and uncertainties

At Tearfund, we recognise that good risk management is a key part of effective governance. The management of risk is woven into many of our formal policies, procedures and responses, and risk awareness forms part of our everyday decision-making. Our formal risk management activity enables us to avoid or mitigate difficulties, and to make the most of opportunities.

The Trustees are responsible for the overall governance of risk at Tearfund. They have given consideration to the major risks to which the charity is exposed and have satisfied themselves that formal risk management and controls systems or procedures are in place in order to manage those risks.

The Trustees have delegated responsibility to the Board's Audit, Risk and Finance Committee for ensuring that the key risks faced by Tearfund are adequately managed.

The Executive Team and the Trustees work together to identify the uppermost risks and uncertainties that may affect the performance, future prospects or reputation of Tearfund, or impede the achievement of our objectives. They monitor these risks and report them to the Audit, Risk and Finance Committee quarterly.

In the next year, the Trustees and Executive Team will review Tearfund's risk management architecture. The intention is to simplify and consolidate various elements of the current framework, focusing on the key risks that might hinder us from achieving our objectives, leading to better overall management of risk.

The principal risks and uncertainties that Tearfund faces, and some of the control systems and strategies that are in place to manage them, are set out in the table below:

Identified risk	Management and mitigation
Christian distinctiveness: Actual or perceived loss of our core Christian identity or ways of working.	● Distinctively Christian guiding documents: vision, mission, values, characteristics, brand identity, theory of poverty and Statement of Faith. ● Priority is given to working through local church partners wherever possible. ● Prayer, worship, Bible study, listening to God and theological reflection are central to working practice.
Funding: A significant financial shock in the form of a large, unexpected shortfall in unrestricted income, or an unexpected cost.	● Three-year income and expenditure modelling. ● Monthly reviews of planned versus actual financial results, alongside latest estimated full-year results. ● Reserves Policy reviewed annually.
Safety and security: Injury or harm to staff or representatives.	● Policies and procedures for Safety and Security. ● Security training for all international staff and those who travel. ● Country Safety and Security Plans. ● Open communication in regard to safety concerns, including involving staff and representatives in safety planning (which helps build ownership and improve the safety culture). ● Risk assessments conducted within areas of operation to target possible hazards/risks, impacts and likelihood, from which tailored mitigation can be developed.
Safeguarding: Abuse or other harm of a child or adult at risk.	● Policies, procedures and mandatory annual staff training on Safeguarding and Whistleblowing. ● Independent reporting hotline publicised to staff, partners and communities, and a network of trained safeguarding focal points, alongside an internal incident management system specifically for Tearfund staff. ● Board Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice.

Major programmes: Failure to deliver key outcomes of a high-profile, donor-funded project.	● Programme Development Team advises on the management of relationships with institutional donors. ● Programme design approval process and associated sign-off levels. ● Partner capacity assessments used to identify suitable partners to collaborate with in delivering programmes.
Sanctions and terrorism: Our funds are used by a sanctioned party, or for the purposes of terrorism.	● Policies and procedures on Financial Sanctions, Controls, Anti-money Laundering and Anti-terrorism including enhanced due diligence procedures for high-risk countries. ● Partner capacity assessments cover policies and training on countering terrorism. ● Membership of the UK Tri-Sector Group, a forum for UK Government, financial institutions and NGOs to address the challenges of delivering humanitarian aid while ensuring compliance with counter-terrorism and sanctions legislation.
People: Not developing and retaining suitably experienced and qualified global talent to achieve our objectives.	● Line manager induction takes place quarterly to ensure all new managers understand the expectations of their management role at Tearfund. The Leading and Managing People (LAMP) hub is kept up to date, providing guidance on all aspects of line management. ● Agile Performance Management (APM) allows managers and employees to regularly adjust priorities in line with corporate goals and a changing context, and to flag risks to both staff retention and talent, highlighting areas needing development and support.
IT security: Loss of critical data, or substantial loss of operational functionality.	● Policies and mandatory training on Data Protection and Information Security. ● Dual systems and locations for core network. Strong security protocols implemented throughout. ● Real-time back-ups of all core systems are held in a secure off-site data centre, including cold storage of core databases.

Financial wrongdoing: Fraud, bribery, corruption or conflict of interest involving our staff or partners.	● Policies on Fraud, Bribery, Corruption and Conflicts of Interest. ● Mandatory regular staff training on Fraud Awareness, Anti-bribery and Corruption, Conflicts of Interest, and Whistleblowing. ● Financial Wrongdoing Review Team coordinates response to all incidents. The Executive Team and the Audit, Risk and Finance Committee review all cases before closure.
Environmental performance: Negative environmental impacts or insufficient resilience to environmental change.	● Environmental and Economic Sustainability (EES) as a corporate priority with associated objectives. ● Quality Standards include commitments on environmental impact, risks, resilience and adaptation to climate change. ● Signatory to the Climate and Environment Charter for Humanitarian Organisations.

Structure, governance and management

Organisation

Tearfund is a private limited company, limited by guarantee without share capital, which was incorporated on 13 November 1970.

Tearfund's Board of Trustees is ultimately responsible for strategic decisions, having taken advice from the Chief Executive (CEO) and Executive Team. The Board of Trustees holds formal, all-day meetings four times a year, as well as other ad hoc meetings and events. The Board holds half of its formal Board meetings in person, and it also plans once every two years to hold a Board meeting overseas, in a country where Tearfund operates, to give Trustees a wider appreciation of the work of the charity. The Board is supported by seven committees, each with a remit to focus on a core element of the charity's operations.

The Articles of Association serves as Tearfund's main governing document. During 2024/25, a wholesale review of the Articles was undertaken. As a result, changes were made to various administrative provisions, which included the removal of the requirement to hold an Annual General Meeting, given that the Trustees are the only members of the company.

Under the Articles of Association, Trustees are ultimately responsible for the management and administration of the charity, though due to the scale of Tearfund's work, the Charity Commission recognises that decision-making on day-to-day management is delegated to the Chief Executive and through to the employees.

Procedures for the appointment and induction of Trustees are set out in the Articles of Association and the Governance Manual. Trustees' recruitment is undertaken

by the Board, in consultation with the Chief Executive and Executive Team, and an induction programme for them is in place.

Trustees are appointed as and when it is deemed necessary, either to fill a vacant position or by way of addition to the Board. They are initially appointed for a term of three years. The Board can reappoint a Trustee for a second three-year term, with the option of a third term of one, two or three years by exception. As permitted by the Articles of Association, the Trustees have the benefit of a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and remains in force. The company also purchases Directors' and Officers' Liability Insurance.

In November 2024, the Board Development Committee carried out a re-evaluation of the skills and experience required by the Trustees. Where key gaps were identified, steps have been put in place to fill them. Non-Board members are also appointed to committees in order to broaden the range of knowledge and expertise.

The Board has also set targets for diversity within its membership, which continued to be met during 2024/25. The targets for Board membership, which the current Board satisfies, include:

- Not to fall below one-third for either men or women.
- For at least one-third of members to be Black, Asian or Minority Ethnic.
- To have at least one Trustee based in Africa, Asia or Latin America.

The current composition of the Board and the committees is set out on pages 48–50.

Upon appointment, Trustees are expected to complete a number of mandatory training modules to ensure that they understand key responsibilities and compliance requirements. All of these modules require regular refresher training. Non-mandatory training is also carried out as required, with recent internal training offered to Trustees in relation to the duties of serving as a charity trustee.

Trustees receive no remuneration for acting in this capacity. A review of the governance practices and arrangements of the Board compared to the Charity Governance Code was recently undertaken. The review found that most of the recommended practices in the Code were in place. Where recommendations for improvements were made, the Board is agreeing an action plan to address them.

The Board has delegated approval for day-to-day operational decisions up to certain financial thresholds to the CEO and other Executive Team members under an approved delegation policy to enable them to coordinate and direct Tearfund's work worldwide. All decisions above specified thresholds must be approved by the Board. The Board has also reserved to itself certain important decisions, such as major initiatives, appointment of the CEO and approval of the long-term objectives and strategy. Decision-making primarily takes place at Board meetings, though in exceptional circumstances business is transacted between Board meetings via e-business, which is formally ratified and minuted at the subsequent Board meeting.

Members

The Trustees are the only members of the company.

Employees

The work of Tearfund overseas and in the UK relies on the commitment and hard work of its valued staff.

Communication links are maintained through team briefings and other internal channels such as specific communications on particular matters of concern and fortnightly Tearfund Connect emails to all staff. Tearfund holds regular meetings with staff representation bodies to consider and act on the views and concerns of employees, and to consult on relevant issues.

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

During 2024/25, the CEO Nigel Harris, gave notice that he would be retiring on 30 June 2025 after nearly ten years of service. The Board has initiated the process to appoint a new Chief Executive.

Volunteers

The financial statements in this report do not reflect the considerable and vital support of more than 1,200 Tearfund volunteers in the UK and those who volunteer globally.

Their help is at the heart of Tearfund's work: they bring life to the organisation and help us to operate effectively. The many roles they undertake include encouraging prayer,

campaigning, acting within their local churches and communities, enthusing others, engaging with local media and championing lifestyle changes.

We celebrate the enormous contribution made by so many of our volunteers in organising or participating in fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund's approach and the Board is very grateful for their commitment and contribution.

Internal control and risk management

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

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

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

The Trustees are responsible for the overall governance of risk at Tearfund. The Trustees continue to oversee the implementation of an organisation-wide risk management

system to integrate risk management into Tearfund's main corporate activities and into decision-making in the pursuit of the organisation's objectives.

The system includes a comprehensive Risk Management Policy, Risk Appetite Statement and Risk Management Procedure, which provide clear accountabilities, structures, guidance, training and processes for managing risks to stakeholders' and the organisation's objectives. Work is underway to review and simplify Tearfund's risk management architecture; to ensure that risk management better reflects the organisational structure and focuses on key risks that might impede us from achieving our objectives in a constantly changing environment.

Tearfund maintains a comprehensive corporate risk register which identifies the major strategic and operational corporate-level risks and how they are being managed. Further detail on Tearfund's management of risk can be found on pages 37–40. The key risks are reviewed quarterly by the Executive Team and by the Audit, Risk and Finance Committee, who report key considerations to the Board. The Head of Legal and Risk works with the Executive Team to compile an Annual Review of Corporate Risks and Risk Appetite, which is presented to the Board.

The Trustees have considered the major risks to which Tearfund is exposed and are satisfied that systems are in place to monitor, manage and mitigate Tearfund's exposure to those risks. They recognise that the nature of some of Tearfund's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity.

The Trustees consider that maintaining Tearfund's general reserves within the range stated on page 59, 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.

Fraud is prevalent in many of the countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential fraud or other actual or alleged financial wrongdoing is required to be reported to the Financial Wrongdoing Review Team, chaired by the Finance Director.

A quarterly report is provided to the Audit, Risk and Finance Committee. All frauds are reported to the Charity Commission. Tearfund engages an Investigations Manager to advise and coordinate prevention and response to fraud and other types of wrongdoing.

Our approach to safeguarding is set out in detail on pages 53–55. Tearfund is a member of the Disasters Emergency Committee (DEC) and is also a fully certified member of the Core Humanitarian Standard (CHS) Alliance. Tearfund's Emergency Response Procedures, Quality Standards and wider operations and assurance processes and procedures are led by a Safeguarding Manager and have been designed and/or adapted to ensure alignment with our commitments to the networks of which we are a part.

Remuneration

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

Pay Club and XpertHR for the UK.

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

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

Health and safety

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

Tearfund Scotland

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

Tearfund Trading Limited

Tearfund's subsidiary, Tearfund Trading Limited, is dormant, with no plans for any future activity.

Stakeholder engagement

S172 statement

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

General confirmation of Trustees' duties

When making decisions, each Trustee 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 their responsibilities under Section 172. In order to assist Trustees with these duties, all papers submitted to the Board identify the areas of Section 172 to which they relate.

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

To ensure that Trustees are fully informed and understand the potential long-term consequences of decisions, we ensure that all reports clearly articulate the implications and potential impact of each decision. Additionally, Trustees receive comprehensive training and focused presentations to enhance their understanding. Furthermore, the Board Chair and Committee Chairs have access to relevant resources and personnel to support their decision-making processes. The role of committees in scrutinising details and monitoring progress updates also contributes to robust decision-making.

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

The Board recognises that Tearfund employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are located in the world. We remain focused on prioritising our staff as our most valuable assets. A representative from the Tearfund Staff Council also attends Board meetings to ensure that the Board is fully informed of the employee perspective and is mindful of the impact of decisions on employees.

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

To deliver our mission and strategy, and to create impact at scale, we need to work with others. The Board consults with stakeholders where appropriate in advance of making key decisions. This includes the wider Tearfund family. In order to help them meet this responsibility, the Board receives regular updates on stakeholder engagement, ranging from aspects of our corporate priorities work to supporter surveys which underline our global fundraising strategy.

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

Maximising the positive impact we have on communities and the environment is core to our corporate priorities and therefore integral to our Board decision-making.

As environments and community characteristics are ever-changing, the Board must remain informed of these changes to make effective decisions. Briefings and reports are provided to the committees and Board, with the International Impact Committee having a particularly focused role to play, as defined in our Governance Manual.

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 key areas of impact that we use to evaluate all corporate risks, to ensure it informs all key decision-making. We remain committed to financial and risk management, compliance, safeguarding and good governance. We undertake an annual evaluation against the Charity Governance Code and have recently established a Board Development Committee to advise the Board on succession planning to ensure we recruit Trustees with the most applicable skills for our needs. Each Board committee evaluates its effectiveness in meeting its terms of reference annually. We continue to improve our corporate reporting mechanisms to ensure the Board has the information it needs to make decisions.

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

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



📷 Hang Sokha, an assistant pastor in Cambodia. Photo: Roun Ry/Tearfund

Who's who

Board of Trustees

The Board of Trustees is responsible for ultimate strategic decisions. Individual appointments follow robust recruitment processes. The Board of Trustees who were in office during the year and up to the date of signing were:

Anna Laszlo (Chair)
Stanley Arumugam
Stephanie Biden
Alfred Biehler (from 23 May 2025)
Jayakumar Christian
Tracy Cotterell (from 10 June 2025)
Helen Cowing (until 30 September 2024. Treasurer from 1 May to 30 September 2024)
John Davidson (Interim Treasurer from 2 October 2024. Also a director of Tearfund USA)
Rev Catherine De Souza
Sally Jones-Evans (until 30 September 2024)
Andrew Mackie (from 23 May 2025. Treasurer designate)
Jean Paul Ndagijimana
Yemi Odusolu
Lisa Pearce (from 31 October 2024 to 1 March 2025)
Harry Phinda (until 4 December 2024)
John Shaw (until 30 April 2024. Interim Treasurer until 30 April 2024)
David Wesson (Deputy Chair)

Committee members

Details up to 10 July 2025. The Board recruits people with specific expertise to sit on sub-committees of the Board:

Audit, Risk and Finance Committee

Helen Cowing (Chair and Treasurer from 1 May to 30 September 2024)
John Davidson (Chair and Interim Treasurer from 2 October 2024)
Anna Beck
Robert Hardy
Joseph Kariuki
Andrew Mackie (from 23 May 2025. Treasurer designate)
Yemi Odusolu (from 17 December 2024)
Mike Parikh (from 17 February 2025)
John Shaw (until 30 April 2024)
Rosie Slater-Carr (until 9 September 2024)

People and Culture Committee

Stanley Arumugam (Chair)
Ayo Afolabi
Doyin Atewologun
Sally Jones-Evans (until 30 September 2024)
Anna Laszlo

Supporter Engagement and Fundraising Committee

David Wesson (Chair)
John Davidson
Sarah Douglas
Yemi Odusolu
Lisa Pearce (from 31 October 2024 to 1 March 2025)
Simon Poole

International Impact Committee

Jean Paul Ndagijimana (Chair)
Adelaide Addo-Fening
Joanna de Berry
Jayakumar Christian
Lisa Pearce (from 31 October 2024 to 1 March 2025)

Safeguarding Committee

Stephanie Biden (Chair)
Stanley Arumugam
Rev Catherine De Souza (from 10 June 2024)
Nishani Ford (from 17 February 2025)

Theology Committee

Rev Catherine De Souza (Chair)
Jayakumar Christian
Right Rev Dr Emma Ineson
Esther Mombo
Jean Paul Ndagijimana
Rev Dr Israel Olofinjana
Jocabed Solano Miselis

The Well Committee (closed in October 2024)

Yemi Odusolu (Chair)
Ayo Afolabi
Lotwina Farodoye
Theo Mathias-Nwaulune
Ladun Omideyi
Pam Thompson
David Wesson

Board Development Committee

Sally Jones-Evans (Chair until 30 September 2024)

Anna Laszlo (Chair from 1 October 2024)

Stephanie Biden

David Wesson

National Advisory Committee members

The Wales Committee closed in June 2024, following a review of the various national committees and the Chair of the Wales Committee stepping down from that role.

Northern Ireland

Helen Mills (Chair)

Ian Long

Naomi McClelland

Peter McClelland

Robin McCormick

Laura McFarland

Scotland

Jenny Honey (Chair)

Chris Gbenle

Dez Johnston

Stephen Prem

Wales

Rev Dominic De Souza (Chair)

Bethan Day

Owain Edwards

Edwin Egede

Lois Franks

Cadi Gwyn

Iwan Robb

Ambassadors

Rev Celia Apeagyei-Collins

Guvna B

Anne Coles

Rev John Coles

Martha Collison

Liz Earle

Karen Gibson (from 11 May 2024)

Pete Greig

Tamsin Greig

Lord Michael Hastings

Rev Siew-Huat Ong

Lord Marvin Rees

Daniel Rowden

Nissy Tee

Right Rev Ric Thorpe

Will Torrent

Laura Young

Executive Team

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

Nigel Harris, **Chief Executive** (until 25 June 2025)

Tim Pilkington, **Chief Operating Officer** (Interim CEO from 26 June 2025)

Olutayo Bankole-Bolawole, **Director of People and Culture**

Stuart Lee, **Global Fundraising Director**

Veena O'Sullivan, **International Director**

Independent auditors	Crowe UK LLP, 4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR
Solicitors	Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES
Bankers	Barclays Bank UK plc, 1 Churchill Place, London, E14 5HP
Registered office	100 Church Road, Teddington, TW11 8QE

People and culture

It was a challenging year for our employees, with several change processes taking place across the organisation. The People and Culture Group led on these processes, working hard to ensure that the change was managed well and people were supported throughout with dignity and professionalism.

This year, we developed and approved a new People and Culture Strategy for 2024–28.

It aims to:

- **Embed trust and engagement at Tearfund** by instilling a sense of purpose and emphasising how central our staff are to achieving Tearfund's vision and mission.
- **Ensure talent management and reward schemes** attract, develop and retain high-performing staff.
- **Strengthen organisational vitality** through a focus on wellbeing, agility, innovation across the organisation; finalise and implement the equity, diversity and inclusion (EDI) strategy; and continue to demonstrate our dependence on God in every area of our work and personal lives.
- **Advance globalisation/localisation** by being intentional about becoming a global organisation that reflects the communities we serve, and ensuring decisions that affect them are made by and in collaboration with them wherever possible.

To serve these aims, we have merged UK and regional HR teams into one HR unit supported by a new People Services Team, in the hope of creating a uniform experience for all our staff and working more cohesively globally.

Key objectives and achievements

- **Strengthening organisational vitality**
Prayer and a vibrant spiritual life are at the heart of our organisational identity, so nurturing them is a priority across groups and teams. Role changes within the Prayer and Spiritual Vitality Team increased its collaboration with the Theology Team. This gave a strong theological foundation to our spiritual theme for 2025, 'Be transformed'. Supporting individuals' and teams' wellbeing both contribute to organisational vitality.

Our commitment to EDI work remains a core value embedded in every aspect of our organisation. Our Board has an ethnically diverse range of Trustees and we have experts in EDI as members of the People and Culture Committee to ensure informed decision-making. We aim to ensure that Board membership meets our targets of at least one-third representation for both sexes and for Black, Asian or Minority Ethnicity. We are committed to addressing staff needs in all the regions where we work, including the UK, by using EDI data to inform interventions and encourage staff to engage in EDI dialogues internally. Existing policies and processes have been reviewed to identify and address barriers to equity and inclusion, and this review will continue. This commitment has strengthened our

organisational culture, ensuring a more supportive working environment for staff.

- **Revitalising trust and engagement**

We've seen a positive shift in staff engagement, with survey scores rising from 67 per cent in 2023/24 to 73 per cent in 2024/25. Engagement levels in the UK still trail behind other countries though, highlighting the need to help all staff clearly see how their work connects to Tearfund's mission. An in-depth review of our 'UK Ways of Working' gave us valuable insights and laid the groundwork for future efforts to boost staff engagement. In parallel, we also reviewed our People and Culture systems to make sure they are fit for purpose and support strong, globally inclusive decision-making. For example, a new induction programme designed for line managers equips them to create more inclusive team cultures and foster open, honest two-way communication.

- **Improve talent and reward**

Our 18-month Agile Performance Management (APM) pilot demonstrated its potential to promote retention, maximise staff competencies and ensure staff are enabled to reach their full potential. Over 75 per cent of participants said they preferred it to traditional appraisals. A dedicated talent specialist, recruited this year, will lead on improving talent and reward, alongside the senior management team.

Going forward

In the coming year, the People and Culture Group will continue to take a people-centred approach in meeting Tearfund's HR, learning and development needs, and in strengthening our commitment to staff wellbeing and EDI. Our focus will be on equipping leaders and staff to consistently model the Tearfund characteristics.

To strengthen organisational vitality we will increase effective and transparent two-way communication, providing clarity on Tearfund's ambition and enhancing collaboration.

To revitalise talent and reward, we will work to attract diverse, adaptable, high-quality talent. We will work to retain staff through refreshed onboarding, effective performance management, career and succession plans, and appropriate staffing to deliver our work. We will review reward so that we design and embed a fair, consistent and affordable reward approach to attract and retain the talent we need.

To strengthen organisational vitality, we will deepen our prayer and spiritual vitality including valuing the diversity of expressions of faith among colleagues, refresh and simplify organisational structures, systems, policies and processes to support health and wellbeing and to promote EDI. We will refresh the organisational change processes to ensure they are adaptable and to maintain staff engagement. A Change Management Office will improve how change processes impact and involve people at Tearfund before, during and after each transition.

Safeguarding

We are deeply committed to following Jesus' example in treating everyone with care and respect. It is of paramount importance to us that we safeguard and protect all our partners, representatives, staff, supporters and, above all, the communities we serve: people living in the most vulnerable of situations.

Policies and procedures

Preventing abuse and harm remains a top priority for Tearfund and we have continued to ensure that the safeguarding policies and procedures we have in place are sufficiently robust. Where we did encounter cases, we worked hard to ensure that learning arising from them informs the training of our staff and partners, and is reflected in any necessary updates to our policies and procedures.

This year, we strengthened our commitment to protecting our staff, communities and volunteers by signing up to the Common Approach to Sexual Exploitation, Abuse and Harassment (CAPSEAH), an initiative supporting humanitarian, development and peace organisations to take robust action in this area. Our policies have been updated to reflect this, with strengthened definitions of terminology and more explicit language to make clearer exactly what 'safeguarding' means across the global organisation.

The Safeguarding and Whistleblowing Review Team (SWRT) continues to report quarterly to the Safeguarding Committee, which provides Board oversight of Tearfund's safeguarding culture, how cases are handled and how learning is embedded.

Tearfund's Incident Management System (TIMS), our in-house reporting system, continues to grow in effectiveness and staff are increasingly confident in using it. TIMS is also used to report concerns unrelated to safeguarding, so we have a triage team who ensure that incidents are referred to and handled by the correct teams. We have continued to strengthen the SWRT this year, and some impressive collaborative work has been achieved, always using a survivor-centred approach to ensure complex incidents are handled carefully.

All information is treated confidentially and only shared with those who need to know. Reports can be submitted anonymously but, where contact information can be shared, follow-up and support are much easier.

Mitigating risk continues to be the principle undergirding all our policies and procedures, especially in relation to safer recruitment. We remain committed to being effective and thorough in this, using the tools available to us. We use the Disclosure and Barring Service within the UK to help ensure all staff and representatives are securely vetted. We also use robust checks for non-UK citizens, using a third-party service provider. As a member of the Misconduct Disclosure Scheme, we are able to ask previous employers about potential recruits and

request detailed statements about any sexual abuse, harassment or misconduct in previous posts, and we are committed to providing such information about our staff if they move from Tearfund to another member of the scheme.

Handling complaints and concerns

We continued to encourage reporting of safeguarding and whistleblowing cases and to raise awareness of our feedback mechanisms across the organisation, and among our partners and the communities where we work. The reporting tools we have available are: Safecall, a whistleblowing mechanism provided by an external company; the Ombudsperson email, through which concerns about members of the Board or Executive Team can be reported; and our own reporting system, TIMS.

Refreshed posters and adverts in all Tearfund and partner offices are proving to be an engaging and effective way to keep people up to date with our reporting processes, and people are increasingly assured about using TIMS especially. Safeguarding focal points say they are increasingly confident in the reporting process, which is more robust, clear and explicit thanks to our commitment to CAPSEAH.

Assessment of safeguarding risks

We continue to monitor safeguarding risks and improve our response to them, in all the different contexts and ways in which Tearfund works. This includes ensuring that the SWRT includes two members with relevant regional and programmatic experience. Before cases are formally closed, we gather learnings from them, reflecting on the investigation process and areas that need improvement or increased protection, which allows us to implement further preventative measures.

The chief safeguarding risks we face include:

- **Non-funded partners with poor safeguarding policies.** When working with partners that are not funded by Tearfund, it becomes more difficult to enforce our safeguarding policies. Our network of focal points, however, provides regional and country-level safeguarding support for partners. We also made good progress this year towards producing a template our partners can access to aid their safeguarding processes, with the guidance of our focal points where applicable.
- **Third-party/partner-led cases.** These are cases which are reported to Tearfund but in which we are unable to control the process because another agency or authority is responsible for their investigation. In these instances, we work as closely as we can to provide support where we are invited to do so.

Review of cases 2024/25

Number of safeguarding incidents received quarterly					Total	Safeguarding cases referred to the Charity Commission
	Q1	Q2	Q3	Q4		
2024/25	3	6	6	3	18	5

Table: Breakdown of reported cases by quarter of the 2024/25 financial year

During the reporting period, a total of 18 incidents were recorded: eight pertaining to Tearfund staff, two involving partner staff, and eight originating from localised community reports. One incident directly concerned a minor. Where warranted, formal investigations were executed in accordance with established internal policies and procedures, and for serious cases, learning reviews and action plans were duly developed.

Number of whistleblowing incidents received quarterly					Total
	Q1	Q2	Q3	Q4	
2024/25	3	6	7	4	20

Table: Breakdown of reported cases by quarter of the 2024/25 financial year

The number of whistleblowing reports received has increased during the 2024/25 reporting period. This increase is primarily due to the whistleblowing channel being used for other grievances and additional reports coming in that relate to incidents already under investigation.

Definitions

Child safeguarding: a child is anyone under the age of 18.

Adult safeguarding: we acknowledge that anyone we support may be ‘at risk’ due to the unequal power relationship between Tearfund or partner staff and volunteers, and the people in vulnerable situations whom 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.

Environmental performance

Climate change disproportionately affects people living in poverty, and we remain committed to reducing our own carbon footprint. Our Environmental Policy continues to guide our actions as we seek to improve our environmental performance.

In 2024/25, we have:

- Replaced generators in countries to lower energy consumption.
- Revised the flight-tracking system, assigning team members to monitor travel impact and improve reporting.
- Offset all flight emissions while reviewing our long-term offsetting strategy in response to evolving voluntary carbon market regulations.
- Identified challenges in integrating environmental data across different reporting systems and provided training to improve data accuracy.
- Enhanced emission tracking by integrating various IT systems across countries.

We continue to explore ways to strengthen our environmental reporting and make better use of technology to minimise travel while maintaining strong relationships and delivering our strategy.

Greenhouse gas emissions and energy-use data for Tearfund UK for the period of 1 April 2024 to 31 March 2025

We have followed the 'Environmental reporting guidelines, including Streamlined Energy and Carbon Reporting guidance' (2019) and 'UK Government greenhouse gas conversion factors for company reporting' (2024), to produce the following three figures relating to our carbon footprint in the UK.

In 2024/25, Tearfund continued its efforts to reduce emissions, building on the progress made in previous years. Energy consumption decreased significantly to **193,174 kWh**, reflecting ongoing efficiency measures. Notably, emissions from purchased electricity (Scope 2) dropped to **40.0 tCO₂e**, down from 50.0 tCO₂e in 2023/24. However, business travel emissions in rental cars or employee-owned vehicles (Scope 3) increased to **16.45 tCO₂e**, compared to 7.5 tCO₂e in the previous year. We are trying to understand our travel patterns better in order to decrease our Scope 3 emissions.

Tearfund took key steps to manage and mitigate its environmental impact. A flight-tracking system was revised after the period of organisational change. Despite reductions in certain emission categories, challenges with data integration persist, affecting reporting accuracy. The organisation remains committed to carbon offsetting, having renewed its partnership with Climate Stewards until March 2026 while exploring future offsetting strategies in light of evolving regulations.

Looking ahead, Tearfund will refine its sustainability approach, ensuring strategic decisions on offsetting and climate contributions align with its broader environmental commitment.

		Unit	2024/25	2023/24	2022/23	2021/22
Energy consumption	Used to calculate the emissions below	kWh	193,174	241,241	337,877	346,000
Emission sources						
Scope 1	Combustion of gas	tCO ₂ e	10.35	9.9	9.5	10.3
Scope 1	Combustion of fuel for transport purposes	tCO ₂ e	1.33	2.1	0.63	0.03
Scope 2	Purchased electricity	tCO ₂ e	40.0	50.0	59.9	60.7
Scope 3	Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	tCO ₂ e	16.45	7.5	18.25	9.7
Total gross based on above		tCO₂e	68.13	69.5	88.28	80.73
Intensity ratio	Tonnes of CO ₂ e per full-time equivalents	tCO ₂ e	0.23	0.17	0.2	0.2

Table: Greenhouse gas emissions and energy-use data for the period of 1 April 2024 to 31 March 2025



📍 In the DRC, Tearfund is working with local partners to provide cash and water distributions in temporary camps, schools and churches for those who have had to flee their homes because of escalating conflict. Photo: Gad Muweza/Tearfund

Financial review

In 2024/25, Tearfund raised £80.2m to fund its vision to see people freed from poverty, living transformed lives and reaching their God-given potential.

Our proactive structural realignment during 2023/24 led to a decrease in our unrestricted cost base. This strategic move, along with other targeted interventions, has provided greater resilience as we navigate the complexities of the upcoming global landscape.

Income and expenditure

In 2024/25 we saw a total income of £80.2m down by 2.9 per cent against the 2023/24 figure of £82.6m. Year on year, unrestricted income remained relatively stable at £35.3m (an increase of 0.5 per cent) while restricted income at £44.9m decreased by 5.4 per cent, primarily driven by a reduction in grants from institutional donors. We are incredibly grateful to all who have supported so generously during the year to help bring an end to extreme poverty.

Total expenditure of £77.7m was £5.0m (6 per cent) lower than the 2023/24 level of £82.7m, with a decrease of £6.1m (17 per cent) in unrestricted expenditure offset by an increase of £1.0m (2 per cent) in restricted expenditure. The fall in unrestricted expenditure was largely as a result of the proactive structural realignment carried out in 2023/24.

The net result for the year is £2.6m (2023/24: -£0.1m), made up of an increase of £5.8m in unrestricted funds offset by a decrease of £3.2m in restricted funds.

Grants

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

Reserves

Total funds at the end of the year were £29.8m, comprising unrestricted funds of £13.4m and restricted funds of £16.4m.

Our general funds, defined as our unrestricted funds less any designated funds, are essential to:

- Provide necessary working capital.
- Allow flexibility to respond to unexpected opportunities and challenges.
- Act as a buffer against fluctuations in income and expenditure, whether seasonal or event-driven.
- Provide contingency against unexpected costs.
- Provide contingency to respond to changes in Tearfund's operating environment.
- Finance strategic initiatives outside of Tearfund's normal operations.

Our reserves policy allows up to £2.0m of the value of the freehold office building owned by Tearfund to count towards operating

reserves. This is considered appropriate given current market conditions as Tearfund continues to explore the possibility of selling the building during 2025/26.

The Board of Trustees annually reviews the required level of operating reserves to ensure that an appropriate level is held. This review assesses the main financial risks inherent in our operating model and external environment, considering all income streams and expenditure categories. For 2025/26, the target range for operating reserves to cover these risks is set at between £7.0m and £11.0m.

At the end of 2024/25, our general fund balance stands at £11.8m (2023/24: £6.1m). Taking the additional £2.0m of the building value into account, our operating reserve balance is above the target range. The Trustees are comfortable with this position as we are entering a volatile year with significant uncertainties in the external environment and a rapidly evolving funding landscape.

Designated funds

Designated funds are part of the unrestricted funds which the Trustees have earmarked for a particular use. This designation does not represent a legal restriction. At the close of 2024/25, the only designated fund was the Fixed Asset Fund. This fund represents the net book value of Tearfund's fixed assets, indicating that these resources are not available for other purposes. At the end of the year, the Fixed Asset Fund stood at £1.5m (2023/24: £1.5m).

Restricted funds

Restricted funds are subject to specific conditions imposed by donors. The year-end balances represent income which has been recorded but where the related expenditure has not yet been incurred. The majority of these funds are either institutional awards, or

funds generated during emergencies or as a result of other specific appeals.

In many cases these appeals generate income over a short timeframe, which is then planned to be spent over a period of up to three years in line with the purpose of the appeal. At the end of the year, total restricted funds had decreased to £16.4m (2023/24: £19.6m) due to decreases in both the appeals and emergency funds (£1.7m) and the institutions and trust funds (£1.3m). For each restricted fund, Tearfund's assets are available and adequate to fulfill its obligations.

Financial risk management

Tearfund continues to navigate an increasingly volatile and uncertain global landscape, impacting both the communities we serve and our dedicated supporters. In response to high inflation and a sector-wide decline in unrestricted income, Tearfund took action in 2023/24 to reduce the structural cost base of the organisation. This has provided Tearfund with the capacity to absorb future shocks and the time to react to changes in the external environment.

The broader funding landscape continues to present considerable risks and challenges. Economic uncertainties and the rising cost of living continue to affect our supporters' ability to give. Additionally, the unpredictability of future restricted United States Government funding (2024/25: 8.8 per cent of total income) and reductions in overseas aid budgets from many governments increase the challenge in securing institutional income. To mitigate these risks, Tearfund has implemented enhanced three-year forecasting and robust financial monitoring, alongside short-term cost control measures as well as sadly needing to reduce the size of our programmes in the Democratic Republic of Congo (DRC) and South Sudan in 2025/26.

Cash flow and liquidity risks are effectively minimised by a conservative investment policy. As of 31 March 2025, Tearfund held cash balances of £21.0m (£20.7m at 31 March 2024). Tearfund continues to explore the possibility of selling the Teddington office building during 2025/26, since occupancy rates remain significantly below pre-pandemic levels.

Our receivables primarily consist of contributions from major governmental and institutional donors, as well as legacy income. We assess the associated credit risk as low, and similarly, the risk of material disallowances from donor audits is considered minimal. This area remains under continuous active monitoring.

Tearfund's income is predominantly received in sterling pounds and US dollars. Foreign exchange risk affects Tearfund mainly by impacting the purchasing power of donor funds in the countries where most of our charitable expenditure is incurred. Tearfund does not enter into foreign exchange contracts for speculative reasons.

As part of our work supporting communities to prepare for disasters, Tearfund entered into a swap contract in 2024/25 which expires in 2025/26. This is an innovative approach for Tearfund and provides an insurance mechanism for communities at risk of drought in four countries. Payouts will be used for anticipatory action and early response. Tearfund's risk is limited to the

original fixed payment.

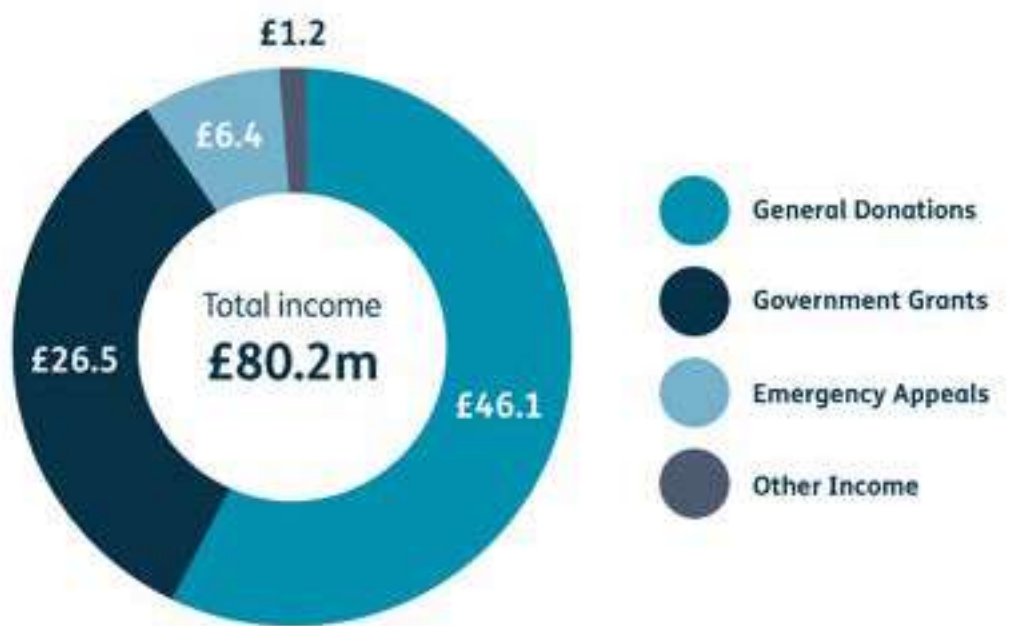
Investment policy and performance

Tearfund's investment policy is reviewed annually by the Audit, Risk and Finance Committee. Our objective is to maintain high liquidity, obtain the maximum optimal yield consistent with agreed risk levels, while ensuring maximum security. To achieve this, Tearfund invests with institutions with a high security rating in fixed-term or call deposits.

Tearfund focuses engagement with companies or organisations whose activities significantly align with our own environmental policy. As far as possible, Tearfund will take a positive approach by seeking to invest cash resources in organisations which act ethically in accordance with Tearfund's core values. Where this is not possible, Tearfund will find acceptable ways to fulfil our ethical and environmental commitments without damaging our core operational capacity.

During the year, Tearfund's sterling deposits achieved an average rate of interest of 4.54 per cent (2023/24: 4.77 per cent) compared with an average bank base rate for the same period of 4.95 per cent (2023/24: 5.05 per cent).

Income for financial year 2024/25



Expenditure for financial year 2024/25



Fundraising practices

Tearfund deeply values the trust of our supporters and is committed to ethical fundraising and transparent communication.

We are registered with the Fundraising Regulator and maintained full compliance with its standards throughout the year. Our internal Compliance and Data Protection teams ensure rigorous adherence to best practices in all communications. Staff interacting with supporters receive specialised training on safeguarding and supporting vulnerable individuals, in line with our established policies.

We proactively track and address supporter feedback. In the 2024/25 financial year, we received 342 fundraising-related complaints, representing 26 per cent of our total complaint volume. We have no record of complaints being escalated to the Fundraising Regulator.

Our fundraising efforts are primarily managed by our dedicated staff. For outsourced telephone fundraising, we implement strict quality control through call monitoring and targeted training to ensure adherence to our standards and to maintain the integrity of our supporter relationships.

We report all supporter complaints quarterly to our Executive Team and the Board's Global Fundraising and Communications Committee, demonstrating our commitment to accountability.

Trustees' responsibility statement

The Trustees are responsible for preparing the strategic report, the Trustees' report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees 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 Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees 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 person who is a Trustee of the company at the date when this report was approved:

- So far as each of the Trustees 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 Trustees has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.



Anna Laszlo, **Chair of the Board**

Date: 09 July 2025

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

Opinion

We have audited the financial statements of Tearfund ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the consolidated Statement of Financial Activities (incorporating an income and expenditure account), the Group and Tearfund balances sheets, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2025 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our

responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report,

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material

misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 64, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial

statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments as well as compliance with international sanctions regimes.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal

correspondence, if any.

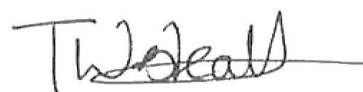
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and legacy income, going concern and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit, Finance and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, detailed review of budgets and forecasts, detailed reviews of a sample of legacy notifications and receipts, detailed reviews of a sample of funding agreements for grant income, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance

and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westocott
Senior Statutory Auditor

For and on behalf of
Crowe UK LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
Gloucester
GL50 3PR

Date: 10 July 2025



Consolidated statements of financial activities

(incorporating an income and expenditure account)

Year ended 31 March 2025

	Note	Unrestricted funds £'000	Restricted funds £'000	2025 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2024 Total funds £'000
Income from:							
Donations and legacies	2	34,424	44,605	79,029	34,236	47,162	81,398
Charitable activities	3a	164	291	455	326	287	613
Other trading activities		-	-	-	1	1	2
Investment income	3b	754	-	754	574	-	574
Total income		35,342	44,896	80,238	35,137	47,450	82,587
Expenditure on:							
Raising funds	4	10,733	421	11,154	12,771	506	13,277
Charitable activities	4	18,844	47,669	66,513	22,927	46,523	69,450
Total expenditure		29,577	48,090	77,667	35,698	47,029	82,727
Net income/(expenditure) for the year	6	5,765	(3,194)	2,571	(561)	421	(140)
Transfer between funds	16	-	-	-	21	(21)	-
Net movement in funds		5,765	(3,194)	2,571	(540)	400	(140)
Reconciliation of funds:							
Total funds brought forward at 1 April	16b	7,588	19,591	27,179	8,128	19,191	27,319
Total funds carried forward at 31 March	16a	13,353	16,397	29,750	7,588	19,591	27,179

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated Statement of Financial Activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated Statement of Financial Activities above. All amounts derive from continuing operations. There is no material difference between the net expenditure for the financial year stated above and its historical cost equivalent. The turnover of the charitable company for the year was £80,238,000 (2023/24: £82,587,000). There is no material difference between the entity and the group Statement of Financial Activities.

Balance sheets as at 31 March 2025

Company number: 00994339

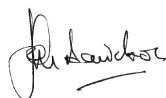
		Tearfund Group		Tearfund	
	Note	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed assets:					
Tangible assets	9	1,546	1,465	1,546	1,465
Long-term investments	10	-	-	5	5
Total fixed assets		1,546	1,465	1,551	1,470
Current assets:					
Stocks	11	802	551	802	551
Debtors	12	11,625	10,077	11,625	10,077
Short-term deposits		17,478	17,297	17,478	17,297
Cash at bank and in hand		3,510	3,425	3,510	3,425
Total current assets		33,415	31,350	33,415	31,350
Creditors:					
Amounts falling due within one year	14	(4,755)	(4,626)	(4,760)	(4,631)
Net current assets		28,660	26,724	28,655	26,719
Provisions for liabilities	15	(456)	(1,010)	(456)	(1,010)
Net assets		29,750	27,179	29,750	27,179
Funds					
Unrestricted funds:					
General fund	16a	11,807	6,117	11,807	6,117
Designated funds	16a	1,546	1,471	1,546	1,471
		13,353	7,588	13,353	7,588
Restricted funds	16a	16,397	19,591	16,397	19,591
Total funds		29,750	27,179	29,750	27,179

The net result of the charitable company for the year was a surplus of £2,571,000 (2023/24: deficit of £140,000).

The financial statements on pages 72–96 were approved by the Board of Directors on 9 July 2025 and signed on its behalf by:



Anna Laszlo, **Chair of the Board**



John Davidson, **Treasurer**

Consolidated cash flow statement

Year ended 31 March 2025

		2025 £'000	2024 £'000
Net cash (used in)/provided by operating activities		(193)	1,512
Cash flow from investing activities:			
Investment income received		754	574
Purchase of property, plant, equipment and intangibles		(309)	(148)
Proceeds from the sale of property, plant and equipment		14	1
Net cash used in investing activities		459	427
Change in cash and cash equivalents in the reporting period		266	1,939
Cash and cash equivalents at the beginning of the reporting period		20,372	18,433
Cash and cash equivalents at the end of the reporting period		20,638	20,372
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)		2,571	(140)
Adjustments for:			
Depreciation charges		223	251
Investment income receivable		(754)	(574)
(Profit)/Loss on sale of tangible fixed assets		(9)	1
(Increase)/Decrease in stocks		(251)	324
(Increase)/Decrease in debtors		(1,548)	1,946
Increase/(Decrease) in creditors		129	(538)
(Decrease)/Increase in provisions		(554)	242
Net cash (used in)/provided by operating activities		(193)	1,512
Analysis of changes in net funds	1 April 2024 £'000	Cash flows £'000	31 March 2025 £'000
Cash at bank and in hand	3,425	85	3,510
Bank deposits	17,297	181	17,478
Interest-free loans	(350)	-	(350)
	20,372	266	20,638

There is no material difference between the entity and the group cash flow statement.

Notes to the financial statements

31 March 2025

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 nine members (2023/24: 13) who were each liable to contribute £1 in the event of the company being wound up. In the application of the Charity's accounting policies, the particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Fund accounting

The company maintains three types of funds. General unrestricted funds are funds available for use at the discretion of the Board of Trustees 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 Trustees 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 16.

Going concern

The Financial Review on pages 59–63 sets out Tearfund's financial performance in 2024/25. We started the year with a general fund position of £6.1m. We planned for a general fund increase of £2.4m and we ran an increase of £5.7m, which led to a general fund position at year-end of £11.8m, just

above the top of the target range for operating reserves. Our proactive structural realignment during 2023/24 led to a decrease in our unrestricted cost base.

The global landscape is increasingly volatile and uncertain, impacting both the communities we serve and our dedicated supporters' ability to give. Tearfund's actions, in 2023/24, to reduce the structural cost base of the organisation have provided us with some capacity to absorb future shocks and the time to react to changes in the external environment. The Board has approved a budget for 2025/26, which we expect will maintain our reserves within the target range.

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

- The unrestricted income budget for 2025/26 is underpinned by committed regular giving, which represents 43 per cent of the total unrestricted income budget. We remain very grateful for the loyalty of our supporters and the ability and agility of our fundraising teams. Our income budgets continue to seek to balance caution with an appropriate level of ambition.
- We have appointed agents to market the Teddington office building with a view to sale. If a sale occurs, this would significantly increase financial liquidity.
- Experience of the past few years provides reassurance that, where required, we have the ability to adjust our cost base both in the short and long term as needed.

In support of the going concern assessment, we have prepared cash flow forecasts for the next 12 months. Analysing the challenges of the current economic climate, these show that Tearfund has adequate financial resources to continue operating for the foreseeable future. We review income in detail on a monthly basis to identify any

downward trends as early as possible, keeping in mind the options of delaying expenditure or making cost reductions if necessary. Having considered these matters, the Trustees do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

Income

All income, including donations, legacies and investment income, is recognised in the SOFA when the Charity can demonstrate entitlement to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

The following specific policies apply to the categories of income:

Legacies

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

Grants and contracts

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

Gifts in kind

Donated gifts in kind for distribution to communities are included in income and stock at donors' valuation or market value

when received. Expenditure is recognised when gifts in kind are distributed. In line with the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in the financial statements. This is because it does not meet the definition of a transaction or event that gives rise to a financial asset or liability under FRS 102. More detail can be found on pages 77–78 of the Annual Report.

Expenditure

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

The following specific policies apply to categories of expenditure:

Grants payable

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

Support costs

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

Fundraising and publicity

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

Foreign exchange

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

Pensions

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

Tangible fixed assets and depreciation

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

Freehold land	Nil
Freehold buildings	15–50 years

Fixtures, fittings and equipment including computers	3–20 years
Motor vehicles	3–10 years

All assets are tested annually for impairment. Assets including vehicles and equipment used in programmes overseas, except for laptops and buildings, are considered to have a useful economic life of one year or less. They are not capitalised but are charged in full to charitable expenditure when purchased. However, a register is maintained of these assets and reviewed regularly to ensure we retain strong control over the assets.

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). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

Derivatives are not basic financial instruments. When held, derivatives are initially recorded at fair value on the date a derivative contract is entered into and subsequently re-measured at fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities. Derivatives are derecognised when the contractual obligation is discharged, cancelled or expires.

Investments

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

Stocks

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

Cash and cash equivalents

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

Other financial assets and liabilities

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

Operating leases

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

2a. DONATIONS

	Note	Unrestricted funds	Restricted funds	2025 Total funds	Unrestricted funds	Restricted funds	2024 Total funds
		£'000	£'000	£'000	£'000	£'000	£'000
Donations from:							
Individuals		25,311	8,337	33,648	26,424	6,361	32,785
Churches		1,419	1,394	2,813	1,368	1,408	2,776
Trusts, companies, schools and other		875	4,114	4,989	1,017	3,805	4,822
Legacies		6,819	284	7,103	5,427	175	5,602
Grants	2b	-	26,499	26,499	-	30,443	30,443
		34,424	40,628	75,052	34,236	42,192	76,428
Via Disasters Emergency Committee		-	3,977	3,977	-	4,970	4,970
Total donations and legacies		34,424	44,605	79,029	34,236	47,162	81,398

Included in restricted income above are the following donations and legacies relating to appeals and emergencies:

	Unrestricted funds	Restricted funds	2025 Total funds	Unrestricted funds	Restricted funds	2024 Total funds
	£'000	£'000	£'000	£'000	£'000	£'000
Donations from:						
Individuals	-	1,893	1,893	-	2,254	2,254
Churches	-	326	326	-	546	546
Trusts, companies, schools and other	-	250	250	-	197	197
Grants	-	-	-	-	7	7
	-	2,469	2,469	-	3,004	3,004
Via Disasters Emergency Committee	-	3,977	3,977	-	4,970	4,970
Total appeals and emergencies	-	6,446	6,446	-	7,974	7,974

Gifts in kind of £34,000 (2023/24: £30,000) of pro-bono legal and consultancy work are included in support cost expenditure. Of this, £nil (2023/24: £1,000) is included above in 'Churches' and £34,000 (2023/24: £29,000) is in 'Trusts, companies, schools and other' income.

As at 31 March 2025, Tearfund had been notified of a number of legacies which have not been recognised as income in the Statement of Financial Activities as they did not meet the charity's legacy income recognition criteria. These legacies are considered part of the charity's legacy pipeline and are expected to be realised in future periods. The estimated gross value of these legacies is £2,142,000 (2024: £1,748,000).

2b. GRANTS INCOME

	2025 £'000	2024 £'000
United States Government	7,098	8,308
United Nations	5,177	4,328
Dutch Government	4,056	3,853
United Kingdom Government	3,018	3,555
European Union	2,003	2,391
German Government	1,772	2,126
Canadian Foodgrains Bank (including Tearfund Canada)	825	1,404
Norwegian Government	278	573
Scottish Government	222	550
Swiss Government	199	-
States of Jersey	184	388
New Zealand Government	138	26
Other	138	89
Canadian Government	125	342
Danish Government	34	13
	25,267	27,946
Tearfund Netherlands	992	2,440
Other Tearfund Family/Integral Alliance members	240	57
	26,499	30,443

Included within the above grants income are gifts in kind of £1,836,000 (2023/24: £1,211,000), which are also included in either expenditure or stock. The whole amount for both years is restricted income. They consist mainly of water and sanitation products; food aid; nutrition inputs; and seeds and tools for planting and fishing.

The 2023/24 comparatives have been amended to align the income with the appropriate donors. The total grant income received in 2023/24 remains as originally reported.

3a. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2025 Total funds £'000	2024 Total funds £'000
Contract income contributed to the following programmes:				
ABT associates (CCT projects in Papua New Guinea)	-	-	-	43
Climate Justice Scottish Government (Zambia)	50	-	50	36
UCSD (DRC Effects of Gender Norms on Health and Livelihood Outcomes)	6	-	6	6
Climate Risk Financing Phase 2 (multi-country risk financing against extreme weather events)	-	12	12	-
Total contract income	56	12	68	85
Other income from charitable activities	108	279	387	528
Total income from charitable activities	164	291	455	613

The total income from charitable activities was £455,000 (2023/24: £613,000), of which £164,000 was unrestricted (2023/24: £326,000) and £291,000 was restricted (2023/24: £287,000).

3b. INVESTMENT INCOME

Investment income consists of interest from bank deposits.

4. TOTAL RESOURCES EXPENDED

	Grants £'000	Direct costs £'000	Support costs £'000	2025 Total costs £'000	2024 Total costs £'000
Unrestricted					
Costs of generating funds	-	9,359	1,374	10,733	12,771
Charitable activities:					
Church and Community Transformation	126	3,687	482	4,295	6,560
Reconciled Peace-filled Societies	73	2,575	448	3,096	3,688
Environmental and Economic Sustainability	47	4,964	649	5,660	7,014
Crisis to Resilience	197	4,194	1,402	5,793	5,665
	443	15,420	2,981	18,844	22,927
Total unrestricted	443	24,779	4,355	29,577	35,698
Restricted					
Costs of generating funds	-	419	2	421	506
Charitable activities:					
Church and Community Transformation	2,568	3,559	702	6,829	5,424
Reconciled Peace-filled Societies	3,053	3,577	652	7,282	6,809
Environmental and Economic Sustainability	5,492	3,741	875	10,108	8,279
Crisis to Resilience	8,384	13,196	1,870	23,450	26,011
	19,497	24,073	4,099	47,669	46,523
Total restricted	19,497	24,492	4,101	48,090	47,029
Total expenditure	19,940	49,271	8,456	77,667	82,727

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

4. TOTAL RESOURCES EXPENDED CONTINUED

	2025 £'000	2024 £'000
Grants to partner organisations by geographical region:		
Africa	9,542	8,343
Eurasia	7,922	7,920
Asia	2,271	2,186
Europe	195	248
Latin America and Caribbean	10	439
Total grants to partner organisations	19,940	19,136

	2025 £'000	2024 £'000
The top 15 countries and regions where grants were made:		
Syria	3,147	2,838
South Sudan	2,215	1,272
Ethiopia	1,429	815
Pakistan	1,425	1,896
Iraq	1,404	1,291
DRC	1,212	1,205
Rwanda	884	880
Lebanon	759	394
Burundi	713	748
Occupied Palestinian Territories	706	15
Malawi	616	512
Burkina Faso	579	367
Bangladesh	436	432
Nepal	429	288
Chad	428	140
Total grants made to top 15 countries and regions	16,382	13,093

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

Grants totalling £1,661,000 in the year were made to Medair (2023/24: £2,055,000).

4. TOTAL RESOURCES EXPENDED CONTINUED

Support costs and the basis of their allocation are as follows:	Principal basis of allocation to activities	2025 £'000	2024 £'000
General management, risk and compliance	Headcount and expenditure	517	550
Financial management	Headcount and expenditure	1,571	1,683
Human resources	Headcount	2,364	2,442
Strategy and Impact	Expenditure	260	408
Information systems	Headcount and expenditure	2,775	3,441
Premises and facilities	Headcount	541	610
Governance	Headcount and expenditure	428	385
		8,456	9,519

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. Tearfund Trading Limited is now dormant. The company used to undertake various trading activities to raise funds for Tearfund and all its taxable profits were treated as qualifying distribution to Tearfund under Deed of Covenant. Tearfund Trading Limited's position as at 31 March 2025 is listed below.

	2025 £'000	2024 £'000
Total assets	5	5
Total liabilities	-	-
Funds	5	5

6. NET EXPENDITURE/(INCOME) FOR THE YEAR

Net expenditure/(income) for the year are stated after charging the following:	2025 £'000	2024 £'000
Depreciation of tangible fixed assets	223	251
Auditors' remuneration – Tearfund	74	79
Auditor's other services – taxation	1	1
Auditors' remuneration – Tearfund Trading	-	2
(Profit)/Loss on sale of tangible fixed assets	(9)	1
Operating leases: land and buildings – unrestricted	261	425
Operating leases: land and buildings – restricted	473	558

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

7. EMPLOYEES AND TRUSTEES

Employee costs	2025 UK £'000	2025 Overseas £'000	2025 Total £'000	2024 UK £'000	2024 Overseas £'000	2024 Total £'000
Salaries and wages	13,710	12,625	26,335	17,128	14,768	31,896
Employee benefits	10	731	741	31	1,024	1,055
Social security costs	1,428	101	1,529	1,663	61	1,724
Other pension costs	1,414	296	1,710	1,687	274	1,961
	16,562	13,753	30,315	20,509	16,127	36,636

Included in the above employee costs are redundancy and severance costs of £179,000 (2023/24: £1,611,000). Redundancy costs are provided for when the decision has been made and the employees have been informed, and the amounts could be calculated with reasonable accuracy and the settlement is probable in the next financial year.

Average number of persons employed during the year	2025 Number	2024 Number
UK-contracted employees based:		
In the UK	337	420
Overseas	72	83
	409	503
Staff based overseas on local contracts	484	575
	893	1,078

7. EMPLOYEES AND TRUSTEES CONTINUED

UK staff includes those personnel based in Tearfund's UK offices. Overseas staff on UK contracts includes UK nationals working overseas as well as non-UK nationals employed to work in various countries around the world. All staff were employed across the range of activities detailed in the SOFA. No employees are employed directly by Tearfund Trading Limited. The number of employees whose emoluments (including benefits in kind but excluding employer's pension) amounted to over £60,000 in the year was as follows:

	2025 Number	2024 Number
£60,001 – £70,000	28	36
£70,001 – £80,000	5	7
£80,001 – £90,000	4	4
£90,001 – £100,000	2	3
£100,001 – £110,000	2	2
£110,001 – £120,000	1	1

The total number of employees earning over £60,000 has decreased from the prior year due to the restructure carried out in 2023/24. There were some redundancy costs relating to the 2023/24 restructure that fell into 2024/25. In 2024/25, Tearfund paid redundancy to seven (2023/24: 12) members of staff included above, which resulted in gross earnings in the year for the individuals totalling £554,000 (2023/24: £997,000).

Pension payments of £228,000 (2023/24: £268,000) were made for these 42 (2023/24: 53) higher-paid employees. The total emoluments received by the Chief Executive in the year was £97,000 (2023/24: £97,000). Within the bands above, there are three employees with higher remuneration than the Chief Executive in the year. This is a result of redundancy payments made to two individuals in 2024/25 and one staff member receiving additional relocation allowances. In 2024/25, members of the Executive Team earned a total of £559,000 (2023/24: £717,000) including social security and pensions.

Trustees

As Charity Trustees, the Board of Directors and Committee Members, who are not employees, received no remuneration for their services. During the year, nine directors/committee members were reimbursed or had costs paid for by Tearfund for a total of £8,928 for UK travel, communication and subsistence expenses (2023/24: six for £2,884). Five directors/committee members had overseas travel of £8,398 paid for by Tearfund (2023/24: three for £5,711). Indemnity insurance is provided for the Directors at a cost of £22,000 (2023/24: £24,000).

For the purpose of prior year comparative information, from May to September 2023, having resigned from the Board of Trustees, Stanley Arumugam took up the role of Interim Director for People and Talent to provide much needed input into this part of the business while recruitment for a permanent Director was undertaken. During this time, Stanley received remuneration of £30,105. Having concluded his role of Interim Director for People and Talent, Stanley was reappointed to the Board in January 2024.

Pensions

Tearfund has a defined contribution pension plan for UK employees called the Tearfund Group Personal Pension Plan and a separate defined contribution pension plan for overseas employees called the Tearfund International Group Personal Pension Scheme. These plans operate on a non-contributory basis. Included within creditors falling due within one year is £170,000 (2023/24: £245,000) in respect of pension contributions due to be paid to the fund managers.

8. TAXATION

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

9. TANGIBLE FIXED ASSETS

Tearfund and Tearfund Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total Tangible £'000
Cost				
At 1 April 2024	3,086	6,579	109	9,774
Additions	-	309	-	309
Disposals	-	(223)	(49)	(272)
At 31 March 2025	3,086	6,665	60	9,811
Accumulated depreciation				
At 1 April 2024	2,016	6,196	97	8,309
Charge for the year	60	161	2	223
Disposals	-	(222)	(45)	(267)
At 31 March 2025	2,076	6,135	54	8,265
Net book value				
At 31 March 2025	1,010	530	6	1,546
At 31 March 2024	1,070	383	12	1,465

The book value of freehold land not depreciated is £368,000 (2023/24: £368,000). Tearfund's offices in Teddington have a book value of £642,000 (2023/24: £685,000) and are insured at a value of £12,500,000 (2023/24: £12,340,000).

The Board continues to explore the option to sell our premises in Teddington and what premises we may need in the future.

10. LONG-TERM INVESTMENTS

	Tearfund Group		Tearfund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Unquoted investment in subsidiary	-	-	5	5

At 31 March 2025, Tearfund had one wholly owned subsidiary (now dormant) which is registered in England and Wales.

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

11. STOCKS

	Tearfund Group		Tearfund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Goods held for distribution to communities	802	547	802	547
Disaster management and IT stores	-	4	-	4
	802	551	802	551

12. DEBTORS

	Tearfund Group		Tearfund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Due within one year:				
Tax recoverable	225	599	225	599
Other debtors	168	205	168	205
Accrued institutional grants	5,429	3,365	5,429	3,365
Accrued legacy income	4,784	4,716	4,784	4,716
Prepayments and other accrued income	1,019	1,192	1,019	1,192
	11,625	10,077	11,625	10,077

13. FINANCIAL INSTRUMENTS

Included in Other Debtors, measured at fair value, is a derivative financial instrument. Tearfund has entered into a swap contract, covering the period from November 2024 to August 2025, which provides an insurance mechanism for communities at risk of drought in four countries. Payouts of £80,000, in the year to 31 March 2025, have been used for anticipatory action and early response. Tearfund's risk is limited to the original fixed payment of £94,000. The fair value movement of £51,000 (2023/24: £nil) was charged to charitable activities within the Statement of Financial Activities. The fair value of the instrument at year end was £43,000 (2023/24: £nil).

14. CREDITORS

	Tearfund Group		Tearfund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts falling due within one year:				
Interest-free loans	350	350	350	350
Amount owed to group undertaking	-	-	5	5
Other creditors	1,213	1,197	1,213	1,197
Taxation and social security	1,074	783	1,074	783
Accruals	2,118	2,296	2,118	2,296
	4,755	4,626	4,760	4,631

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

	2025 £'000	2024 £'000
Deferred income balance		
Opening balance	-	7
Released income	-	(7)
Deferred income	-	-
Closing balance	-	-

15. PROVISIONS FOR LIABILITIES

	Tearfund Group		Tearfund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Opening balance	1,010	768	1,010	768
Additions	250	842	250	842
Charged	(699)	(474)	(699)	(474)
Reversed	(105)	(126)	(105)	(126)
Closing balance	456	1,010	456	1,010

Provisions for liabilities comprise amounts relating to an overseas bank account, redundancies, tax liabilities and ongoing litigation.

Redundancies are expected to be charged in the next financial year. The timing of the other provisions is unknown.

16a. FUNDS MOVEMENT (2024/25)

Tearfund and Tearfund Group	1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2025 £'000
General fund	6,117	35,342	(29,571)	(81)	11,807
Designated funds:					
Fixed asset fund	1,465	-	-	81	1,546
Strategic priorities	6	-	(6)	-	-
	1,471	-	(6)	81	1,546
Total unrestricted funds	7,588	35,342	(29,577)	-	13,353
Restricted funds					
Appeals and emergencies:					
Afghanistan	937	4	(233)	-	708
Bangladesh	11	2	(13)	-	-
Crisis to Resilience	404	-	(237)	-	167
DRC	-	574	(210)	-	364
DRC and South Sudan	-	181	-	-	181
East Africa hunger crisis	72	21	(58)	-	35
Ethiopia	403	3	(321)	-	85
Indonesia	131	1	(125)	-	7
Middle East	1,073	2,217	(1,618)	-	1,672
Other	3	122	(27)	-	98
Pakistan	1,120	933	(1,441)	-	612
Sudan and South Sudan	9	39	(1)	-	47
Syria crisis	334	-	(2)	-	332
Turkey and Syria earthquake	3,918	2,277	(3,496)	-	2,699
Ukraine	867	60	(298)	-	629
Yemen	622	12	(107)	-	527
	9,904	6,446	(8,187)	-	8,163

16a. FUNDS MOVEMENT (2024/25) CONTINUED

Tearfund and Tearfund Group	1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2025 £'000
Restricted funds brought forward	9,904	6,446	(8,187)	-	8,163
Country funds	3	69	(72)	-	-
Project funds:					
Institutions and trusts	9,230	33,589	(34,860)	-	7,959
Other	457	1,832	(2,020)	-	269
Beneficiary funds:					
Children	-	6	-	-	6
Issue funds:					
Disaster management	-	796	(796)	-	-
Water and sanitation	3	918	(921)	-	-
Transforming communities	(6)	1,240	(1,234)	-	-
Total restricted funds	19,591	44,896	(48,090)	-	16,397
Total	27,179	80,238	(77,667)	-	29,750

Designated funds are set up for the following purposes:

- The fixed asset fund represents the net book value of Tearfund's tangible fixed assets to indicate that these resources are not available for other purposes.
- The strategic priorities fund represented 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 transforming communities.

At 31 March 2025, there were deficit fund balances sitting within the broader fund categories of Institutions and Trusts Project funds and Other Project funds. In total, deficit funds amounted to £282,133 (2023/24: £307,325). Restricted fund balances may be in deficit where expenditure is made in advance of anticipated income and it is expected that the negative balances will be cleared in future accounting periods, or due to partner underspends, or where there are unrealised foreign exchange losses as at the year-end date.

16a. FUNDS MOVEMENT (2024/25) CONTINUED

Transfers between funds represent:

- (a) Movements on the net book value of tangible fixed assets between the general fund and the fixed asset fund.
- (b) Balance transfers or reallocation of funds in line with donors' wishes.

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

Foreign, Commonwealth and Development Office (FCDO) and Other:	1 April 2024 £'000	Income £'000	Expenditure £'000	31 March 2025 £'000
DRC Incubation Fund	-	7	(7)	-
Ethiopia GSMA Climate Resilience	-	229	(229)	-
Iraq CSSF	191	648	(838)	1
Nigeria Innovate UK	(25)	178	(158)	(5)
Rwanda REDAA Strengthening System	-	176	(180)	(4)
Start Network:				
Burundi Flooding and Landslide Response	-	120	(120)	-
Democratic Republic of Congo Disaster Risk Finance	-	150	(150)	-
Democratic Republic of Congo Social innovation for IDPs	1	73	(67)	7
Democratic Republic of Congo Start Fund	-	200	(200)	-
Pakistan Flood Response	-	85	(85)	-
Philippines Disaster Risk Finance	(5)	5	-	-
Rwanda Refugees Response	-	74	(74)	-
Rwanda START fund flooding	(3)	-	3	-
South Sudan Displacement due to conflict	(2)	-	2	-
Zimbabwe Drought Response	-	1,073	(1,073)	-
Total FCDO funds	157	3,018	(3,176)	(1)
Disasters Emergency Committee (DEC):				
Middle East response	-	772	(677)	95
Pakistan floods	197	933	(1,130)	-
Turkey and Syria earthquake	1,091	2,272	(3,296)	67
Total DEC funds	1,288	3,977	(5,103)	162

16b. FUNDS MOVEMENT (2023/24)

Tearfund and Tearfund Group	1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2024 £'000
General fund	6,523	35,137	(35,669)	126	6,117
Designated funds:					
Fixed asset fund	1,570	-	-	(105)	1,465
Strategic priorities	35	-	(29)	-	6
	1,605	-	(29)	(105)	1,471
Total unrestricted funds	8,128	35,137	(35,698)	21	7,588
Restricted funds					
Appeals and emergencies:					
Afghanistan	1,814	418	(1,295)	-	937
Bangladesh	98	2	(89)	-	11
Coronavirus emergency appeal	145	1	(146)	-	-
DRC	-	1	(1)	-	-
East Africa hunger crisis	289	99	(316)	-	72
Ethiopia	-	1,072	(669)	-	403
Haiti	17	-	(17)	-	-
Indonesia	276	1	(146)	-	131
Middle East	858	875	(660)	-	1,073
Mozambique	91	14	(106)	1	-
Other	589	332	(514)	-	407
Pakistan	1,592	1,510	(1,982)	-	1,120
Sudan and South Sudan	-	16	(7)	-	9
Syria crisis	400	-	(66)	-	334
Turkey and Syria earthquake	3,635	3,422	(3,139)	-	3,918
Ukraine	1,189	156	(478)	-	867
Yemen	1,607	55	(1,040)	-	622
	12,600	7,974	(10,671)	1	9,904

16b. FUNDS MOVEMENT (2023/24) CONTINUED

Tearfund and Tearfund Group	1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2024 £'000
Restricted funds brought forward	12,600	7,974	(10,671)	1	9,904
Country funds	-	143	(140)	-	3
Project funds:					
Institutions and trusts	6,029	36,150	(32,863)	(86)	9,230
Connected Church	2	38	(40)	-	-
Other	560	1,555	(1,728)	64	451
Issue funds:					
Disaster management	-	839	(839)	-	-
Water and sanitation	-	721	(718)	-	3
Waste management	-	30	(30)	-	-
Total restricted funds	19,191	47,450	(47,029)	(21)	19,591
Total	27,319	82,587	(82,727)	-	27,179

16b. FUNDS MOVEMENT (2023/24) CONTINUED

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

	1 April 2023 £'000	Income £'000	Expenditure £'000	31 March 2024 £'000
Foreign, Commonwealth and Development Office (FCDO):				
Haiti: AID Match	58	155	(213)	-
Pakistan: AID Match	(5)	393	(388)	-
FCDO and Other:				
Nigeria Innovate UK	-	164	(189)	(25)
Iraq CSSF	6	1,196	(1,011)	191
Ethiopia GSMA Climate Resilience	-	94	(94)	-
Start Network:				
Philippines Abra Earthquake Response	3	-	(3)	-
Mozambique Flood Response Projects	8	-	(8)	-
Democratic Republic of Congo Displacement due to conflict and Hub Incubation	16	79	(95)	-
South Sudan Displacement due to conflict	21	-	(23)	(2)
START India Displacement due to conflict	-	105	(105)	-
Rwanda START fund flooding	-	145	(148)	(3)
Nigeria START Displacement due to conflict	-	244	(244)	-
Burundi Flood Response	-	407	(407)	-
Philippines Disaster Risk Finance	-	91	(96)	(5)
Zimbabwe Anticipation of Electoral Tensions	-	98	(98)	-
Democratic Republic of Congo Social innovation for IDPs	-	234	(233)	1
Democratic Republic of Congo START Fund Alert Cholera	-	150	(150)	-
Total FCDO funds	107	3,555	(3,505)	157
Disasters Emergency Committee (DEC):				
Afghanistan crisis	128	372	(500)	-
Pakistan floods	150	1,507	(1,460)	197
Turkey and Syria earthquake	940	3,091	(2,940)	1,091
Total DEC funds	1,218	4,970	(4,900)	1,288

17a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2024/25)

Fund balances at 31 March 2025 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,546	-	1,546
Current assets	15,484	17,931	33,415
Current liabilities	(3,221)	(1,534)	(4,755)
Provisions	(456)	-	(456)
	13,353	16,397	29,750
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,546	-	1,546
Current assets	15,484	17,931	33,415
Current liabilities	(3,226)	(1,534)	(4,760)
Provisions	(456)	-	(456)
	13,353	16,397	29,750

17b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2023/24)

Fund balances at 31 March 2024 are represented by:	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Tearfund Group:			
Fixed assets	1,465	-	1,465
Current assets	10,367	20,983	31,350
Current liabilities	(3,234)	(1,392)	(4,626)
Provisions	(1,010)	-	(1,010)
	7,588	19,591	27,179
Tearfund:			
Long-term investments	5	-	5
Fixed assets	1,465	-	1,465
Current assets	10,367	20,983	31,350
Current liabilities	(3,239)	(1,392)	(4,631)
Provisions	(1,010)	-	(1,010)
	7,588	19,591	27,179

18. OPERATING LEASE COMMITMENTS

At 31 March 2025, 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	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Within one year	495	665	495	665
In the second to fifth years inclusive	380	832	380	832
	875	1,497	875	1,497

19. 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.

In 2024/25, goods and services of £22,000 were provided by related parties (2023/24: £nil). These comprised professional services from Bates Wells and venue hire of Waverley Abbey. Stephanie Biden is a partner at Bates Wells and David Wesson is CEO of the Waverley Abbey Trust. There were no outstanding balances owed at 31 March 2025.

Total donations from related parties in the year were £448,000 (2023/24: £371,000).

There were no expenditure transfers to the subsidiary of Tearfund (2023/24: £nil) in the year ended 31 March 2025. The balance of £5,000 (2023/24: £5,000) owed by Tearfund to Tearfund Trading Limited at the end of the year is disclosed in Note 14. Tearfund Trading Limited is now dormant.

20. ULTIMATE PARENT

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

21. CAPITAL COMMITMENTS

At 31 March 2025, there were contracted or authorised capital commitments of £nil (2023/24: £nil).

tearfund.org

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