This year...

20,000
local churches mobilised

2,479,200
people reached through our emergency response

1,417,000
people reached through community development

£81.4m
raised to transform lives around the world
We’re working in more than 50 countries to bring an end to extreme poverty...
### Asia & the Middle East
- Afghanistan
- Bangladesh
- Cambodia
- Central Asian States (3)
- China
- India
- Indonesia
- Iraq
- Jordan
- Laos
- Lebanon
- Myanmar
- Nepal
- Pakistan
- Philippines
- Syria
- Thailand
- Yemen

### Africa
- Angola
- Burkina Faso
- Burundi
- Central African Republic (CAR)
- Chad
- Democratic Republic of Congo (DRC)
- Ethiopia
- Ivory Coast
- Kenya
- Liberia
- Malawi
- Mali
- Mozambique
- Niger
- Nigeria

### Americas
- Bolivia
- Brazil
- Colombia
- Guatemala
- Haiti
- Honduras
- Nicaragua
- USA*

### Europe
- UK*

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*Raising awareness and mobilising the church to act and speak out on justice and poverty*
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We want to see the global church embrace its calling to address poverty and injustice.

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

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

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

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Cover image: Orbisa lives in Afar, north-east Ethiopia, where Tearfund is working with Friendship Support Association (FSA) to set up solar-powered wells that will provide clean water to local villages

Photo: Chris Hoskins/Tearfund

Photos top to bottom: Cetelci Sison/Tearfund, Edouard Saidi/Tearfund, Jerome Mulambya/Tearfund, Richard Tilney-Bassett/Tearfund
Women at the bakery in Karikiriki
Photo: Stewart Muchapara/Tearfund
In countless communities across the world, the local church has inspired projects that have sustained people throughout the pandemic. The new Kushinga Bakery in rural Karikiriki in Zimbabwe has proved a lifeline to a community cut off from normal food supplies because of lockdown.

The bakery was set up quickly but it’s the culmination of years of effort and prayer invested by Pastor Kenneth Makwenda and his church. They’ve learnt to press on with community projects, through frustration and failure, and trust God that change would come, as Pastor Kenneth explains...

I’ve been a pastor for 27 years and the Church and Community Transformation programme (CCT) has changed my life. We started running CCT in about 2015, first in Zindoga then in three other places. Now it’s our model for community development and we have used it as a foundation for many other programmes at church.

When we started CCT, we had very little response. One of the problems had been that any time a non-governmental organisation (NGO) comes into a community, people expect handouts. We started with big numbers but then when people realised there were no handouts coming, numbers dropped to about 20, all of them women. That was very consistent for the first few years. Our projects really struggled.

The bakery in Karikiriki came about after our training on self-help groups. Initially, it was just six women who wanted to feed their families and generate an income to educate their kids. But now, with local demand, they have got a desire to grow the business because the market is huge.

They have started small. But they could grow it easily, with more pots and pans, more flour, maybe a piece of land where they can build a proper bakery. I foresee these women supplying bread to other communities beyond Karikiriki.

It’s been a new thing to see women like these working together, particularly in a community that is so politically polarised. But here are women from different churches, different backgrounds, coming together to do something.

When we started our CCT programme in Karikiriki we had about 12 people. But now we have over 60 people. The bakery project is probably one of the projects that has influenced people to think what these churches are doing is fruitful and helpful. So we have seen more women joining in.

We’ve also introduced a goat project through our CCT and self-help group programme. Initially it was a gift to us from the UK and the One Church network of which we’re part. We ended up distributing about 206 goats in Karikiriki and Zindoga. It’s something that had never happened before: most of the big things happen through NGOs, but this has happened through us, the church. And that was really a God moment.

Most of the people that have benefited from the goats project are women and children. We don’t see any reason why the parents involved can’t pay school fees for their children now. But I think the goat project will have a big impact on our men too. Usually, men are very practical and they want to see tangible things happening. We have started to see men responding, many coming to our meetings and some even coming to church.

CCT is now a part of our DNA as a church. It’s in our curriculum for training pastors. We see ourselves as a church that will be salt and light to the community. Projects like the bakery and the goats have really impacted the community because they see the church is doing something practical that can transform people’s lives.
I have great pleasure in introducing the Annual Report for 2020/21.

What a different place the world is from this time last year. Back then it was clear that Covid-19 would have a significant impact on the churches and communities we work with, and on ourselves. But I don't think anyone could have envisaged the scale of that impact. Here in the UK our lives have been deeply impacted: having to stay at home; having to teach our children at home; pausing work, losing work, or working far beyond normal expectations; for some of us, tragically, losing people we love. We have found this so hard. Yet, in some of the world’s poorest countries, the impact has been literally devastating. For many, being told to stay at home has meant being unable to feed their children. Losing work has thrown families back into the poverty from which they felt they had escaped.

In this environment we have worked to respond to changing needs and priorities. We have added to and adapted our planned programmes and activities. We have pivoted and flexed. All the while, we have trusted God and worked closely through our partner and ally, the local church, to bring hope and demonstrate God’s love and concern for his world, even in the deepest darkness.

Recognising the significance of the pandemic to the contexts and people we serve, and potentially to our income, we have spent time reviewing key drivers for our work and structures into the medium term. Our review, entitled ‘Crisis to Kairos’, acknowledges this is a time for action, for change, for transformation.

We know there will be huge secondary impacts of Covid-19, particularly on economic and social structures. A ‘K-shaped’ recovery looks increasingly likely, with the richest people continuing to build wealth, while the poorest people fall further into poverty. We have had big wake-up calls on racial injustice, and the need to take big decisions to protect our world and tackle the climate crisis. Youth and urbanisation will be huge drivers of change over the coming years, particularly in the majority world. We are hearing increasing calls, rightly, for a more local approach to addressing the needs of communities. The internet offers great opportunities, but there is also a risk of a ‘digital divide’, with those without access being excluded from paths out of poverty.

Key themes for us as we go forward include how we continue our move towards bringing decision-making closer to the countries in which we work, and strengthening leadership responsibilities and capabilities across our teams; how our operating models should change to give us greater flexibility and ability to respond; and how we develop our work and engagement with the church here in the UK. We will be taking forward this thinking over the coming year.

Internally, we were shaken by the murder of George Floyd and challenged by the global outpouring of anger and grief this prompted. We reviewed our own approaches to racial justice and recognised that we have not always acted as we should. We launched an organisation-wide programme of education on racial injustice, and have strengthened our commitment to tackle racism within our own structures. The Board is establishing a Diversity and Inclusion Committee to oversee this, and inclusion work more broadly, including setting recruitment targets over the coming year to help improve diversity within our workforce.

As they prayed back in January 2020, our Global Leadership team felt God warning we were heading for choppy waters, and assuring us that he would see us through. We are not through yet. But God’s presence and provision have been astonishingly evident over this year. Having seen that, we can go forward trusting in him, knowing that, as we remain in the Vine (John 15), God will continue to guide and provide so that we can serve him wherever he leads us.

Anna Laszlo
Chair
For all of us, this has been a year like no other. The pandemic has affected everyone, but throughout the world it is the poorest, most disadvantaged and most marginalised people who have been hit the hardest. The health and economic effects of the Covid-19 crisis threaten to reverse decades of progress made in global development, pushing many millions back into absolute poverty. With the world’s attention focused elsewhere, conflict and violence continue to cause misery for so many in the most fragile states. We have seen increasing political tensions and the withdrawal of freedoms in many countries in which Tearfund works. Climate change continues to be a huge challenge, requiring urgent action. The murder of George Floyd in the US highlighted the racial injustice that is endemic in our world. The shock of the seismic events of this year gives us an opportunity to ‘reboot’, but the world must seize this moment.

Yet we have hope that the church can bring good news to those living in poverty. We have seen churches across the world respond to the pandemic; we have seen the church speak out on issues of justice. We know that Jesus Christ brings transformation to individuals and communities who live in poverty. As Tearfund, we look forward in the hope and expectation that our God will bring the restoration of relationships. We stay true to our Christ-centred foundation. Trust has been such a strong and recurring theme for Tearfund this year. In the darkness, in the complexity, in the uncertainty, we have walked in the knowledge that Jesus holds us, that he is sovereign and that we can and must be rooted in him, not reliant on ourselves.

Over the last year, we have run an unprecedented global response to Covid-19 in virtually all of the countries in which Tearfund works. Initially, we provided support around public health messaging, working with church leaders and partners to ensure accurate, reliable and timely information. We have supplied food parcels, hygiene and sanitation products, water stations, cash and food vouchers, and we are now supporting devastated communities to rebuild livelihoods and incomes. And we are advocating for fair and equitable access to vaccines.

It has been deeply encouraging to see the response of churches that have been through Tearfund’s Church and Community Transformation process. Amid the huge challenges created by the pandemic, churches have had an attitude of hope, belief and duty to help those who were in greatest need, despite many struggles of their own. They have been a witness to those around them, showing the love of Jesus in life-saving ways to their communities. We have seen the power of local churches to walk with their communities, to respond, to recover and rebuild. Our commitment is to go further, to envision and equip the church around the world to be an active player in transforming lives and bringing hope. We are committed to scaling up our work across our corporate priorities and to collaborate with the church and our partners to see long-lasting transformation.

We have seen continued impact through our advocacy and influencing work. We recognise the unique opportunity for a fairer, greener response as we look to rebuild economies around the world. Our Reboot campaign has sparked conversations across the UK church, and has been translated into policy asks of the UK Government. At global level, Tearfund’s advocacy success on the UK Government ending fossil fuel finance overseas received praise from The Climate Coalition and recognition across the sector. We also soft-launched the Climate Emergency Toolkit in collaboration with multiple allies.

And we have seen extraordinary, sacrificial giving from Tearfund’s supporters: from individuals, churches and foundations. At a time of a profound financial shock, we have been humbled by the generosity we have received. As we have responded to huge need and supported the church to bring ‘good news to the poor’, we have seen God provide, and we are so grateful to all who support Tearfund’s work. This truly has been a year where Christians have stood in solidarity with those who live in poverty.

Let me also pay tribute to Tearfund’s staff teams around the world for all their remarkable work in these unprecedented times. And as we look forward, we walk in trust, knowing that unless the Lord builds the house, we labour in vain. We seek his will and we ask for his equipping, so we may bring glory to him in all we do.

Nigel Harris
CEO
Trustee Directors’ report

The Board of Trustee Directors present their annual report, together with the audited, consolidated financial statements, for the year ended 31 March 2021.

Principal activity

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

In our most recent business plan, we affirmed our commitment to our Christian distinctiveness, to our distinctly Christian role in the international development sector, our evangelical Christian identity, our calling and our values.

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

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

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

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

- **Churches mobilised**
  The church is envisioned, strengthened and equipped to play its part in the transformation of the poorest communities and in changing society.

- **Communities transformed**
  The poorest communities are resilient to shocks and stresses, working for peace and unity, and contributing to better futures for themselves and others.

- **Emergency needs met**
  Immediate needs are met when crises and natural disasters hit and community structures and mechanisms are affected.

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

In our financial statements we use these four outcomes as a means of reporting the expenditure on our charitable activities. We recognise it is difficult to make full allowance for the overlaps and interconnections between these outcomes and we will consider whether in future years there are improvements we can make to our reporting to reflect this.
Our corporate priorities

Our corporate priorities are our key strategic 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.

To achieve our outcomes, we will continue to scale up our work, to see ongoing impact across our three corporate priorities:

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

In 2020/21, we continued to strengthen and scale up CCT, working with our country and cluster teams, supporting them to implement their CCT strategies. Focus areas included developing training capacity within countries so that CCT facilitators and trainers can be trained without the need for external support. This was especially important when Covid-19 travel restrictions were in force. We invested in understanding and mapping our engagement with whole denominations for CCT scale-up. Adaptations to the regular CCT processes have continued to ensure that teams in more challenging contexts have processes that work for them. We were able to support many of the churches, denominations and networks engaged in CCT to respond to Covid-19 from a biblical perspective. Many churches were able to take Tearfund resources and adapt them to become the guidelines for their denomination.

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

In 2020/21, we continued our work with country teams to develop strategies and projects that work on addressing the root causes of fragility. We had key successes in expanding our work to support faith leaders in promoting fair and peaceful elections, and addressing harmful norms, attitudes and behaviours that lead to violence in communities and households. We also worked hard to support local churches working with other faith leaders, as they collaborated to reduce intimate partner violence, especially important with the impacts of Covid-19, and to distribute personal protective equipment (PPE) and promote hygiene messaging to reduce the spread of the virus.

3. **Environmental and Economic Sustainability (EES):** committing to relief and development that is environmentally and economically sustainable and reduces exposure to and the impact of risk. We are called to take care of the whole of God’s creation.

In 2020/21, despite the challenges posed by Covid-19, we were able to continue implementing 14 existing EES projects, and started two new ones. We successfully secured funding of £2 million from NORAD (Norwegian Agency for Development Cooperation) to implement a joint advocacy and waste-management project in north-east Nigeria for the next three years. On the advocacy front, we launched the Reboot campaign and we continued to work closely with The Climate Coalition to influence the UK Government: we launched a new policy paper on clean energy access, specifically about subsidies for distributed renewable electricity and clean cooking, and in December, the Climate Emergency Toolkit went live. We also won a decisive victory in December 2020, after years of campaigning and lobbying, when the UK Government committed to stop supporting fossil fuels overseas. Internally, the Walk the Talk group, who promote environmentally-friendly and sustainable ways to carry out our work, established an international subgroup to focus specifically on our cluster and country teams.

We work across six clusters:

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

Previously, the vast majority of staff in these teams were based in the UK but over the past four years we have gradually transitioned these teams and hired people from within each cluster. The clusters are staffed and led mostly by people from that region, bringing leadership support and decision-making closer to the communities in which we are supporting change.

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

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

We continue to work closely with members of the worldwide Tearfund family, looking for opportunities for greater collaboration and to increase our global reach. Over the last year, we have been working with Tearfund family members to develop and launch a shared brand. This common global brand makes us visually identifiable as members of the same global body, sharing ideas, resources and time with each other to achieve individual and shared goals.

We have referred to the Charity Commission’s guidance on reporting on public benefit as we prepared this Annual Report. Tearfund and its partners work with the most vulnerable and marginalised people around the world, regardless of race, religion, ethnicity, ability, age, gender, sexuality or nationality, and the Trustee Directors ensure that the activities undertaken contribute to the aims and objectives of the charity. The Trustee Directors are therefore confident that Tearfund meets the public benefit requirements.
We believe that the church has a vital and distinctive role within civil society, at both local and global level, to transform the poorest communities and tackle injustice. Our key foundation is ‘integral mission’, which understands that God is working to restore broken relationships by responding holistically to people’s needs, including economic, emotional, spiritual and physical ones. The church, as the body of Christ, is called to help fulfil this mission.

We are actively scaling up Church and Community Transformation (CCT) by inspiring denominations to work out their faith by meeting people’s practical needs, and supporting them to do so. We’re also extending this scale-up to other NGOs. One tool we’re now using widely is the Light Wheel (a tool for measuring holistic change), which helps define what it means for a community to flourish, and proposes practical steps churches can take towards this goal.

Our teams in Asia and Africa continue their pioneering work integrating CCT into theological curriculums, which are changing fast. In Africa, we’ve also initiated dialogues on how to ensure theological education reflects and responds to the local context – working towards a transformational theology from Africa, for Africa.

What makes us different
As the pandemic unfolded, we were able to help churches and Christian networks respond holistically, meeting both practical and spiritual needs. In this and other disasters, churches and communities were able to act quickly and effectively through their grounding in CCT. Our biblical resources proved an important and distinctive support for them as they responded to the needs around them.

We believe that we’re invited to be part of God’s mission to bring lasting, whole-life transformation to people, communities and creation. We also believe that God has chosen the church as his partner in this and we have the privilege of journeying with local churches worldwide in the desire to see the whole of creation restored.
‘So Christ himself gave the apostles, the prophets, the evangelists, the pastors and teachers, to equip his people for works of service, so that the body of Christ may be built up’

Ephesians 4:11–12

Alison Mwale (44) was part of a group of 20 from his community in Salima, central Malawi, who took part in forestry skills training. Following the training, they planted two hectares of forest and they work to develop and maintain it. In addition to caring for the environment in his area, Alison is also an active member of the church and sings in the choir.

Photo: Marcus Perkins/Tearfund

This year, we’re celebrating:

- **20,000** local churches mobilised
- **3,500** new facilitators supported and empowered to mobilise their churches and lead transformation processes
- **877** church leaders and theologians representing at least 34 countries taking part in 36 events online
- **663,000** engagements with Tearfund’s learning resources (online and print)
1. Grow our CCT facilitators’ skills and confidence to bring prayer, Bible reflection and discipleship into their work

We have continued to invest in our CCT facilitators and help grow their skills, knowledge and resilience this year despite restrictions imposed in response to the pandemic. During lockdowns, CCT teams around the world responded quickly by using online platforms and social messaging services to enable Bible reflection and discipleship to continue. Some even sent out hard copies of Bible study resources to facilitators and church members.

A key development this year has been mobilising and equipping facilitators to integrate Local Houses of Prayer into their CCT process. Local Houses of Prayer is a movement wherein Christians ‘adopt’ a small local area, making it the focus of their prayer, witness and worship. There are now 100 Local Houses of Prayer linked to CCT in Chad alone.

Key Tearfund staff in Chad, Nigeria, Zambia and Nepal referred in interviews to noticeable trends in areas where this integration had happened. These included: stronger relationships within the church, and between the congregation and wider community; greater commitment to and understanding of integral mission; more local resources (such as people’s time, equipment and finances) being mobilised; and a reduction in harmful behaviours in the community such as drug misuse.

2. Equip churches and Christians to be more inclusive in their responses to poverty and injustice, by providing theological materials and resources on diversity and inclusion

Tearfund’s Theory of Poverty points towards broken relationships being at the root of all forms of poverty, and restoring these relationships is at the heart of our mission. We also believe that to see restored relationships within society, we need to model them ourselves as an organisation.

This year we have developed an accessible theological framework on ‘diversity and inclusion’, focusing especially on gender, disability, and race and ethnicity. A number of resources have been developed and events hosted – for staff, our partners and beyond – to enhance our engagement, understanding and knowledge on these issues.

For example, we developed two Bible studies for a Black Lives Matter toolkit for churches (in the UK and further afield) to engage people with racial justice issues. These Bible studies formed the basis of a four-day study on racial injustice on the YouVersion app, developed by Tearfund USA.

To articulate our mission more clearly, we also developed a video around Tearfund’s Theory of Poverty. In Africa, online conversations that we facilitated with 13 African Christian networks inspired 580 participants from 60 theological institutions across the continent to start moving towards a more contextual curriculum. Meanwhile, our office in India hosted an online event about integral mission attended by more than 200 people.

3. Adapt our CCT approaches for oral cultures, so we reach them more effectively and have greater impact

Our pilot adapting CCT for oral cultures is yielding strong results. The training manual to help communities start their CCT journey is being rewritten so that the whole process can be facilitated entirely orally. Writing is replaced by memory aids, including the use of drama, drawings and singing. Reading is replaced by listening, repeating, and stopping at strategic moments to reflect on what has been heard and what it means.

Sixteen facilitators are going through the training process and are piloting the approach in Sierra Leone. The facilitators all reported that participation and inclusion has greatly improved and people’s understanding and retention of the material has been stronger and deeper. The process is moving faster than where the original (written) content has been used, as participants are grasping concepts more readily and remembering more. This has increased the ability to reflect and put learnings into practice. Interestingly, those who are unable to read and write are, in many cases, grasping concepts quicker than those who are used to conventional facilitation techniques, which is shifting power dynamics in the churches.

The oral techniques are proving so effective that the team are also weaving them into their standard CCT training, and they report that people’s enthusiasm for the process has further increased and its momentum has gathered pace.
What we learnt

Our fruitful partnership with the Anglican Alliance, a strategic ally in our efforts to scale-up CCT, has taught us the value of networks and denominations in furthering integral mission and alleviating poverty, due to their influence and reach. Covid-19 restrictions proved that technology can increase diversity and inclusion by enabling truly global gatherings with diverse voices in different languages.

We know we can go further

We want to do more to develop online training and resources. Although we provided these at local level around the world, we have been slower to provide centralised resources for CCT practitioners. This will be a focus for next year.

We also need to be more agile and work harder to bring the voices and concerns of young people into all that we do.

Ministry of fun and friendship

Setting up a sports programme may not seem an obvious project for a theology graduate, but it proved a particularly effective way for a pastor in the Philippines to support his community and live out his faith during lockdown.

Pastor Ernesto* was one of 18 graduates who had recently achieved a Diploma or Certificate on CCT through two pilot courses run at the Asian School of Development and Cross-cultural Studies (ASDECS).

He was able to use the tools he had learnt during his studies to set up community sports activities featuring the games of different local cultures, including luksong baka (a form of leapfrog) and patintero, a strategic team game of ‘tag’. The aim has been to bring children and young people together in a fresh appreciation of traditional Filipino games, to teach them teamwork and to have fun.

These games ran alongside income-generating projects Pastor Ernesto set up in his community, realising, much to his delight, that both of these approaches could be an integral part of the ministry of his local church.

Pastor Ernesto is just one of the seminarians learning about our CCT approach through our work with theological institutions in East and South-East Asia. Our collaboration with seminaries such as ASDECS is helping to address the growing need for qualified instructors who can teach CCT, such as Ernesto. It’s important that instructors are teaching from their experience on the ground of how the process works, rather than just from ‘textbook’ knowledge.

*Name changed

This year

£8.4m spent on mobilising churches

In 2020/21, we spent a total of £8.4m (2019/20 £10.6m) on mobilising churches through CCT training at theological institutions such as ASDECS.

Going forward in 2021/22, we aim to:

1. develop a clear strategy for how to mobilise denominations towards CCT
2. intentionally engage with youth around church mobilisation and use mechanisms that encourage youth engagement and leadership (such as e-learnings, movements etc)
3. equip churches and church networks to build communities’ resilience and help them prepare for and respond to disasters
We want to see emergency needs met

Emergencies are growing in complexity, frequency and duration, and we respond to them swiftly and effectively. We’re committed to equipping local people to lead that response. So we work closely with local partners and churches to reduce disasters’ impact by building communities’ resilience, helping them prepare and mitigating the risks.

Our approach to emergency response is born of the belief that every person is made in the image of God, with inherent dignity and worth. So we are determined to support those who are hardest to reach and those most in need. We’re committed to impartiality at every stage of an emergency response and to supporting the most vulnerable, regardless of race, religion, ethnicity, ability, age, gender, sexuality or nationality.

We are passionate about equipping and supporting our local partners so that responses are both localised and contextualised. We seek to respond to immediate needs and we work hard to address underlying vulnerabilities and weak coping mechanisms that can cause or exacerbate disasters and crises.

Involving faith communities is crucial in our approach to disaster preparedness and emergency response. As the world faces the impacts of Covid-19, Tearfund continues to work with faith leaders and the local church to recover from the global pandemic and ‘build back better’. We integrate resilience strengthening and disaster risk reduction within our response and recovery work. This means people are better able to anticipate, adapt to, absorb and recover from the effects of both natural and manmade disasters.

What makes us different

Our real strength lies in the long-established relationships we have with local churches and Christian networks around the world. These relationships and networks enabled us to respond to the Covid-19 pandemic in more than 40 countries this year. It is the strength of these bonds that allows us to support long-term recovery and to help communities build resilience for future disasters and crises.
This year, we're celebrating:

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,479,200</td>
<td>people reached through our emergency response, including:</td>
</tr>
<tr>
<td>1,378,200</td>
<td>reached through our Covid-19 response</td>
</tr>
<tr>
<td>203,400</td>
<td>reached through our emergency response programmes in South Sudan</td>
</tr>
<tr>
<td>30,000</td>
<td>people who received cash, food and hygiene kits in the troubled Tigray region of Ethiopia</td>
</tr>
</tbody>
</table>

—I will bless her with abundant provisions; her poor I will satisfy with food’
Psalm 132:15
Our year

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

1. Continue to respond to new and ongoing emergencies, with our new regional humanitarian network of staff enabling a more localised response

In a global crisis unprecedented in recent history, our Covid-19 response extended to almost every country where Tearfund works, thanks to our supporters and our partners. We worked closely with local churches and partners to spread public health information and guidance, and provide practical support including hygiene kits, handwashing stations, food and livelihoods support. We also harnessed funding for this through our Tap Twinning appeal, as well as from the Disasters Emergency Committee Covid-19 appeal which specifically supported our work in Afghanistan, Bangladesh, the Democratic Republic of Congo (DRC), South Sudan and Yemen. Through funding from the Start Network, we provided rapid assistance in Burundi, Zimbabwe, Mozambique, South Sudan and Indonesia, as well as public health messaging, hygiene kits and cash assistance in high-risk areas of Afghanistan, Ethiopia and Nigeria.

In parallel, we have provided continued support to protracted humanitarian crises in South Sudan, DRC, and Venezuelan refugees in Colombia (alongside Tearfund Netherlands in all three countries, and Tearfund Canada in South Sudan and Colombia). We have also responded to new crises such as the Beirut explosion in August 2020.

Tearfund’s regional humanitarian staff have played a key role in responding to localised emergencies and supporting in-country teams and our partners. Collaboration between humanitarian colleagues in different regions has enabled peer-to-peer learning and experience-sharing, as well as mentoring and accompaniment.

2. Work with church transformation specialists to update existing church mobilisation resources by integrating disaster management

Covid-19 provided an unprecedented opportunity for faith leaders and local churches to respond directly to emergency needs. The church has been instrumental in reaching the most vulnerable and continues to respond to the pandemic, including through mobilising community resources, coordinating distributions, providing psychosocial support, reaching out to people in isolation and launching mass-awareness campaigns around key health messaging. Local faith leaders have been pivotal in countering misinformation and promoting positive health messages around transmission and prevention, thanks to the respect and trust they hold.

We have also continued to work with local churches to integrate disaster preparedness into existing church-based approaches, with a particular focus on being adaptive and contextual. For example, in Zimbabwe this has meant using indigenous practices within farming; in Haiti churches are collecting data on vulnerable groups to ensure their inclusion in essential services; and in Indonesia the focus has been on working in partnership with the wider community. All this builds resilience, ensuring that people have secure livelihoods, the most vulnerable are included and communities are working together to make the best of local knowledge and opportunities – building strong foundations in readiness for any future disaster.

3. Roll out our capacity strengthening programme to at least nine further countries, and review it after year two, to improve the process and to assess our partners’ ability to respond effectively

The Disaster Management Capacity Assessment programme, which has been running since 2019, aims to strengthen partners working in humanitarian preparedness and response. The pandemic has delayed us starting the programme in certain countries and in delivering many planned capacity-sharing opportunities. Currently the programme is operating in six countries and is set to roll out in Haiti and four of our Asia cluster countries next year, subject to travel restrictions. Despite this year’s challenges, much has still been achieved through new ways of working remotely and online training delivery: ten partners across West Africa were trained in monitoring and evaluation systems for emergencies, for example.

We have seen the benefits of shared learning and knowledge through the outworking of our partners’ Covid-19 responses. The humanitarian crisis in Burkina Faso has meant our partners there have put into practice our training in areas such as developing proposals and reporting back to government donors, as well as devising humanitarian strategies and emergency preparedness plans; a partner whom we trained in cash programming and delivery also made good use of this training this year. In Nigeria, partners drew on previous training in accountability to make improvements in how they selected communities to work with and to introduce innovations such as complaints points where people could give feedback.
What we learnt

The church is most effective when it’s involved in every stage of an emergency response: from initial design to mobilising volunteers; from distributing goods to supporting people’s well-being. We must continue to support and strengthen the local church through contextually appropriate resources and approaches. To this end, Tearfund and partner humanitarian specialists are working with churches and communities to identify the gaps the pandemic has highlighted.

We know we can go further

A global review we commissioned highlighted the difficulties our in-country teams had in planning against uncertain or piecemeal allocation of funding and the uncertain scale of the unfolding emergency.

Going forward, we will strengthen our preparedness at country level through improved analysis of the impact of an emergency, and allocate funding to countries in clearly defined amounts, allowing them to plan more effectively.

The power of the network

Lockdown restrictions brought real hardship for Pastor Nzumba Kampungu and his congregation in Katindo parish in the Democratic Republic of Congo (DRC). Many of the 476 members of the Free Methodist Community Church found themselves without work or barely scraping a living from cross-border trade. Any who had savings exhausted them quickly.

When the church was allowed to re-open, there were other challenges: access to fresh, clean water was difficult and the church did not have the means to provide hygiene products such as soap, to help prevent the spread of Covid-19. They bought some handwashing materials – but not enough to cater for everyone in this large church.

However, the local Community Development Office put Pastor Nzumba in contact with the Tearfund office in the DRC, knowing they would be able to help. In partnership with the Anglican Church of Congo, Diocese of Goma, Tearfund was able to provide Pastor Nzumba and his church with proper handwashing facilities. Not only that, they also gave them training on how to raise awareness and influence people’s behaviour to reduce the risk of Covid-19 transmission.

Through our partner, more than 45 churches in the area received similar support, as did three mosques and 11 schools.

The church’s involvement as a trusted source of information meant people were more open to receive public health guidance. ‘I thank the Anglican Church and Tearfund for empowering us to fight against the spread of Covid-19,’ says Pastor Nzumba.

Going forward in 2021/22, we aim to:

1. Work alongside church leaders and denominations in West Africa, developing contextually relevant actions to help them prepare for disasters and reduce disasters’ impact
2. Support the rollout of the Disaster Management Capacity Assessment programme in Haiti and four countries in Asia, and review findings from the same programme in West Africa
3. Strengthen our regional staff and the guidance they receive, to help them respond to new complex emergencies, building on lessons learnt from Covid-19

This year

£28.5m
spent meeting emergency needs

In 2020/21, we spent a total of £28.5m (2019/20 £33.4m) on meeting emergency needs and supporting those such as the community in Katindo.
We want to see communities transformed

Experiences tells us that our impact will be deeper and longer-lasting when we work through the local church and organisations rooted in the community. These partnerships have proven powerful and agile in adjusting to local need, addressing root causes of poverty and ensuring inclusion so everyone has the greatest chance of reaching their God-given potential.

No person, no place on this planet, is excluded from God’s love: his restoration plan is for the whole of humanity and the whole of creation. We know he is there in situations where people who were already vulnerable or struggling with conflict or unrest have been hit hard by Covid-19, further jeopardising their health and their livelihoods. We know he is a friend and ally to those who are most vulnerable to the economic impacts of the pandemic, and to those worst affected by the climate emergency. We remain committed to following him to these places and serving alongside him.

Where we can, we work through local churches – challenging and equipping them for community-led change. We help them address the immediate issues, but in ways that can contribute to lasting change and whole-life transformation. Our experience this year has reinforced our belief that the church can play a key role in bringing reconciliation and peace to troubled places, even as it addresses the immediate challenges people face.

What makes us different

The local churches and organisations which we partner with know we are committed to them for the long term. It is important that we flex and adjust to address immediate needs and pressures, but many of the issues communities face will only be resolved through sustained hard work, often over years. So the focus of our partnerships is long-term change that will release people from vicious cycles of poverty for good.

25p in every pound goes to transforming communities
‘All the believers were one in heart and mind. No one claimed that any of their possessions was their own, but they shared everything they had’

Acts 4:32

This year, we're celebrating:

1,417,000 people reached through community development, including:

316 peacebuilding champions mobilised this year across five conflict-affected countries, bringing our total of peacebuilding champions to 666.

9,800 community volunteers trained to lead nearly 18,000 communities through transformative processes

135 denominations and church networks mobilised to scale up CCT with their own resources

Sara lives in Iraq, where she has received support from Tearfund’s partner to help deal with the loss of her father.

Photo: Ruth Towell/Tearfund
These are the key objectives we set ourselves last year, with examples of how we met them.

1. In five countries, combine all elements of our fragile states framework into our programmes, to test if greater impact can be had on root causes of fragility and conflict

This year, the number of countries that are intentionally combining different aspects of our fragile states approach has risen from three to ten. In Burundi, for example, our programmes with survivors of sexual and gender-based violence (GBV) have incorporated work to transform harmful gender norms (including 5,000 community dialogues), improve food security and livelihoods, and enhance peacebuilding skills. New GBV survivor groups have more than 1,000 members, while 41 new peacebuilding champions run regular peace clubs. Young people are now working across political divides to address underlying issues of poverty.

In Burkina Faso, Iraq and Nigeria, we have worked with Christian and Muslim faith leaders and local communities to combine peacebuilding, enhancing food security, inclusion, SGBV programmes, conflict resolution, and youth and women’s empowerment. The fruit of this work includes a reduction in intimate partner violence and new inter-faith, cross-community sports clubs for young people. In Nigeria, churches and mosques have worked together to support the most vulnerable during the pandemic.

Recognising that elections are often times of real tension, Tearfund mobilised 555 faith leaders in Burundi, 50 church leaders in Ivory Coast, and 200 church leaders and seminary students in Brazil to promote peace to both government officials and communities. Joint messaging and advocacy by Protestant, Catholic and Muslim senior leaders in Burundi, which had not been seen for years, contributed to making the 2020 elections some of the most peaceful in recent times.

2. Start Environmental and Economic Sustainability (EES) pilot projects in at least two new countries, creating ‘green jobs’ and bringing protection and restoration to the local environment

This year, despite the pandemic, our partner LAMB started a new waste management project in north-east Bangladesh, as part of our EES work. They delivered more than 120 training courses on waste management to 1,499 adults and 850 school students. As a result, participants started to separate their organic and non-organic waste, for collection through services established via the project. In addition, young people formed Green Clubs, to promote good waste management and take action to protect the environment. We also started working with a new partner in Uganda called EcoBrixs whose work involves waste collection and recycling plastics into marketable products. EcoBrixs recycles 30 tons of plastic waste each year and employs 40 staff, of whom half are living with disabilities. The project provides an income for 3,000 local people who are paid by weight for the plastics they gather.

We have also secured funds from the Norwegian government to start a project in Yola, north-east Nigeria. Over the next three years, a social enterprise will be set up to recycle 377 tonnes of plastic and provide an income for 3,000 households. The goal is to improve livelihoods for young people in vulnerable riverbank communities, and to pilot a set of guiding principles for partnership between the informal waste sector and private companies.

3. Continue to build our pool of Church and Community Transformation (CCT) trainers across the world with strong links to their communities, who can work closely with churches, local leaders and communities to apply transformational CCT process

With Covid-19 restrictions, country teams had to shift to using digital technology and other means to train and support facilitators – with considerable success. In Bolivia, the CCT facilitator initiated WhatsApp prayer and Bible study groups, regularly reaching 500 people, and an app was developed to share training resources. In Nepal, the core Bible studies from their CCT process were distributed to ten denominations and a Bible training centre ahead of lockdown. These resources were then shared with congregations via screenshots and people held weekly online gatherings to discuss their application. Similarly, in West Africa, just before lockdown, facilitators quickly distributed hard copies of their Bible studies and activities for families to use at home. New Bible studies were also written to help people reflect on issues arising from the pandemic. In Malawi, our partner Eagles created an online training programme to train facilitators in the whole CCT process. Some 150 people have enrolled to date.

CCT-trained churches worldwide have stepped up significantly in responding to the pandemic, providing practical support as well as speaking up for communities. In Tanzania, for example, when the government started to bury at night those who had died of Covid-19, much to their families’ distress, the bishops of our CCT partners successfully lobbied for this practice to end.
What we learnt

We have learnt to adjust to Covid-19 restrictions using online meeting platforms and social messaging services, digital tools and telephones. But we also recognise that the commitment of passionate, motivated individuals at local level was key to this success. We will draw lessons about what can be done remotely and effectively, and also focus on supporting local champions for those things that cannot be done virtually.

We know we can go further

We want to do more to enable and equip young people to engage in peacebuilding, recognising the significant relationship between youth and drivers of conflict and fragility.

We want to focus more on economic resilience in our EES work, especially in post-pandemic recovery.

We plan to be more strategic in how we engage with denominations in order to achieve significant scale-up of CCT.

Light and life to all

Not long ago, Mervis and her husband, Sydney, watched much of their income going up in flames, literally. They had to buy candles to allow their children to do schoolwork at home in the evening, because their community, Mufuchani in northern Zambia, is not connected to the national power grid. Much of what they earnt through their smallholding went on candles and charging their phones.

In 2018, Partners for Life Advancement and Education Promotion (PLAEP), the Chibuluma Baptist Church, and the Prison Fellowship of Zambia launched a solar energy project with Tearfund’s support. The aim of the ‘Light my Church, Light my Village’ project was to promote the uptake of renewable solar energy and end dependence on candles.

Mervis belongs to a PLAEP-supported savings group, which gave credit to its members to help them pay for small home solar systems. Through this project, Mervis and Sydney bought a system which provided them with three large lights and two phone-charging ports.

Over the past nine months, the couple have saved enough to buy materials to build a run where they intend to keep broiler chickens for sale.

‘Thanks to the solar lights, the children’s school performance has improved,’ says Mervis. ‘Once fully charged, the lights can work for more than eight hours and this enables the kids to study after a long day at school.’

To date, the project has provided solar systems to 289 homes in Copperbelt province.

This year

£21.5m
spent on transforming communities

In 2020/21, we spent a total of £21.5m (2019/20 £20m) on transforming communities through projects such as ‘Light my Church, Light my Village’.

Going forward in 2021/22, we aim to:

1. scale up our EES work in Nigeria (recycling), Yemen (solar power), Mozambique (environmental livelihoods) and across Latin American and the Caribbean (creation care and livelihoods)
2. support others to help build relationships between communities in conflict and across social divides in ten countries
3. mobilise 1,200 new church volunteers and train them to lead transformative processes in their communities

Mervis’ child completing his homework in the evening after school, thanks to the solar-powered light

Photo: Jerome Mulambya/Tearfund
We want to see society changed

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

We’re passionate about seeing the needs and opinions of the world’s most vulnerable people brought to the table, so that decision-makers hear and act upon them. So we equip and support communities to make their case. We use advocacy and influence – with the church, government and the private sector – to bring poverty and injustice to light and to demand change. We influence decision-makers directly and help our partners to do the same.

In parallel, we inspire Christians in the UK and globally to campaign, pray and live out the change they want to see more widely. Renew Our World, the international advocacy movement we helped establish, now has expressions in 20 countries and counting, contributing to national and global action.

This year, we launched our Reboot campaign, to engage Christians and church leaders to ask the UK Government for a green and fair recovery from the pandemic, consistent with international climate obligations. This has led to faith leaders calling for international debt cancellation. We also encouraged and equipped churches in at least 25 countries to call on governments to meet the needs of communities worst affected by the pandemic in a green and fair way. This resulted in policy wins in countries such as Brazil, Malawi, Nigeria and the Democratic Republic of Congo.

What makes us different

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

9p in every pound goes to helping change society
This year, we're celebrating:

49 policies and practices changed to the benefit of people in poverty

285,500 campaign actions taken globally

20,000 people participating in our online training and mobilising events

+45 million as the potential readership* of our Rubbish Campaign report, The Burning Question

*based on media coverage achieved

Through Bin Twinning partnering with EcoBrixx, plastic waste is being collected to be turned into bricks in Uganda, promoting recycling whilst also providing employment opportunities.

Photo: Richard Tilney-Bassett/Tearfund
1. Influence policymakers at UN climate talks, rescheduled for 2021, to address the climate emergency; inspire and equip Christians to pray and act on climate change and plastic waste

COP26, the UN climate talks to be held in Glasgow in November 2020, were postponed for a year due to the pandemic. As a result, we pivoted our advocacy on the climate emergency to focus on a green and fair recovery. We launched the Reboot campaign with: a Restoring Societies paper; a World Rebooted resource for church leaders; and campaign actions for supporters, including a weekly prayer update with 1,700 subscribers.

In January 2021, we launched The Climate Emergency Toolkit in collaboration with ten other organisations, church leaders and activists, to help churches advocate on climate change ahead of COP26. Research we conducted with Youthscape Centre for Research highlighted Christian young people’s attitudes to faith, church and climate, which we used to push churches for greater climate action.

Our partnership with The Climate Coalition in the UK helped secure several notable campaign wins. These included the UK Government accelerating the phase-out of petrol and diesel cars and committing to stop supporting fossil fuels overseas. Together, we also organised the world’s first online climate lobby involving more than 15,000 people and more than 280 MPs. Following our groundbreaking report The Burning Question, on the links between plastic pollution and climate change, Nestlé announced it had cut its plastic footprint by ten per cent.

2. Contribute towards an international movement for change, supporting movement-building in strategic countries and contributing thought leadership on a restorative economy

An important part of our global movement-building work has been supporting youth leadership and activism. Working with others, we’ve supported young leaders in eight countries through training, mentoring, convening and providing a platform for their voices to be heard. We also developed an evaluation tool that helps movement-builders to measure and understand the movements they are engaged in, and to plan for growth and impact. The tool is now used in at least nine countries and we are sharing it with other practitioners globally as part of our thought leadership.

Following our training in Brazil, young activists started a petition against mining on indigenous lands. It attracted more than 63,000 signatures, and held policymakers to account on various environmental policies, including protecting the Camboata forest in Rio.

Also with Tearfund support, young activists from seven African countries developed and shared policy points with the chair of the African Union, Cyril Ramaphosa, ahead of the African Union Summit in December. In Nigeria, Christian youth organisation Yola Renewal Foundation took Muslim youth through Tearfund’s Live Justly course, which combines a focus on peacebuilding with environmental and economic sustainability work. Meanwhile, our partner Jos Green Centre engaged hundreds of youth online in post-Covid-19 strategy discussions around green jobs, gaining coverage in local media.

3. Further catalyse local and regional efforts to uphold the rights of migrants and build on our pioneering church-led campaign in Latin America

Together with 64 partner organisations from across the region, we continued our church-led campaign, As Born Among Us, to support the eight million migrants and refugees in Latin America. The campaign, which now spans 12 countries, has mobilised 300 local churches to respond to the needs of migrants and refugees and advocate for their rights, including in relation to their legal status, their access to health care and access to support relating to Covid-19. For example, 55 faith leaders advocated at regional and national level for new laws and practices to protect migrants and meet their needs. Tearfund has gained recognition in the region as a thought leader and reliable partner on the issue, and recently convened 33 churches to share best practice in caring for migrants.

In light of Covid-19, we had to cancel our planned regional conference on ‘Church and migration’. Instead, we delivered a very successful online Global Theological Forum on this theme. This brought together 81 strategic thinkers and young theologians from 38 countries to discuss migration and the church’s response. As a result of this forum, church and theological partners in Central America are planning to replicate the As Born Among Us campaign in their region and in the US.
What we learnt

We’ve had to learn to adapt rapidly and shift the focus and delivery of our advocacy during the pandemic while remaining true to our vision and ethos. We saw that giving partners and allies freedom to work within their own communities enabled us to pivot swiftly in our emergency response. We learnt, as during the Ebola epidemic, that timely engagement of local faith leaders can influence public policy powerfully.

We know we can go further

We need to do even more to advocate for governments to prioritise the needs of the most vulnerable in their response to the pandemic.

Inspired by the Black Lives Matter movement, we need to make stronger connections in our advocacy between racism, global poverty and environmental damage, and to amplify more powerfully the voices of people of colour.

When foreigners become neighbours

Millions of Venezuelans have been forced to abandon their homeland due to political and economic turmoil and an ongoing humanitarian crisis. Most have stayed within the Latin American region but many have faced discrimination, racism and closed borders.

The As Born Among Us campaign takes its name from Leviticus 19:33–34 where God calls for foreigners to be treated as if they are ‘native-born’. It calls on the church to respond to migrants in a spirit of acceptance, inclusion, welcome and love, and uses social media to connect and influence.

Tearfund’s joint work with faith communities, government authorities and civil society has meant migrants have received coordinated practical assistance, in the form of deliveries of food and household essentials, as well as emotional and spiritual support. An innovative and free app provides: information on their legal rights in each country; a directory for humanitarian and comprehensive support; and spiritual encouragement including Bible reflections.

For families facing the ‘double emergency’ of displacement and Covid, the support has been life-changing. Equally dramatic has been the change in attitudes towards migrants, including within the church. ‘I want to thank the campaign...for bringing us an important teaching, that each of us are equal... sons and daughters of the same God and part of the same family,’ says Pastor Débora Fahur from Sao Paulo, Brazil.

As Born Among Us has also contributed to policy change. Advocacy by coalitions of churches and migrant organisations led to more than 24,000 stateless children being given Colombian nationality, for example.

Food baskets are delivered to migrant families in the city of Cartagena, Colombia

Photo: Edrei Cueto/Tearfund

In 2020/21, we spent a total of £8.2m (2019/20 £9m) on changing society and supporting campaigns such as the As Born Among Us campaign.

This year £8.2m spent on changing society

Going forward in 2021/22, we aim to:

1. influence the UK and other governments to significantly scale up and deliver on their climate change commitments, especially through the G7 and UN climate negotiations in 2021
2. call for a green and fair recovery to the pandemic, for the key role of local faith actors to be recognised, and for equitable vaccine distribution; and support our partners and allies to do the same
3. mobilise regional networks and movements to advocate and influence decision-makers on environmental and justice issues
Our supporters give generously

Our supporters are at the heart of who we are as an organisation and central to all we are able to do. It is a key priority for us to build and nurture relationship with them, and connect them with the communities God is transforming through their partnership, generosity and prayers.

We are so thankful for the commitment and passion of our wonderful supporters who are integral to all we achieve, in Jesus’ name. Despite the difficult circumstances of this year, supporters have generously shared their resources in so many different ways: praying, giving regularly, pledging legacies, responding to financial appeals, promoting Tearfund’s work in their churches and workplaces, fundraising, campaigning and changing their lifestyles to improve the lives of those in the communities we serve.

The relationship we have with our supporters is two-way. We want to honour them by listening, learning and communicating regularly with them. We actively seek their feedback, on our website and in our emails, and we will liaise with people individually following complaints or regular giving cancellations. We collate supporter feedback each month and circulate it widely across the organisation, including to the Executive team and Board.

We try to ensure that every conversation and communication we have with supporters underlines just how vital they are to our work: we are passionate about helping them see the difference their gifts and prayers make. And we want our supporters to understand the power they have as campaigners to create change in their own lives and in society. We also recognise and value the trust that supporters have in Tearfund. So we endeavour always to be accountable and transparent, by stewarding supporters’ gifts diligently, monitoring our impact and reviewing our costs and spending regularly.

What makes us different

Our faith is integral to our identity and how we respond to others, including our supporters. We see our supporters as our family in Christ, partners in our mission, fellow travellers. We work hard to ensure that every aspect of our fundraising and our spending expresses our Christian values of integrity, accountability and gratitude.

11p in every pound is invested in fundraising
This year, we're celebrating:

- £81.4m raised to transform lives around the world
- £284,891 raised through the Big Quiz Night in which 462 churches participated
- 146,326 views of our online events, such as Tearfund Live and Tearfund Carols
- 10,071 taps twinned since our Tap Twinning appeal launched on 20 March 2020

A young fundraiser and her family took The Climb outdoors, using their daily exercise in May 2020 to walk, bike and run up and down their local hills, with a combined target of 29,029ft – the height of Everest.

Photo provided by Tearfund supporters.
These are the key objectives we set ourselves last year, with examples of how we met them.

1. Introduce our latest campaign to supporters, highlighting our work in the Middle East and our corporate priority of fragile states

We had planned to launch our Home campaign focusing on refugees in the Middle East, and our work in fragile states, in April 2020. However, we took the decision to delay until September, following lockdowns in the UK.

The launch’s delay gave us extra time to tailor the way we communicated the theme to reflect concerns and circumstances arising from the pandemic, underscoring where Covid-19 had impacted our work.

A coordinated launch in September 2020 saw the first-ever Tear Times takeover, with the whole magazine devoted to the Middle East. This sat alongside a Harvest appeal featuring Lebanon and a campaign to recruit new supporters featuring Iraq. Both Tear Times and the Harvest appeal were very successful and we learnt valuable lessons about recruiting new supporters during lockdown.

2. Invest in digital communications and fundraising to capitalise on the growth of online fundraising and to introduce Tearfund to new and younger audiences

We treated Covid-19 as an incentive to accelerate our investment in digital fundraising. We adopted several existing products, such as Big Quiz Night, so they could be run online and we launched new digital-only fundraising campaigns, including The Climb and 21 for 21.

As face-to-face events were not possible, we switched to hosting online events to engage with our supporters, which led to many generous gifts and new regular givers.

We also reflected on how we can communicate Tearfund’s brand and the transformational impact of our work more effectively to supporters and new audiences. We invested in a new website, to improve our supporters’ online experience, with a particular focus on accessibility. This investment will help us improve our online fundraising and personalise communications more effectively in future.

3. Review and update our strategy for engaging with churches in the UK to build stronger, mutually supportive relationships

Teams in Global Advocacy & Influencing and Global Fundraising worked together to develop a new UK Church Engagement Strategy to ensure we present Tearfund clearly and consistently to all UK churches.

We are passionate in our aim to equip churches and individuals to act justly, pray boldly, give generously and live well on this earth. In particular, we want to increase Tearfund’s presence in growing church networks, Black Majority Churches, and with younger audiences.

We know that, even before the pandemic, the UK church was facing significant pressures including declining numbers and stretched finances. When lockdown restrictions forced churches to close this year, the UK church landscape changed dramatically. We recognise that it is vital that Tearfund adjusts in response through digital innovation and new initiatives that better serve and support church leaders.

Our fundraising practices

Maintaining a close relationship of trust and respect with our supporters remains our priority.

We continue to be registered with the Fundraising Regulator. There are no failures to report against its practices or standards this year. We carefully review and monitor our fundraising activity and how we treat the information we hold about our supporters.

We are especially aware of responding appropriately to any supporters who may be vulnerable, and we provide clear and regular training on this for all supporter-facing staff.

We record all complaints received and report them quarterly to our Executive team and the Board’s Global Fundraising and Communications Committee. In 2020/21, we received 502 complaints about our fundraising, which represented 0.25 per cent of all enquiries we received this year. These were all managed and resolved internally. We define a complaint as any instance where an expectation has not been met, however unreasonable, or where something reflects poorly on Tearfund, whether we’re responsible for it or not. No complaints were made to the Fundraising Regulator.

Our fundraising is carried out by centrally employed UK-based staff. The exception to this is our contract with Kingsley Management Consulting to run Toilet Twinning. We hold regular governance meetings with them to review plans, budget, forecasting and strategy.
What we learnt

Covid-19 has taught us the importance of being agile as our plans were seriously disrupted by restrictions on church services and the cancellation of festivals such as Big Church Day Out. We learnt to adapt quickly, for example providing an online version of Big Quiz Night and running new online events such as Tearfund Live and Tearfund Carols.

We know we can go further

We are acutely aware that our supporters do not represent the whole UK church. We need to become more diverse. Over the coming year, we will continue to prioritise engaging with a wider group of churches and supporters.

We know that we need to build on the success of our week-long prayer event, Declaration, featuring dynamic worship leaders and speakers of colour.

Digital connections broaden young people’s horizons

As churches closed during lockdowns, screens became our main source of community. The Youth and Emerging Generation (YEG) team saw an opportunity to use digital platforms to gather and mobilise young people and young adults – and seized it.

As we pivoted to online events and programmes, we saw instant success with the creation of Emerging Influencers. This is a six-week online programme that connects 17- to 23-year-olds, develops their theological understanding of justice, and encourages them to make a difference. Lockdowns may have shrunk our worlds but we introduced young people to theologians, leaders and practitioners from around the globe: Ecuador, Haiti, USA and South Africa, to name but a few.

Throughout, the YEG team mentored and encouraged the group to make a tangible difference. In the last year, Emerging Influencers have raised £185,000 for Tearfund, prayed passionately for an end to poverty and made lifestyle changes that positively impact the climate crisis.

The programme has had a deep impact on participants. One said, ‘To know that there are others like me who love the Lord and want to make a greater change in our world has been so encouraging.’

The team is now running the programme for a fifth time, with more planned for later in 2021.

‘It has been a privilege to be a catalyst for youth engagement over the last year, and to remind young people that they have a meaningful part to play in Jesus’ global story of restoration,’ says Dot Tyler, Head of Youth and Emerging Generation Team.

Going forward in 2021/22, we aim to:

1. implement plans to engage a broader range of churches in the UK
2. launch a campaign enabling supporters to help those affected by climate change and highlight the church’s vital role in this
3. continue to respond in agile ways to the changing fundraising environment through the use of digital and online activities
Great supporter stories

Pounding the pavement brings fresh perspective
Ola took on our fundraising challenge, The Walk, because he was moved after learning about the arduous treks people such as Orbisa in Ethiopia take every day to find water.
He set himself a target of walking five miles a day – and recruited his ten-week-old son to join him, albeit in his buggy. Together, father and son raised almost £500 for our work.
'It was a bit of a challenge to walk at night after work,' Ola says. ‘But it gives me that head space I need and looking at nature gives me a completely different thing to focus on.'

Climate activists lobby MPs online
In June our supporters joined others from The Climate Coalition in the first-ever virtual mass lobby of parliament, calling on MPs to push for a green and fair recovery to the pandemic.
Dr David Golding had met his MP, Sir Alan Campbell, at a Tearfund reception in 2018 (pictured). This time they met online – but the meeting was just as powerful. David says, ‘We had a brilliant meeting and our MP promised to bring our proposals to the attention of the Prime Minister. What sticks in my memory is sixth-former Anna’s closing plea, “I ask you not to let my generation down!”'

Creative cake-making and compassion for Yemen
Phoebe may be little but she’s made a huge impact, thanks to her creativity in the kitchen.
The four-year-old decided she wanted to raise money for our Yemen appeal, the world’s worst humanitarian crisis this year.
So she busied herself in the kitchen, with a bit of help from Mum, and produced delicious brownies which she then sold and posted to friends.
In total, she sold 184 packs of her cakes and raised an amazing £1,981.

Making the best of lockdown to twin bins and loos
Graham, who’s 81, decided to make the most of his enforced isolation during lockdown by taking on a sporty fundraising challenge.
Graham set himself the target of climbing his stairs 500 times to support the Democratic Republic of Congo, an ‘often forgotten’ country close to his heart.
He split the £270 he raised in sponsorship between Toilet Twinning and Bin Twinning, a new fundraising campaign we launched in September to support waste-management and recycling projects overseas.

Big-hearted Doris shares her big birthday
Doris’s 100th birthday coincided with lockdown but she decided to celebrate her big day by sharing it with some of the world’s poorest people.
Instead of asking for gifts for herself, Doris invited family and friends to donate to Tearfund. And, despite not being able to have a party, she raised a staggering £1,136.

Photos provided by Tearfund supporters
Featured event: Declaration

This January, we held a week-long schedule of prayer, teaching and worship events, online and on Christian TV channel TBN. We would like to thank the following for helping make this event a reality:

- Rev Yemi Adedeji
- Chisom Akurienne
- James Aladiran
- Jordan Amadi-Myers
- Celia Apeagyei-Collins
- Michael Ayo
- Samuel Bella
- Mark Beswick
- Pastor ChiChi Bismark
- Pastor Yvonne Brooks
- Minister Nicky Brown
- Rev Leondre Douglas
- Pastor Bruce Dyer
- Shemara Fletcher
- Becca Folkes
- Bishop John Francis
- Elder Juanita Francis
- Rev Rashard Gibbons
- Karen Gibson MBE
- Pastor Susan Graham
- Pete Greig
- Bishop Delroy Hall
- Lord Michael Hastings
- Pastor Agu Irukwu
- Pastor Les Isaac OBE
- Krish Kandiah
- Rev Betty King
- Jenny Lee
- Angie Le Mar
- Bishop Wayne Malcolm
- Minister Leoné Martin
- William McDowell
- Rev Dr Otis Moss III
- Pastor Peter Nembhard
- Jason Nicholson-Porter
- Oliver Nyumbu
- Sarah Ogunji
- Abbiih Oloyede
- Pastor Jonathan Oloyede
- Sarah Onduko
- Apostle Jacqueline Peart
- Dr Garrett Pennant
- Claudine Reid MBE
- Rev Sharlette Reid
- Pastor Leke Sanusi
- Pastor Bryan Scott
- Rev David Shosanya
- Emmanuel Smith
- Naomi Sterling
- Selina Stone
- Samuel Titi-Lartey
- Archbishop Justin Welby
- Pastor Michael White
Trustee Directors are required to explain how they consider the interests of key stakeholders and the broader matters set out in Section 172 of the Companies Act 2006 in promoting the success of the company for the achievement of its charitable purposes. In order to assist Trustee Directors with these duties, all papers submitted to the Board identify the areas of S172 to which they relate. This statement focuses on matters of strategic importance and the level of information disclosed in this statement is consistent with the size and complexity of the business.

**General confirmation of Trustee Directors’ duties**

Tearfund’s Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Pages 34–38 explain the roles and responsibilities of the five Committees and highlight some of their principal areas of involvement and decisions taken during 2020/21. When making decisions, each Trustee Director ensures that they act in good faith to best promote the company’s success for the achievement of its charitable purposes, and in doing so will have regard (among other matters) to:

**S172(1) (a) ‘The likely consequences of any decision in the long term’**

Tackling deep-rooted challenges needs long-term vision and commitment. In reaffirming the three core areas of our work, namely Church and Community Transformation (CCT), Fragile States, and Environmental and Economic Sustainability (EES), the Board ensures Tearfund has a clear strategic focus (see page 7). Each of these corporate priorities has detailed three-year plans and the Board receives regular reports on their progress and challenges.

In September 2020 the Board considered whether the impacts of the Covid pandemic required Tearfund to make adjustments to any of these long-term plans and priorities, specifically in relation to CCT. While the effect of lockdowns had been to disrupt and delay many of our planned activities, including training and mobilising events across the globe, it was exciting to see the many creative ways that communities and partners were able to adapt, notably by shifting to virtual interactions. Churches which were just beginning their CCT journey saw more clearly that they had a role to play that went well beyond the spiritual support to the communities around them. Moreover, we experienced a strong demand for Tearfund information and resources from churches where we had no previous connection or relationship. We concluded that CCT has been shown to be a very valuable method to prepare the church for protecting communities during the pandemic and for caring for the most vulnerable during this time. It will be key for us to work on how we help the church to translate the short-term Covid-focused interest into long-term transformational change. We built on these decisions in the Business Plan (approved in March 2021) when we specifically sought to apply the learnings from the pandemic to each of the corporate priorities.

**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. The annual staff survey is one of the Board’s principal tools to measure employee engagement, motivation and commitment to Tearfund, with a consistently high response rate. It enables the Board to understand how we are learning from survey findings to strengthen Tearfund culture and values, and informs decision-making from pay and benefits to health, safety and wellbeing. During the pandemic we have supported staff to work remotely and carried out more frequent surveys to ensure that the impacts on wellbeing are understood and risks mitigated where possible.

We have reported previously that Tearfund was in transition to becoming a much more global organisation, with the geographic cluster model anchoring our work more clearly in-region. During 2020/21 this trend accelerated as virtual working, enforced by Covid lockdowns, ensured that all global participants in meetings were present on the same basis as everyone else, a hugely positive development.

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

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

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

There is growing recognition of the role of youth in acting, engaging, leading and being agents of change on climate, environmental and sustainability issues. We have therefore decided to increase our focus on youth engagement, leadership and action, particularly in our EES work.
The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on pages 24–29. We are strengthening relationships with our suppliers by entering into framework agreements and clear contractual terms and conditions. We will continue to roll out our global procurement system over the coming year, giving greatly enhanced visibility over our supply chain. The Board receives regular updates on stakeholder engagement, ranging from aspects of our corporate priorities work to supporter surveys which underlie our global fundraising strategy.

S172(1) (d) ‘The impact of the company’s operations on the community and the environment’
In the Business Plan approved by the Board in March 2021, we explain how we are increasingly seeing overlaps and interconnections between the corporate priorities. It would not be unusual to see an EES project taking place in a fragile state using CCT methodology, or for communities to understand their environmental and economic responsibilities and opportunities as a consequence of our work on root causes in fragile states. Transformation of communities is reaffirmed as one of the main outcomes we want to see, with the poorest communities resilient to shocks and stresses, working for peace and unity, and contributing to better futures for themselves and others (see pages 16–19).

Our EES work happens at community, national and global levels, as we build movements of people to pursue a world which brings together the aims of meeting basic needs, living within environmental limits and non-acceptance of inequality. Our advocacy efforts are focused on waste, climate, and environment and many of these have been effective in getting through to those global policy and decision makers who can influence significant change. We are continuing to develop the reporting of our own environmental performance (see page 46).

S172(1) (e) ‘The desirability of the company maintaining a reputation for high standards of business conduct’
It is crucial that Tearfund maintains its reputation for high standards of conduct, not least because local churches around the world are affected by our work and reputation. Reputation is one of the six areas of impact that we use to evaluate all corporate risks, to ensure it informs all key decision-making. In September 2020 the Board discussed the results of a review by the Internal Audit team into Tearfund’s compliance with the Charity Governance Code. The review concluded that the majority of the recommended practices set out in the Code are in place, while recommendations for further improvements included a continuing focus on evaluation of the charity’s impact; the nature and frequency for review of feedback received from the communities we serve; and confirmation of the format for an annual review of Board effectiveness.

Last year we reported on the development of a strategic dashboard to track our top-level key performance indicators (KPIs) and qualitative data and to monitor how well we are outworking our strategy. In the Business Plan approved by the Board in March 2021, we set out the details of these KPIs. They are designed to demonstrate progress in meeting the outcomes we want to see – churches mobilised, emergency needs met, communities transformed and society changed – as well as to measure our operational, organisational and financial health. The KPIs include both quantitative and qualitative measures of impact; staff survey results; carbon emissions; and key income and expenditure data.

S172(1) (f) ‘The need to act fairly as between members of the company’
is not relevant to Tearfund’s organisational structure, as the charity is run in the interests of its charitable objects rather than in the interests of its members. Nevertheless we meet and engage with our members at Tearfund’s Annual General Meeting.
Structure, governance and management

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

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

Trustee Directors’ recruitment is undertaken by the Board in consultation with the Chief Executive and Executive team. An induction programme is run for new Trustee Directors which will include visiting overseas programmes to gain a wider appreciation of Tearfund’s work when Covid restrictions allow.

In March 2019, the Board carried out a re-evaluation of the skills and experience required to be present in the Trustee Directors. Where key gaps were identified, these have now been filled.

The current composition of the Board of Trustee Directors is set out on pages 48–49. Trustee Directors are appointed for three years and serve a maximum of three terms unless exceptional circumstances apply. As permitted by the Articles of Association, the Trustee Directors have the benefit of a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and remains in force. The company also purchases Directors’ and Officers’ liability insurance in respect of itself and its Trustee Directors. Trustee Directors receive no remuneration for acting in this capacity. Details of Board committees are set out on pages 34–38.

During 2020/21, a review was undertaken of the governance practices and arrangements of the Board compared to the Charity Governance Code. The review found that most of the recommended practices in the Code are in place. Where recommendations for improvements were made, the Board agreed an action plan to address them. The actions which have not already been completed will be addressed during 2021/22.

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

Members
The Members constitute the ultimate authority within Tearfund’s governance structure. They are appointed at the invitation of the Trustee Directors, with a focus on people who have a longstanding association with Tearfund and who care deeply for its mission and ministry. They are entitled to attend all general meetings, including the Annual General Meeting (AGM). They receive the Annual Report and financial statements, elect or re-elect Trustee Directors, appoint auditors and fix the remuneration of the auditors. Regular contact is maintained with Members through quarterly communications and informal contact with the management and Trustee Directors.

Employees
The work of Tearfund overseas and in the UK relies on the commitment and hard work of its valued staff. Communication links are maintained through team briefings and other internal channels such as specific communications on particular matters of concern and weekly ‘In Touch’ emails to all staff. Tearfund holds regular meetings with a staff representation body (the Staff Council) to consider and act on the views and concerns of employees, and to consult on relevant issues. We are in the process of piloting a Staff Council in Southern and East Africa and aim to establish Staff Councils in each of our other five clusters.

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

Volunteers
The financial statements do not reflect the considerable and vital support given to Tearfund by more than 1,750 volunteers in the UK, and countless more overseas. Their help is at the heart of Tearfund’s work: they bring life to the organisation and help it to operate effectively. The many roles they undertake include encouraging prayer, campaigning, acting within their local churches and communities, enthusing others, engaging with local media and championing lifestyle changes. We celebrate the enormous contribution made by so many of our volunteers in organising or participating in fundraising activities in their homes, churches and communities. This volunteer network is a distinctive aspect of Tearfund’s approach and
the Board is very grateful for their commitment and contribution.

**Internal control and risk management**

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

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

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

In 2019/20, the Trustee Directors approved a new Risk Management Policy for Tearfund that committed the organisation to implementing an organisation-wide risk management system, including comprehensive policy measures regarding roles and responsibilities, processes and culture. During 2020/21, key measures implemented were:

- Board approval of a corporate Risk Appetite Statement to guide staff and management on the types and amounts of risk Tearfund is willing to take in pursuit of its vision, mission and objectives. This has been shared with staff via facilitated workshops on how the statement can guide decisions and changes to processes in each part of the organisation.
- Annual objectives for most roles now include responsibilities for risk management.
- Risk registers are being implemented over three years across all directorates, regional offices, and most country programmes.

Ten were completed this year; fifteen more are planned for next year.

Tearfund maintains a comprehensive register which identifies the major strategic and operational corporate-level risks and how they are being managed. The top ten are shown on page 44-45. 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. A full review by the Board is held as part of the annual three-year planning process. The Trustee Directors are satisfied that systems are in place to monitor, manage and mitigate Tearfund’s exposure to major risks. They consider that maintaining Tearfund’s general reserves within the range stated on page 50, and reviewing internal controls and risks through an internal audit programme will provide Tearfund with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of Tearfund’s work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity.

Fraud is prevalent in many of the countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential frauds or other irregularities are required to be reported to the finance director, who chairs the Financial Wrongdoing Review team and maintains a register of the irregularities, actions taken and results. This register is reviewed regularly by the Audit, Risk and Finance Committee. Serious frauds are reported to the Charity Commission, including all frauds with a potential financial impact of £20,000 or more. Tearfund employs a full-time investigations and safeguarding manager to advise and coordinate prevention and response to fraud and other types of wrongdoing. Our approach to safeguarding is set out in detail on pages 40-41.

**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 every two to three years. We draw data from a number of charity sector-specific pay surveys, including Birches Group, Croner Reward and XpertHR. We are also members of a sector pay club. 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 between £40 million and £75 million
- organisations of between 200 and 499 employees
- median pay levels

Our latest full benchmarking exercise was completed in 2019. Under our current pay policy we aim to pay staff working outside the UK at the midpoint of market benchmark data. For staff working in the UK, we aim to pay between the 37.5th percentile and midpoint of the market benchmark data.

We take inflation into account by considering yearly increases based on available finances, consultation with the Staff Council and a survey of similar organisations in the sector. Tearfund’s Executive team is in the top grade of the UK salary structure. The Board sets the salary for the chief executive. Details regarding employees with emoluments above £60,000 can be found on page 67.

**Health and safety**

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

**Tearfund Scotland**

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

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

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

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

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

This year, the committee has overseen significant improvements in Tearfund’s practices around safer recruitment. We now undertake comprehensive international criminal record checks on all potential employees. Moreover, we also committed to collaborating with other international NGOs to prevent abusers moving between different agencies, by joining the Misconduct Disclosure Scheme in October 2020 (see Our Commitment to Safeguarding on page 40).

The committee continued to scrutinise the ongoing embedding of safeguarding risk assessments throughout Tearfund’s work. The safety and wellbeing of staff is of the utmost importance to us: to this end, we have a protocol to ensure that we provide the best possible support to any Tearfund staff or representative if they were to experience sexual assault or violence.

While we have made good progress over the last few years in strengthening policy, process and practice around safeguarding, we are far from complacent. A particular challenge arising during the Covid-19 pandemic has been a reduction in reporting of safeguarding cases, and the committee supported efforts to continue to encourage Tearfund staff and partners to report any concerns. The committee also reflected on learning points from the Parliamentary Select Committee on International Development’s report on sexual exploitation and abuse in the aid sector (see Our Commitment to Safeguarding on page 40).

We continue to build an organisational culture in which there is zero tolerance of abuse and exploitation and where the needs of survivors are given the highest priority.
Theology Committee

Tearfund seeks to be an organisation that follows Jesus where the need is greatest. It cares passionately that its work should be shaped by the Bible and serve as a signpost to the kingdom of God, enabling people to ‘live life to the full’ as God intended.

The Theology Committee serves to ensure that Tearfund’s response to injustice and poverty reflects God’s heart. Our role as a committee is to help the organisation gain an ever-deeper understanding of what it means to play a part in God’s plan to redeem and restore the world. Put simply, we exist to help Tearfund stay ‘on track’ with its biblical mandate. During the course of the year, the Theology Committee addressed the following issues:

**Environmental and Economic Sustainability (EES):** We continued to refine Tearfund’s ongoing theological research to strengthen this corporate priority. The committee affirmed Tearfund’s approach to this research. The research team actively consulted and engaged with leading thinkers, theologians and practitioners around the world, particularly those in the countries in which Tearfund works. As a result, Tearfund’s emerging and developing EES theology is richer and more robust, with a strong theological foundation. It will continue to shape Tearfund’s work in this area and influence wider theological thinking on related topics such as wealth creation and job creation.

**Diversity and inclusion:** The committee provided theological input on Tearfund’s pursuit in these vital areas. Together, we explored how our faith speaks to Tearfund’s commitment to nurture diversity and inclusion through our ministry among people in need, engagement with donors, churches and staff culture. It is our hope that these strong faith-foundations rooted in the word of God will enable Tearfund to be more inclusive in practical and meaningful ways.

**Prosperity gospel:** In some contexts where Tearfund works, this particular theology is influential and has been identified as an obstacle to Tearfund’s efforts to reach out to people living in poverty, through integral mission. We reflected on prosperity gospel theology from the perspective of Tearfund’s theological understanding of poverty, and explored how to equip and resource Tearfund staff to engage well with such beliefs in these contexts.

**Inspired Individuals:** We reviewed the theological underpinning developed for this wonderful and important aspect of Tearfund’s work with key influencers and changemakers. We explored what the Bible has to say about developing leaders to be kingdom catalysts in their local context.

Overarching all these individual focuses, we continued to explore what it means to be a Christian relief and development agency moulded by its faith, and transforming our world today.
Global Fundraising and Communications Committee

Tearfund’s Global Advocacy and Influencing Group and our Global Fundraising Group are focused on inspiring, informing and helping supporters to live generously, following our ever-generous God.

The Global Fundraising and Communications Committee seeks to support, pray for and bring challenge into the work of these teams.

Tearfund is continuously looking to improve the ways we engage with our supporters. This was the first year of a new three-year strategy to grow a global community of supporters who want to enter into a whole-life response to poverty through prayer, giving, campaigning or volunteering in whatever capacity they can.

Throughout the year, our committee regularly reviewed activities and performance against this plan. We played an oversight role, bringing our expertise to envision, encourage and balance risk. We encouraged the teams always to trust our faithful God and we were continually amazed at their determination, innovation and agility, even in an increasingly challenging external environment.

Some of the things which we focused particularly on this year were:

- **New brand proposition**: The launch of our new brand proposition ‘Poverty is not God’s plan. You are’ has been hugely successful. It is underpinned by a desire to clearly communicate our Christian distinctiveness and bring consistency to our communications.

- **The wider church family**: We have begun work on improving our engagement and support in the wider UK church family. As we seek to partner with more UK churches in the coming years, we have been listening to friends in churches across the country, as we plan together to tackle poverty and injustice.

- **A switch to digital campaigning while maintaining a relational approach to fundraising**: The team has embraced the opportunities of digital campaigning with successful campaigns and events. We have also significantly enhanced our online and website capabilities this year. However, given our relational approach, it has been equally important for us to reach out to our supporters on the phone and by post. Both these channels have seen increasing engagement.

- **The worldwide Tearfund family**: We continue to oversee investments Tearfund makes in Tearfund family organisations around the world, as well as the risks and challenges associated with sharing a global brand. The Tearfund family is a global network of 11 Christian relief and development agencies. There are independent, national Tearfund agencies in the UK, Ireland, Belgium, France, Germany, the Netherlands, Switzerland, Canada, the USA, Australia and New Zealand. It is a family with a common set of values and shared ways of working, united by God’s call to reduce poverty and injustice in the world.

Tearfund’s fundraising and communications work is not without risk, particularly amid the challenges presented by Covid-19. We seek to balance this risk in a way that enables innovation and inspires our supporters, always remaining faithful to the core belief that ours is a ministry that invites all Christians to engage in God’s kingdom purposes – today and in the future.
International Impact Committee

Our purpose is to ensure a regular review of Tearfund’s corporate outcomes with a particular focus on the effectiveness, impact, distinctiveness and sustainability of the work being undertaken.

This matters because we always want to challenge ourselves to be learning and improving how we work, and ensuring we are focusing our efforts where we can achieve the best outcomes.

Over the last year, unsurprisingly, we have had sessions at every meeting to explore and understand how we have reacted to the pandemic, rapidly reshaping our portfolio of work with our partners to meet these new needs and make them locally relevant. We have learnt, again, the power and scope of our local church and community partnerships to reach the most vulnerable.

We have also begun to ensure that we focus on supporting recovery from the pandemic, which will certainly require a long-term commitment and focus. Tearfund’s distinctiveness in working with and through the local church is so powerful here: the church was there before Covid-19 struck, has been alongside communities throughout it, and will be there long after other agencies move on, staying put to heal the trauma and build sustainable recovery.

There have been other, more routine areas of the committee’s work too:

**Catalyst:** We have tracked how our catalytic model of working is maturing in some countries where churches are ready to operate more independently. This model helps mobilise the local church, NGOs and influencers to use their own local skills, knowledge and resources to bring about change. Instead of traditional partner funding, we spend our budgets on work to envision, equip, enable, organise and influence the church and others to address issues of poverty and injustice. This requires a patient and enabling mindset more akin to movement-building, and brings new challenges of measurement and evaluation.

**Church and Community Transformation (CCT) scale-up:** We have reviewed how our more established rural CCT work can be scaled up at country and denominational level. We have also considered how it can be adapted to fast-growth urban contexts – so vital in many African countries dominated by young and predominantly urban population centres.

**Refocused advocacy:** We have seen how our environmental advocacy work has been reshaped to reflect the postponement of the COP26 climate conference – and encouraged our teams to seize the opportunity to campaign for a greener economic recovery from the pandemic.

**Fragile states:** We have reviewed the lessons drawn from a strategic review of our peacebuilding work in fragile states after three years of experience and pilot studies, and have been delighted to see a distinctive niche opening up for our work in these difficult areas.

**Risk appetite:** Drawing on the expertise and wide experience of committee members, we have supported the Board to shape Tearfund’s risk appetite statements and ensure these are workable in diverse programmatic and geographic contexts.

**Safety first:** Importantly, we have continued to monitor the safety and security of our staff and partners overseas.

Mann Bahadur Gaha Magar is chairperson of the agricultural committee in a Nepalese village and is in charge of the maintenance of the irrigation channel.

Photo: Chris Hoskins/Tearfund
Audit, Risk and Finance Committee

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

Against that background, our role as the Audit, Risk and Finance Committee remains to promote and ensure good governance, sound financial management, and disciplined risk taking, working closely with Tearfund management.

We have continued to address the four key priorities that we described last year: financial management, risk management, internal control and the IT systems programme. Highlights in relation to two of them include:

**Financial management:** The Covid-19 pandemic has required an increased focus on financial management, particularly given that the financial position at the start of the year meant that general reserves were below the Reserves Policy level. Early uncertainty around expected income, and increased challenges for us and our partners in the delivery of our programmes around the world, have been central to our discussions. The Board agreed a revised budget for 2020/21 in May 2020. During the year, we regularly reviewed financial performance and forecasts, and were encouraged by income holding up well and by the strengthening of the general reserves position. We have also reviewed and recommended to the Board:

- cash flow projections, to support Tearfund’s position as a ‘going concern’, including recommending the establishment of a credit facility, secured on Tearfund’s main office
- a revised Reserves Policy (see page 60) that takes account of the changed context and risk profile
- the proposed budget for 2021/22, confirming the appropriate application and delivery of the Reserves Policy

**Risk management:** Tearfund continued developing a set of statements to articulate the Board’s appetite for risk. These statements were approved by the Board in December 2020 (see pages 44–45 for more details).

The importance of taking appropriate risks to achieve our purpose has heightened during the past year. A key part of the committee’s role remains helping the organisation get the balance right. To do this, we rely on the valuable contribution from our trustee and non-trustee members who collectively have considerable experience of governance, risk management, internal control, financial management, legal affairs and information technology.

Farid plays football in Lebanon at a training session organised by Tearfund’s partner Play for Peace, which brings together children from all backgrounds and teaches them about forgiveness, reconciliation and non-violence

Photo: Ruth Towell/Tearfund
Quality Standards

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

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

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

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

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

Empowerment
We are committed to community-led and participatory approaches to development and humanitarian response for sustainable impact that is based on root cause analysis. We encourage participation from all members of a community, and strive to support the people we work with to have agency in processes that affect their lives, ranging from local development activities through to local, national and regional advocacy.

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

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

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

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

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

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

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

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

We are committed to training our staff, representatives and partners on safeguarding good practice. Each year all staff and Trustee Directors are required to complete our mandatory e-learning on safeguarding children and adults-at-risk. The training is updated annually to take into account learning from past incidents and emerging best practice in the sector.

Our network of country, cluster and directorate ‘safeguarding focal points’ have received additional in-depth training during 2020/21. We have an ongoing programme to ensure that all partners with whom we work receive training and embed good safeguarding practice into their organisations.

We continue to review safeguarding practice through our compliance and internal audit functions.

We seek to deploy safer recruitment practices in line with best practice in the sector: we carry out enhanced Disclosure and Barring Service (DBS) checks to ensure that all relevant staff and representatives are securely vetted and safely recruited to work with children and vulnerable adults.

We have strengthened our pre-employment checks for non-UK citizens by procuring the services of a third-party provider, Sterling, to provide international criminal record checks.

We have also joined the sector’s Misconduct Disclosure Scheme which enables participating agencies to ask for a detailed conduct statement for potential recruits in relation to sexual abuse or harassment misconduct in previous posts. We are committed to responding to such checks about former Tearfund employees.

We actively encourage our staff, representatives and members of communities in which we work to report safeguarding concerns and incidents when they occur, as well as to report any allegations of historic incidents they may become aware of.

We have a number of mechanisms in place to ensure concerns and incidents can be safely reported, including a dedicated confidential safeguarding and whistleblowing email account and an independently administered 24/7 whistleblowing hotline, Safecall, with the option to report in more than 100 languages. These mechanisms are advertised through posters (displayed in our offices, our partners’ offices and Tearfund projects), communication updates, training events and the ‘Safeguarding and reporting concerns’ page on our website. We have improved access to safeguarding-incident reporting for staff by including a link on our Corporate Hub.

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

Tearfund received an external endorsement of the health of our safeguarding culture in the form of Keeping Children Safe Level 1 certification in 2020. In addition, our compliance with the Core Humanitarian Standard on Quality and Accountability (CHS) was independently certified by the Humanitarian Quality Assurance Initiative (HQAI) in August 2020.

We note the findings of the Parliamentary Select Committee on International Development’s progress report on sexual abuse and exploitation in the aid sector, which was published in January 2021. We highlight our commitment to key points raised in that report: community awareness of the standards of behaviour they should expect, ensuring that reporting mechanisms work well at community level, strengthening investigation capacity (particularly with partners), supporting survivors, and increasing the representation of women and ethnic minorities in leadership positions.

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

Our internal safeguarding training courses emphasise to all staff the importance of placing the needs and wishes of the survivor at the heart of our response to incidents. Whenever possible and if they are willing, we will seek feedback from survivors in relation to how they have been treated in order to improve how we respond to incidents and support those involved.

Handling complaints and concerns
In accordance with our case management process, all safeguarding complaints and concerns are reviewed initially by our Investigations and Safeguarding Manager and then by the full Safeguarding Review team. This team is formed of key senior staff from across the organisation. Our Board Safeguarding...
Committee also provides invaluable oversight, advice and scrutiny of safeguarding cases (see page 34). The number of cases received during this year is less than the previous year. The Covid-19 pandemic has impacted communities’ access to Tearfund staff and our partners, and we believe this is the underlying reason for the reduced reporting rates. To try and address this issue we have communicated with staff and partners, reminding them of the importance of reporting and the key safeguarding issues to be aware of. When travel is possible we will engage in face-to-face conversations with communities to highlight what constitutes unacceptable behaviour and to encourage reporting.

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

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

During the year, the pandemic has required us to move to online events to engage with our supporters. We have developed an online events safeguarding risk assessment tool to ensure that everyone involved in these events can participate safely and enjoy the online experience.

2020/21 Review of cases
We work in more than 50 countries through 227 partners and have reached 2.4 million people through our response to disasters and 1.4 million people through our community development work this financial year. In this period, we received 16 cases through our safeguarding channels. We investigated and closed 19 cases which included seven cases carried forward from 2019/20 and one case from 2018/19; five cases remain open investigations at the year end. Of the 24 cases dealt with during the year:

- four cases involved Tearfund members of staff or representatives
- eight cases involved staff or representatives of Tearfund’s partners
- seven cases were safeguarding incidents in the community in which Tearfund or our partners were working, but not involving Tearfund or its partner staff or representatives. Although we did not have direct control over or responsibility for these incidents, we sought to influence the wider community to provide support and protection for those people affected
- five cases reviewed were not classified as safeguarding allegations. These cases were referred on to the relevant teams internally to review and respond appropriately

Child safeguarding
Four of the 24 cases investigated related to the safeguarding of a child and involved either a Tearfund member of staff or representative, or a member of partner staff. Two cases involved the sexual abuse of a child by a member of partner staff. We worked with the partners to improve their policies and practice. Both of the cases have been closed. In all substantiated cases the perpetrators were dealt with appropriately by Tearfund, the partner and/or local authorities. The needs of the survivors were prioritised and appropriate support offered. Tearfund’s partners were encouraged and supported to offer similar support to survivors. In addition, the alleged perpetrators were given the opportunity to ask for support during the investigation process.

Adult safeguarding
Eight of the 24 cases investigated this year related to the safeguarding of adults-at-risk and involved either a Tearfund member of staff or representative, or a member of partner staff. Three of the cases were investigated and closed; five cases remain ongoing. Of the three closed cases, two involved allegations of sexual abuse, exploitation and harassment by a member of staff on another partner staff member. Tearfund followed up the cases with the partners and offered support as appropriate. The remaining closed case involved a member of the community and a member of partner staff. This case was investigated by the partner and appropriate action was taken against the staff member. We proactively encouraged and supported our partners to consider and meet the support needs of survivors.

Lessons learnt
We are committed to improving our safeguarding continually. In 2020/21 we implemented a number of actions to address safeguarding learning points we had identified. These included:

- developing a Terms of Reference for the Safeguarding Focal Point role and setting specific safeguarding objectives for them annually
- commissioning a theological resource for staff and partners, to assist in challenging harmful cultural practices which can lead to safeguarding incidents
- working with partners and communities to strengthen and develop feedback and reporting mechanisms at community level
- strengthening our advice, training and support to staff on how to respond to physical and sexual assaults, and how to stay safe when travelling

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

Definitions
Child safeguarding
A child is anyone under the age of 18.

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

We want Tearfund to be a place where everyone feels welcome, respected, valued and treated fairly: where everyone feels they belong.

Our aim is to see everyone we work with flourishing, reaching their God-given potential and living life with dignity. We are committed to ensuring diversity and inclusion remain at the heart of Tearfund’s work, both internally and externally.

The Board has taken steps to seek a more diverse range of candidates as they recruit new trustees, taking into account race and ethnicity, gender, age, disability and also socio-economic background. This includes the recruitment of a trustee from the majority world to the Theology Committee, and another to the International Impact Committee, and there are plans to recruit a trustee who is a leader within a Black Majority Church in the UK.

As part of its commitment to having the right mix of knowledge, skills and experience in order to be effective, the Board will be undertaking an updated skills and diversity assessment. The purpose is to identify any gaps, so they can be addressed in succession planning. Further diversity and inclusion training will be conducted with the Board during the coming financial year.

Recognising that we have more to do across all areas of diversity and inclusion, the Board made the timely decision to establish a Diversity and Inclusion Committee for an initial period of two years. Its aim is to create greater accountability structures and demonstrate an ongoing commitment to ensuring Tearfund is a diverse and inclusive organisation. The Chair is working with the Head of Diversity and Inclusion and the Global Recruitment Manager to examine Board recruitment processes to ensure they are free from bias and also support the recruitment and selection of more diverse Board members.

The Board continues to support the operational diversity and inclusion work taking place across the organisation. The Diversity and Inclusion Committee will be working with operational teams to set and oversee recruitment targets during the next financial year as we seek to improve diversity in our workforce as part of our commitment to creating an inclusive culture at Tearfund.

A watershed moment
2020 was a pivotal year in recognising the continuing impact of racial injustice across the world. Racism causes broken relationships, and broken relationships keep people trapped in cycles of poverty.

As an organisation, we have stood in solidarity with Black people and other people of colour who continue to experience discrimination and oppression because of their race and ethnicity. These are some of the practical steps we have taken this year:

- We have encouraged our supporters to go on this journey of inclusion with us, publishing our anti-racism guide that contains Bible studies, reflections and tips for taking action, as well as a list of further resources.
- Our ‘Anti-racism statement’, posted on social media and emailed to supporters, outlined what we are doing, and will do, in order to be an actively anti-racist organisation, including making commitments relating to more diverse recruitment.
- We recognised the impact that George Floyd’s murder had on colleagues who are people of colour, as well as the impact of the reflections and debates that his death prompted. In response, we have curated spaces to support them, including listening circles, and offered them a day’s leave as an opportunity to process experiences and emotions stemming from racism they have encountered personally.

- We have initiated an organisation-wide programme of education around racial injustice. This has taken the form of a series of dialogue spaces and the establishment of a book club which continues to run throughout 2021.

Alongside this, we have continued to work across human resources, staff and leadership development, theology, communications, advocacy and programming, reviewing our policies and practices as we pursue diversity and inclusion for everyone.

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

Recruitment
Tearfund’s Recruitment and Equal Opportunities policies are reviewed regularly. They state that all candidates will be treated fairly, with dignity and respect.

- We take great care at all stages of the recruitment process to avoid unlawful discrimination and to ensure that equality of opportunity is an integral part of the process.
- Candidates disclose any disability at the application stage. However, to ensure full and fair consideration of their application, this information is only visible to the recruitment team and not to the line manager or other members of the interview panel. Recruiting managers and interview panel members will shortlist candidates based only on their aptitudes and abilities as demonstrated in the application form.
- The recruitment team ask all shortlisted candidates if they need any reasonable adjustments to be made for their interview, presentation and/or assessment (where applicable).
• Once an offer of employment is made, all successful candidates are required to have a medical assessment. Where appropriate, our occupational health provider makes recommendations for any reasonable adjustments that Tearfund then acts on.

**Employment**

Tearfund’s current Equal Opportunities Policy states that it applies to all aspects of employment with us, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

The policy says that if people are living with a disability we encourage them to tell us about their condition so that we can consider what reasonable adjustments or support may be appropriate.

Tearfund aims to ensure that people with disabilities are given equal opportunity to obtain employment. In doing so, we will fully consider making reasonable adjustments to working practices, equipment and premises to ensure that a person living with a disability is not put at a substantial disadvantage due to their disability. Should staff become disabled in the course of their employment, every effort will be made through reasonable adjustment, retraining or redeployment to enable them to remain in the employment.

If a staff member or a candidate feels that they have been unfairly discriminated against, they may raise a complaint under Tearfund’s Equal Opportunities Policy.
## Risk management framework

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

<table>
<thead>
<tr>
<th>Identified risk</th>
<th>Mitigation</th>
</tr>
</thead>
</table>
| **Christian distinctiveness:** actual or perceived loss of our core Christian identity or ways of working | • distinctively Christian guiding documents: Vision, Mission, Values, Characteristics, Theory of Poverty, and Statement of Faith  
• priority given to working through local church partners wherever possible  
• brand guidelines for fundraising and supporter communications  
• prayer, worship and devotions central to working practice  
• appointment process for trustees, key staff and other representatives includes exploration of Christian identity  
• Board Theology Committee |
| **Safety, security, health & wellbeing:** loss of life, health, safety or wellbeing of staff, volunteers or others under our duty of care | • policies and procedures for Safety and Security, and for Health, Safety and wellbeing  
• security training for all international staff and those who travel  
• country Safety and Security Plans  
• emergency Response and Crisis Response Plans documented and tested  
• pastoral and wellbeing care structures; ‘all staff’ communications highlighting wellbeing; awareness and resources  
• dedicated Safety and Security team, and regional safety and security advisers  
• Board and management committees review risks and mitigations |
| **Safeguarding:** abuse or other harm of a child or adult-at-risk | • policies on Safeguarding, Personal Conduct, and Whistleblowing: regularly reviewed and communicated  
• mandatory annual staff training on safeguarding and whistleblowing  
• independent reporting hotline publicised to staff, partners and communities  
• safeguarding manager and network of trained safeguarding focal points  
• minimum standards for partner safeguarding policies  
• Board Safeguarding Committee reviews all incidents and directs continuous improvement of policy and practice  
• introducing safeguarding risk assessments on all partner projects and all areas of Tearfund operations  
• safer recruitment practices, including background checks, references and interview questions |
| **Major programmes:** failure to deliver on key outcomes of a high-profile donor-funded project | • programme Funding and Support team  
• programme Design Approval process  
• monthly reviews by region of progress made on donor-grant spending  
• finance manager and grants officer roles in all country offices that receive donor funding  
• partner capacity assessments are used to identify suitable partners to receive donor funding |
| **Funding:** large unexpected shortfall in unrestricted income, or unexpected cost | • reserves policy and position reviewed regularly  
• annual budget set to maintain adequate reserves to cover key risks to income and costs  
• management accounts reviewed monthly by Executive team and Board officers, and quarterly by Board  
• availability of £6m credit facility |
<table>
<thead>
<tr>
<th>Identified risk</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact:</strong> not measuring or demonstrating impact in our work adequately</td>
<td>• Board International Impact Committee (see page 37)&lt;br&gt;• dedicated Impact and Effectiveness team, and regional/country office roles&lt;br&gt;• design, monitoring and evaluation system used for all projects and programmes&lt;br&gt;• corporate and country strategy processes used to align work and outcomes with corporate priorities and impact objectives&lt;br&gt;• annual business plan includes a section on impact and evidence&lt;br&gt;• corporate scorecard reviewed quarterly by Executive team and Board</td>
</tr>
<tr>
<td><strong>Sanctions and terrorism:</strong> our funds are used by a sanctioned party, or for the purposes of terrorism</td>
<td>• policy and procedure on Financial Sanctions, Anti-Money Laundering, and Anti-Terrorism&lt;br&gt;• enhanced due diligence procedures for high terror-risk countries&lt;br&gt;• partners are required to make their staff aware of risks of financing terrorism, and report incidents&lt;br&gt;• partner capacity assessments cover policies and training on countering terrorism</td>
</tr>
<tr>
<td><strong>IT security:</strong> inadequate cybersecurity and/or protection of personal data</td>
<td>• policies on Data Protection and Information Security&lt;br&gt;• mandatory annual staff training on data protection and cybersecurity&lt;br&gt;• real-time back-ups of all core systems held in secure off-site data centre, including cold storage of core databases&lt;br&gt;• Data protection officer appointed and trained</td>
</tr>
<tr>
<td><strong>Financial wrongdoing:</strong> corruption, fraud, bribery or conflict of interest involving our staff or partners</td>
<td>• policies on Fraud, Bribery, Corruption, and Conflicts of Interest&lt;br&gt;• mandatory annual staff training on fraud awareness, anti-bribery and corruption, conflicts of interest, and whistleblowing&lt;br&gt;• partner capacity assessments and plans for building up learning and knowledge cover policies and training on fraud and bribery, conflicts of interest, and whistleblowing&lt;br&gt;• Financial Wrongdoing Review team coordinates response to all incidents; Executive team and Board Audit, Risk and Finance Committee review all cases before closure&lt;br&gt;• monitoring of partner projects and financial reports, backed up by Tearfund audits</td>
</tr>
<tr>
<td><strong>Environmental impact:</strong> our activities have negative environmental impacts, insufficient resilience to environmental change, or fail to achieve changes to environmental policies and practices</td>
<td>• Environmental and Economic Sustainability (EES) a corporate priority, with associated objectives and dedicated roles across the organisation&lt;br&gt;• comprehensive new Environmental Policy, with dedicated project manager to support implementation&lt;br&gt;• Walk the Talk group to champion environmental conduct consistent with our public stances on environmental care and justice&lt;br&gt;• partner project proposal template includes aspects of environmental design and impact</td>
</tr>
</tbody>
</table>
Environmental performance report

The climate crisis is having a devastating impact around the world, causing ever more extreme and intense hazards.

We want to see people released from extreme poverty, and recognise that many are trapped because they live in places affected by environmental degradation and climate change.

Tackling climate change is therefore an essential part of our mission to see an end to extreme poverty. This is why Environmental and Economic Sustainability (EES) is one of our three corporate priorities – and why this year we’ve established projects that have a positive environmental impact in the areas of waste management, renewable energy and climate-smart agriculture. Integral to this focus is a commitment to improving our own environmental performance.

Our Environmental Policy commits us to reducing our greenhouse gas emissions across the following activities: transport, electricity, water, gas and paper. We have already taken many steps in recent years to improve our environmental performance and will continue to focus on ways we can make improvements across both our internal and external operations. This year, these steps have included:

- setting up an international group of environmental champions to improve environmental performance across our global operations
- making a new EES course compulsory for all new staff
- seeking to reduce our greenhouse gas emissions as much as possible and working towards absolute zero as technology and costs allow
- translating our Environmental Policy into French, Spanish and Portuguese

The past year has been a turbulent one. We have had to learn how to adapt to remote ways of working while maintaining business as usual. We have moved training, meetings, workshops and conferences online, some of which have come with logistical and connectivity challenges.

Emissions during this period have been significantly lower than previous years due to travel restrictions and office closures. The dramatic increase in homeworking globally means that some emissions such as electricity and gas have been relocated to employees’ homes. The pandemic has provided an opportunity to review our practices and reconsider some of our activities, especially those related to air travel. We have learnt to adapt to more digital ways of working and will continue with some of these practices into the future.

One of our main challenges continues to be tracking our emissions and environmental impact across all the countries where we work, due to the sheer complexity of the task and needing to have systems in place to make this possible. We remain encouraged, though, by our staff’s understanding and commitment to environmental matters.
Greenhouse gas emissions and energy use data for Tearfund UK

for the period of 1 April 2020 to 31 March 2021

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

We have followed the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (2019), and Government emission conversion factors for greenhouse gas company reporting (2020) to produce these figures relating to our carbon footprint in the UK:

<table>
<thead>
<tr>
<th>Energy consumption used to calculate emissions</th>
<th>kWh</th>
<th>kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td>60,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Electricity</td>
<td>292,000</td>
<td>358,000</td>
</tr>
<tr>
<td>Transport fuel</td>
<td>5,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Total</td>
<td>357,000</td>
<td>436,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emission sources</th>
<th>Tonnes of CO₂e</th>
<th>Tonnes of CO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combustion of gas (Scope 1)</td>
<td>11.0</td>
<td>17.3</td>
</tr>
<tr>
<td>Combustion of fuel for transport purposes (Scope 1)</td>
<td>0.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)</td>
<td>1.5</td>
<td>13.6</td>
</tr>
<tr>
<td>Purchased electricity (Scope 2 location-based)</td>
<td>72.4</td>
<td>99.3</td>
</tr>
<tr>
<td>Total gross based on above</td>
<td>85.0</td>
<td>131.3</td>
</tr>
</tbody>
</table>

Intensity ratio: tonnes of CO₂e per full-time equivalents

Energy efficiency action

Emissions during this period are lower than previous years due to the impact of the Covid-19 pandemic. Limited office access over this past year and travel restrictions have resulted in a decrease in office energy and fuel consumption. An error was identified in the gas calculation for 2019/20: it included both the net and gross CV (calorific value) amounts. This has now been amended to account for the gross CV amount only.
Board of Trustee Directors

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

Anna Laszlo1 (Chair)
Philip Loney (Deputy Chair and Trustee Director until September 2020)
Stephanie Biden (Deputy Chair from October 2020)
Antony Barnes (from February 2021)
Jayakumar Christian (from September 2020)
Ian Curtis
John Davidson (also member of Tearfund USA Board)
Stephanie Heald (until September 2020)
Sally Jones-Evans
Rev Mark Melluish (until September 2020)
Rt Rev Harold Miller
Jean Paul Ndagijimana (from March 2021)
Rosemary Nuamah Williams
Harry Phinda
John Shaw (Treasurer)
David Wesson

Committee members

Details up to 31 March 2021. The Board recruits individuals with specific expertise to sit on sub-committees of the Board:

Audit, Risk and Finance Committee
John Shaw (Chair)
Antony Barnes (from February 2021)
Anna Beck (from February 2021)
Stephanie Biden
Steve Foster
Robert Hardy (from February 2021)
Joseph Kariuki (from February 2021)
Philip Loney (until September 2020)
Gordon McKechnie
Rosie Slater-Carr (from February 2021)
Michael Stewart (until September 2020)
Mark Thompson (until September 2020)

Diversity and Inclusion Committee
This committee was formed on 7 June 2021 and all members joined on this date.
Anna Laszlo (Chair)
Stephanie Biden
Harry Phinda

Global Fundraising and Communications Committee
David Wesson (Chair)
Hilary Croft
John Davidson
Stephanie Heald (until September 2020)
Rev Mark Melluish (until September 2020)
Harry Phinda
Simon Poole

International Impact Committee
Sally Jones-Evans (Chair)
Joanna de Berry (from May 2020)
Ian Curtis
Fi McIlachlan
Jean Paul Ndagijimana (from March 2021)
Adam Taylor
Fletcher Tembo (from November 2020)
Rosemary Nuamah Williams

Safeguarding Committee
Stephanie Biden (Chair)
Ian Curtis
John Davidson
Rosemary Nuamah Williams (until September 2020)

Theology Committee
Jayakumar Christian (Chair from September 2020)
Stafford Carson
Rosalee Ewell
Jim Ingram
Rev Mark Melluish (until September 2020)
Rt Rev Harold Miller
Dr Elaine Storkey

Members of the Council

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

Mark Andrews
Robert Camp
Gary Carpenter
Steve Clifford

1 – Ex-officio on all Committees, except the Audit, Risk and Finance Committee.
Dr Elizabeth Corrie
Graham Fairbairn
Paul German
Richard Gough
Kim Hurst
Anne de Leyser
Rev Iain Macaulay (until October 2020)
Fiona Major
Deepak Mahtani (passed away April 2020)
Clive Mather
Gordon McKechnie
Philip McMillan
Julia Ogilvy
Rt Rev Anthony Poggo
Michael Stewart
Mark Thompson
Rev Dr Chris Wright

National Advisory Committee members

Northern Ireland
Phillip McMillan (Chair)
Paul Coulter
Denise Hayward
Susie McCollough

Scotland
Rev Iain Macaulay
(Chair until September 2020)
Carolyn Finlayson
(Acting Chair from September 2020)
Richard Atkinson
Jill Brown (until March 2021)
Jenny Honey
Rev David McCarthy
Fiona Morrison
Ellyn Oliver

Wales
Mark Andrews (Chair)
Rev Simeon Baker
Andy Bull

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

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

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

Independent auditors
BDO LLP
55 Baker Street, London W1U 7EU

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

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

Registered office
100 Church Road, Teddington TW11 8QE
Financial review

Income and expenditure
Tearfund's total income for 2020/21 was £81.4m (2019/20: £85.1m), a very encouraging result considering the pandemic caused the cancellation of all face-to-face fundraising events during the year. This is a tribute both to the agility of our fundraising teams who switched rapidly to online events and programmes (see pages 24–29) as well as to the generosity of our supporters. It is all the more striking when we remember that 2019/20 income included a very generous donation from an individual supporter. Income from institutional grants (£26.1m) and legacies (£5.5m) were broadly unchanged compared to 2019/20, while emergency appeals income (excluding DEC funds) increased from £2.0m to £4.3m, mainly as a result of the appeal to fund our emergency response to the impacts of Covid-19 across the world.

The consolidated results include the operations of Tearfund Trading Limited (TTL), which is a wholly-owned subsidiary of Tearfund. The income generated from TTL is from a variety of sources including Toilet Twinning products and Christmas card sales.

Total expenditure decreased by 8.7% to £77.8m (2019/20: £85.2m) due to the effects of global lockdowns on programming activities and the implementation of cost reductions to mitigate potential income impacts arising from the economic consequences of the pandemic. This resulted in net income for the year of £3.6m, of which £2.1m represents a surplus on unrestricted funds. This includes a surplus on the general fund of £5.7m (offset by expenditure against the designated Strategic Priorities fund and depreciation of fixed assets).

Grants
A large part of Tearfund's work to address poverty is undertaken through making grants to partner organisations. Grants are made in the context of agreed country strategies. Project proposals received from partner organisations are subject to a formal approval process that includes a technical assessment of the project and a review of the organisation's capacity and compliance policies.

An agreed monitoring process is undertaken during the life cycle of all projects. In addition, financial evaluations are carried out on all large projects and on a sample of smaller projects. Details of grants made to the top 50 partner organisations are on our website at www.tearfund.org/top50

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

The Board of Trustee Directors reviews the level of required general funds annually to ensure that an appropriate level is held. The review takes into account the main financial risks of our operating model and environment in respect of all income streams and categories of expenditure. The target range to cover these risks in addition to routine working capital is set at between £7.0m and £10.0m for 2021/22, a significant increase from the previous range of between £4.5m and £6.5m. The increase represents a deliberate strategy of strengthening our reserves as well as reflecting a more cautious approach to our organisational risk profile in light of the Covid-19 pandemic, particularly in relation to uncertainty around unrestricted income. Our reserves policy also includes a new provision, which we have not needed to use this year, that allows up to £3m of the value of the freehold office building (owned by Tearfund) to count towards the funding of reserves. This is considered appropriate, as Tearfund has access to additional liquidity by means of a £6m credit facility, secured against the building.

At the end of 2020/21 our general fund stands at £9.6m (2019/20: £3.9m), which is at the upper end of the target range. This is a stronger than expected position, attributable to the robustness of our unrestricted income streams and cost savings achieved during 2020/21, together with high donations and legacy income during the last quarter of the financial year. It will enable us to direct additional investment in 2021/22 towards our priority areas of Church and Community Transformation, Environmental and Economic Sustainability, and Fragile States, as well as responding to the global impacts of the pandemic and to other emergencies, such as the wide-ranging consequences of the volcanic eruption in the Democratic Republic of Congo.

The going concern note on page 60 gives further details.

Designated funds
Designated funds are part of the unrestricted funds which the Trustee Directors have earmarked for a particular use, without restricting or committing the funds legally. The Fixed Asset Fund represents the net book value of Tearfund’s fixed assets, including the purchase of Toilet Twinning, to indicate that these resources are not available for other purposes. At the end of the year, the Fixed Asset Fund stood at £1.6m (2019/20: £2.5m).

The Overseas Assets Fund at the end of the year showed a positive balance of £0.1m (2019/20: deficit of £0.1m). This fund is used for the replacement of vehicles in our overseas locations and for the provision of renewable energy solutions in disaster responses.

The Strategic Priorities Fund enables Tearfund to run a series of projects over three years in 12 countries focusing on environmental and economic sustainability (including waste and renewable energy projects), together with investment in improved information systems and in leadership and management development and training. The balance remaining on this fund at the end of the year is £5.5m (2019/20: £8.5m).
Restricted funds
Restricted funds are funds subject to specific conditions imposed by donors. The year-end balances represent income which has been recorded but where the related expenditure has not yet been incurred. The majority of these funds are either institutional awards, or funds generated during emergencies or as a result of other specific appeals. In many cases these appeals generate income over a short timeframe which is then planned to be spent over a period of up to three years in line with the purpose of the appeal. At the end of the year, total restricted funds had increased to £12.8m (2019/20: £11.3m). For each fund, Tearfund’s assets are available and adequate to fulfil its obligations.

Financial risk management
Over the past year we identified a key financial risk as the anticipated impacts on Tearfund income arising from the economic consequences of the pandemic. We mitigated this risk through the support and generosity of major donors, weekly tracking of income and enhanced cost control measures.

Receivables relate mainly to major governmental and institutional donors. The associated credit risk is considered to be low, as is the risk of disallowances arising from donor audits. This is borne out by recent experience. Cash flow and liquidity risks are minimised by a conservative investment policy and by a £6m credit facility, which is in place but unused to date. Appropriate action is taken to mitigate foreign exchange risk. Tearfund does not enter into foreign exchange contracts for speculative reasons.

Investment policy and performance
Tearfund’s investment policy is reviewed annually by the Audit, Risk and Finance Committee. Our objective is to maintain high liquidity while ensuring maximum security. To achieve this, Tearfund invests with institutions with a high security rating in fixed-term or call deposits. During the year Tearfund’s sterling deposits achieved an average rate of interest of 0.37% (2019/20: 0.81%) compared with an average bank base rate for the same period of 0.10% (2019/20: 0.72%).
Rani Sara Rana cooks rice on her fuel efficient stove in a village near Nawalparasi, Nepal

Photo: Chris Hostins/Tearfund
Trustee Directors’ responsibilities

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

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

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

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

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

Disclosure of information to auditors

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

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

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

Trustee Directors’ Report approved by the Board and signed on its behalf by:

Anna Laszlo
Chair
14 July 2021
Independent auditor’s report to the trustees and members of Tearfund

Opinion on the financial statements
In our opinion, the financial statements:
• give a true and fair view of the state of the Group’s and of the Parent Charitable Company’s affairs as at 31 March 2021 and of the Group’s incoming resources and application of resources for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of Tearfund (“the Parent Charitable Company”) and its subsidiaries (“the Group”) for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated statement of financial position, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Other information
The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report & Accounts, other than the financial statements and our auditor’s report thereon. The other information comprises: Sharing the bread of life, Chair’s Introduction, CEO’s introduction and the Trustee Directors’ Report (incorporating the Strategic Report). Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting
In our opinion, based on the work undertaken in the course of the audit:
• the information given in the Trustees’ Report, which includes the Directors’ Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the Strategic report and the Directors’ Report, which are included in the Trustees’ Report, have been prepared in accordance with applicable legal requirements.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;
• proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
• the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of Directors’ remuneration specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

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

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

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

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

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

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

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group’s own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group’s compliance with laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation.

We considered financial performance, key performance indicators and health and safety legislation. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations, grants and legacy revenue recognition, supplier and overseas grant payments.

Our tests included:

• agreeing the financial statement disclosures complied with applicable legislation
• enquiries of the Audit and Risk Committee, management and internal audit, review of minutes of meetings of those charged with governance
• testing controls over institutional and grant income including agreeing recognition to signed contracts and grant agreements to ensure conditions have been met
• reviewing a sample of gift aid claims and ensuring these have been made in accordance with the regulations
• audit testing a sample of overseas expenditure and grant awards, ensuring these have been made in accordance authority limits, agreements and internal control procedures
• challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual
• enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements
• review of Serious Incident Reports submitted to the Charity Commission and performing an assessment of any Whistleblowing matters
• vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 March 2021; and
Independent auditor’s report

• performing audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

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

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

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor’s report.

Use of our report

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

Jill Halford
(Senior Statutory Auditor) For and on behalf of BDO LLP, statutory auditor
London, UK
21 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).
### Consolidated Statements of Financial Activities

(incorporating an income and expenditure account)

Year ended 31 March 2021

<table>
<thead>
<tr>
<th>Income from:</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>2021 Total funds £'000</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>2020 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations and legacies</td>
<td>33,242</td>
<td>47,174</td>
<td>80,416</td>
<td>38,091</td>
<td>45,525</td>
<td>83,616</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>836</td>
<td>1</td>
<td>837</td>
<td>1,122</td>
<td>69</td>
<td>1,191</td>
</tr>
<tr>
<td>Other trading activities</td>
<td>15</td>
<td>39</td>
<td>54</td>
<td>27</td>
<td>78</td>
<td>105</td>
</tr>
<tr>
<td>Investment income</td>
<td>60</td>
<td>-</td>
<td>60</td>
<td>100</td>
<td>45</td>
<td>145</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>34,153</strong></td>
<td><strong>47,214</strong></td>
<td><strong>81,367</strong></td>
<td><strong>39,340</strong></td>
<td><strong>45,717</strong></td>
<td><strong>85,057</strong></td>
</tr>
</tbody>
</table>

| Expenditure on:                  |                          |                        |                        |                          |                        |                        |
| Raising funds                    | 10,399                   | 819                    | 11,218                 | 11,197                   | 982                    | 12,179                 |
| Charitable activities            | 21,763                   | 44,775                 | 66,538                 | 24,508                   | 48,523                 | 73,031                 |
| **Total expenditure**            | **32,162**               | **45,594**             | **77,756**             | **35,705**               | **49,505**             | **85,210**             |

| Net income/(expenditure) for the year |                          |                        |                        |                          |                        |                        |
| Transfer between funds           | 132                      | (132)                  | -                      | -                        | -                      | -                      |
| Net movement in funds            | 2,123                    | 1,488                  | 3,611                  | 3,635                    | (3,788)                | (153)                  |

| Reconciliation of funds:         |                          |                        |                        |                          |                        |                        |
| Total funds brought forward at 1 April | 14b                      |                        |                        |                          |                        |                        |
|                                 | 14,714                   | 11,344                 | 26,058                 | 11,079                   | 15,132                 | 26,211                 |

| Total funds carried forward at 31 March | 14a                      |                          |                        |                          |                        |                        |
|                                      | 16,837                   | 12,832                  | 29,669                 | 14,714                   | 11,344                 | 26,058                 |

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations. There is no material difference between the net expenditure for the financial year stated above and its historical cost equivalent. The turnover of the company for the year was £81,313,000 (2019/20: £84,952,000). The net result of the company for the year was a surplus of £3,611,000 (2019/20: deficit of £153,000). There is no material difference between the entity and the group Statement of Financial Activities.
## Balance sheets
As at 31 March 2021

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>2021 £'000</th>
<th>2020 £'000</th>
<th>2021 £'000</th>
<th>2020 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>9</td>
<td>1,583</td>
<td>2,459</td>
<td>1,583</td>
<td>2,459</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>9</td>
<td>-</td>
<td>18</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>10</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td>1,583</td>
<td>2,477</td>
<td>1,588</td>
<td>2,482</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>11</td>
<td>882</td>
<td>1,280</td>
<td>871</td>
<td>1,267</td>
</tr>
<tr>
<td>Debtors</td>
<td>12</td>
<td>8,960</td>
<td>10,091</td>
<td>8,977</td>
<td>10,141</td>
</tr>
<tr>
<td>Short-term deposits</td>
<td></td>
<td>14,460</td>
<td>11,780</td>
<td>14,460</td>
<td>11,780</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>7,695</td>
<td>5,850</td>
<td>7,674</td>
<td>5,826</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>31,997</td>
<td>29,001</td>
<td>31,982</td>
<td>29,014</td>
</tr>
<tr>
<td><strong>Creditors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>13</td>
<td>(3,911)</td>
<td>(5,420)</td>
<td>(3,901)</td>
<td>(5,429)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>28,086</td>
<td>23,581</td>
<td>28,081</td>
<td>23,585</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>29,669</td>
<td>26,058</td>
<td>29,669</td>
<td>26,067</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>14a</td>
<td>9,626</td>
<td>3,896</td>
<td>9,626</td>
<td>3,905</td>
</tr>
<tr>
<td>Designated funds</td>
<td>14a</td>
<td>7,211</td>
<td>10,818</td>
<td>7,211</td>
<td>10,818</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td></td>
<td>16,837</td>
<td>14,714</td>
<td>16,837</td>
<td>14,723</td>
</tr>
</tbody>
</table>

The financial statements on pages 57 to 76 were approved by the Board of Directors on 14 July 2021 and signed on its behalf by:

Anna Laszlo,  
Chair of the Board

John Shaw,  
Treasurer
### Consolidated cash flow statement

**Year ended 31 March 2021**

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash provided by operating activities (see below)</strong></td>
<td>4,700</td>
<td>2,273</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income receivable</td>
<td>60</td>
<td>145</td>
</tr>
<tr>
<td>Purchase of property, plant, equipment and intangibles</td>
<td>(139)</td>
<td>(384)</td>
</tr>
<tr>
<td>Proceeds from the sale of property, plant and equipment</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(79)</td>
<td>(231)</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents in the reporting period</strong></td>
<td>4,621</td>
<td>2,042</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the reporting period</td>
<td>17,434</td>
<td>15,392</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the reporting period</strong></td>
<td>22,055</td>
<td>17,434</td>
</tr>
<tr>
<td><strong>Reconciliation of net income/(expenditure) to net cash flow from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income/(expenditure) for the reporting period  (as per the statement of financial activities)</td>
<td>3,611</td>
<td>(153)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation charges</td>
<td>1,033</td>
<td>1,387</td>
</tr>
<tr>
<td>Investment income receivable</td>
<td>(60)</td>
<td>(145)</td>
</tr>
<tr>
<td>(Profit)/Loss on sale of tangible fixed assets</td>
<td>-</td>
<td>(7)</td>
</tr>
<tr>
<td>Decrease/(increase) in stocks</td>
<td>398</td>
<td>(1,227)</td>
</tr>
<tr>
<td>Decrease in debtors</td>
<td>1,131</td>
<td>2,479</td>
</tr>
<tr>
<td>(Decrease) in creditors</td>
<td>(1,613)</td>
<td>(61)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>4,700</td>
<td>2,273</td>
</tr>
<tr>
<td><strong>Analysis of changes in net funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 April 2020 - Cashflows</td>
<td>17,434</td>
<td>4,621</td>
</tr>
<tr>
<td>31 March 2021 - Cashflows</td>
<td>22,055</td>
<td></td>
</tr>
</tbody>
</table>
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 adopted 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 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; include the accrual of legacy income; involve such 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-ended there were 34 members (2019/20: 34) 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 which, when unrestricted, are funds available for use at the discretion of the Board of Trustee Directors in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Board from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. At the year-end any fund deficits are maintained only when the Trustee Directors are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in note 14.

Going concern
During 2020/21 Tearfund’s operations were conducted in line with a revised budget which was approved by the Board in May 2020 following the start of the Covid-19 pandemic and in anticipation of its expected financial consequences. This budget included significant cost reductions to mitigate the potential impacts of a decrease in many of our main income streams. In August 2020 we put in place a two-year £6m credit facility, secured against our Teddyton building, to protect against any short-term liquidity issues. Furthermore, the annual review of reserves policy took into account the heightened economic uncertainty by increasing the target range for the general fund to £7m–£10m (previously £4.5m–£6.5m). All these measures combined to ensure that Tearfund is well-positioned to continue its business-critical activities and remain a going concern.

Key points in assessing Tearfund’s going concern status are as follows:

- worst case scenarios for 2020/21 income, developed at the beginning of the pandemic, did not materialise; indeed, unrestricted donations outperformed even our pre-pandemic projections. While recognising that there is still great economic uncertainty and that the future global course of the pandemic remains unpredictable, we have once again experienced both the loyalty of our supporters and the ability of our fundraising teams to adapt to fast-changing situations
- we are working to a 2021/22 budget and three-year plan which still builds in caution about future income levels. In the light of the strong 2020/21 performance, the Board has approved increased income targets for 2021/22 and accordingly has asked management to develop plans for additional expenditure in areas of strategic importance
- the general fund balance at the end of 2020/21 was £9.6m, at the upper end of the target range. Our plans for 2021/22 unrestricted expenditure are designed to arrive at a year-end balance in the lower half of the target range, representing between two and three months of total unrestricted expenditure, which we believe to be an appropriate level to avoid unacceptable diversion of funds away from the communities we work with
- we have not needed to use the credit facility and prior to its end date in August 2022 we will consider whether there is a need for this to be renewed.

In support of the going concern assessment, we have prepared cash flow forecasts for the next twelve months which are based on the approved 2021/22 budget and three-year plan. We have run stress tests on the forecasts which in the worst case scenario show that unrestricted cash, together with drawing on the £6m of credit facility, would be exhausted by a sustained fall of 45% or more in unrestricted donations. The Board does not consider such a fall in income to be plausible.

Having considered these matters, the Trustee Directors do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

Income
All income, including donations, legacies and investment income, is recognised in the SOFA when the Charity can demonstrate entitlement to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:
Legacies
Legacies are recognised when they are measurable, probate has been granted and entitlement is clear. No value is included where the legacy is contentious or is subject to a life interest held by another party. 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 at donors’ valuation or market value when received. Expenditure is recognised when gifts in kind are distributed.

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

The following specific policies apply to categories of expenditure:

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

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

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

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

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

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

- Fixtures, fittings and equipment: 3–5 years
- Motor vehicles: 3–4 years

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Note</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>2021 Total funds £'000</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>2020 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25,199</td>
<td>10,435</td>
<td>35,634</td>
<td>30,167</td>
<td>9,262</td>
<td>39,429</td>
</tr>
<tr>
<td>Individuals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Churches</td>
<td>1,170</td>
<td>1,413</td>
<td>2,583</td>
<td>1,560</td>
<td>1,547</td>
<td>3,107</td>
</tr>
<tr>
<td>Trusts, companies and schools</td>
<td>1,150</td>
<td>4,048</td>
<td>5,198</td>
<td>844</td>
<td>4,328</td>
<td>5,172</td>
</tr>
<tr>
<td>Legacies</td>
<td>5,306</td>
<td>151</td>
<td>5,457</td>
<td>5,520</td>
<td>130</td>
<td>5,650</td>
</tr>
<tr>
<td>Grants</td>
<td>2b</td>
<td>417</td>
<td>25,683</td>
<td>26,100</td>
<td>-</td>
<td>26,167</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>33,242</td>
<td>41,730</td>
<td>74,972</td>
<td>38,091</td>
<td>41,684</td>
<td>79,775</td>
</tr>
</tbody>
</table>

Appeals and emergencies:

<table>
<thead>
<tr>
<th>Note</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>2021 Total funds £'000</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>2020 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>3,798</td>
<td>3,798</td>
<td>-</td>
<td>1,180</td>
<td>1,180</td>
</tr>
<tr>
<td>Individuals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Churches</td>
<td>-</td>
<td>311</td>
<td>311</td>
<td>-</td>
<td>506</td>
<td>506</td>
</tr>
<tr>
<td>Trusts, companies and schools</td>
<td>-</td>
<td>147</td>
<td>147</td>
<td>-</td>
<td>329</td>
<td>329</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>4,256</td>
<td>4,256</td>
<td>-</td>
<td>2,015</td>
<td>2,015</td>
</tr>
<tr>
<td>Via Disasters Emergency Committee</td>
<td>-</td>
<td>1,188</td>
<td>1,188</td>
<td>-</td>
<td>1,826</td>
<td>1,826</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>5,444</td>
<td>5,444</td>
<td>-</td>
<td>3,841</td>
<td>3,841</td>
</tr>
<tr>
<td>Total donations and legacies</td>
<td>33,242</td>
<td>47,174</td>
<td>80,416</td>
<td>38,091</td>
<td>45,525</td>
<td>83,616</td>
</tr>
</tbody>
</table>

Gifts in kind of £36,200 (2019/20: £5,200) of pro-bono legal work, which is included in support cost expenditure, is included above in ‘Trusts, companies and schools’ income.
### Notes to the financial statements

#### 31 March 2021

#### 2b. GRANTS INCOME

<table>
<thead>
<tr>
<th></th>
<th>2021 £’000</th>
<th>2020 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Government</td>
<td>11,405</td>
<td>12,581</td>
</tr>
<tr>
<td>United Kingdom Government</td>
<td>3,612</td>
<td>2,083</td>
</tr>
<tr>
<td>United Nations</td>
<td>3,015</td>
<td>5,289</td>
</tr>
<tr>
<td>Dutch Government</td>
<td>2,833</td>
<td>2,795</td>
</tr>
<tr>
<td>Danish Government</td>
<td>838</td>
<td>-</td>
</tr>
<tr>
<td>Canadian Foodgrains Bank</td>
<td>776</td>
<td>1,073</td>
</tr>
<tr>
<td>Scottish Government</td>
<td>513</td>
<td>441</td>
</tr>
<tr>
<td>Norwegian Government</td>
<td>404</td>
<td>-</td>
</tr>
<tr>
<td>New Zealand Government</td>
<td>105</td>
<td>127</td>
</tr>
<tr>
<td>States of Guernsey</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>Belgian Government</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>States of Jersey</td>
<td>-</td>
<td>142</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>(49)</td>
</tr>
<tr>
<td>Irish Government</td>
<td>-</td>
<td>(2)</td>
</tr>
<tr>
<td>European Union</td>
<td>(2)</td>
<td>526</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,554</td>
<td>25,046</td>
</tr>
<tr>
<td>Tear Netherlands (includes funding from the Evangelical Broadcasting Co.)</td>
<td>2,300</td>
<td>1,292</td>
</tr>
<tr>
<td>Integral/Other NGOs</td>
<td>246</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26,100</strong></td>
<td><strong>26,417</strong></td>
</tr>
</tbody>
</table>

Included within the above grants income are gifts in kind of £1,023,000 (2019/20: £1,753,000) which are also included in expenditure and stock. The whole amount for both years is restricted income. They consist mainly of water and sanitation products; food aid; latrines; and seeds and tools for planting.

Included within grants income from the United Kingdom government is £417,000 unrestricted income related to the furlough scheme.

#### 3. CHARITABLE ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds £’000</th>
<th>Restricted funds £’000</th>
<th>2021 Total funds £’000</th>
<th>2020 Total funds £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract income from DFID contributed to the following programmes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SWIFT (water, sanitation and hygiene in the Democratic Republic of Congo)</td>
<td>800</td>
<td>-</td>
<td>800</td>
<td>675</td>
</tr>
<tr>
<td><strong>Total contract income</strong></td>
<td>800</td>
<td>-</td>
<td>800</td>
<td>675</td>
</tr>
<tr>
<td>Other income from charitable activities</td>
<td>36</td>
<td>1</td>
<td>37</td>
<td>516</td>
</tr>
<tr>
<td><strong>Total income from charitable activities</strong></td>
<td>836</td>
<td>1</td>
<td>837</td>
<td>1,191</td>
</tr>
</tbody>
</table>

The 2019/20 income of £1,191,000 was unrestricted, save for £69,000 of restricted income included in ‘Other income from charitable activities’.
### Notes to the financial statements
31 March 2021

#### 4. TOTAL RESOURCES EXPENDED

<table>
<thead>
<tr>
<th></th>
<th>Grants £'000</th>
<th>Direct costs £'000</th>
<th>Support costs £'000</th>
<th>2021 Total costs £'000</th>
<th>2020 Total costs £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Restricted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of generating funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of fundraising</td>
<td>-</td>
<td>788</td>
<td>4</td>
<td>792</td>
<td>956</td>
</tr>
<tr>
<td>Fundraising trading</td>
<td>-</td>
<td>27</td>
<td>-</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>815</td>
<td>4</td>
<td>819</td>
<td>982</td>
</tr>
<tr>
<td><strong>Charitable activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Churches mobilised</td>
<td>1,735</td>
<td>2,159</td>
<td>2</td>
<td>3,896</td>
<td>4,125</td>
</tr>
<tr>
<td>Communities transformed</td>
<td>4,595</td>
<td>9,595</td>
<td>4</td>
<td>14,194</td>
<td>11,795</td>
</tr>
<tr>
<td>Society changed</td>
<td>1,075</td>
<td>1,836</td>
<td>2</td>
<td>2,913</td>
<td>3,290</td>
</tr>
<tr>
<td>Emergency needs met</td>
<td>6,803</td>
<td>16,964</td>
<td>5</td>
<td>23,772</td>
<td>29,313</td>
</tr>
<tr>
<td></td>
<td>14,208</td>
<td>30,554</td>
<td>13</td>
<td>44,775</td>
<td>48,523</td>
</tr>
<tr>
<td><strong>Total restricted</strong></td>
<td>14,208</td>
<td>31,369</td>
<td>17</td>
<td>45,594</td>
<td>49,505</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>18,791</td>
<td>50,129</td>
<td>8,836</td>
<td>77,756</td>
<td>85,210</td>
</tr>
</tbody>
</table>

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 EXPENDITURE CONTINUED

<table>
<thead>
<tr>
<th>Grants to partner organisations by geographical region:</th>
<th>2021 £’000</th>
<th>2020 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>10,325</td>
<td>10,067</td>
</tr>
<tr>
<td>Asia</td>
<td>3,575</td>
<td>3,342</td>
</tr>
<tr>
<td>Eurasia</td>
<td>2,940</td>
<td>2,761</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>1,388</td>
<td>1,037</td>
</tr>
<tr>
<td><strong>Total grants to partner organisations</strong></td>
<td><strong>18,228</strong></td>
<td><strong>17,207</strong></td>
</tr>
<tr>
<td>Assistance in establishing Tearfund USA</td>
<td>563</td>
<td>666</td>
</tr>
<tr>
<td><strong>Total grants</strong></td>
<td><strong>18,791</strong></td>
<td><strong>17,873</strong></td>
</tr>
</tbody>
</table>

Grant management costs were £1,772,000 (2019/20: £2,668,000).

The top 15 countries and regions where grants were made:

<table>
<thead>
<tr>
<th>Country</th>
<th>2021 £’000</th>
<th>2020 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>1,301</td>
<td>992</td>
</tr>
<tr>
<td>Democratic Republic of Congo</td>
<td>1,198</td>
<td>937</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1,076</td>
<td>1,158</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>977</td>
<td>830</td>
</tr>
<tr>
<td>Yemen</td>
<td>963</td>
<td>589</td>
</tr>
<tr>
<td>Rwanda</td>
<td>845</td>
<td>549</td>
</tr>
<tr>
<td>South Sudan</td>
<td>814</td>
<td>885</td>
</tr>
<tr>
<td>India</td>
<td>682</td>
<td>689</td>
</tr>
<tr>
<td>Burundi</td>
<td>672</td>
<td>593</td>
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<td>Afghanistan</td>
<td>585</td>
<td>318</td>
</tr>
<tr>
<td>Malawi</td>
<td>577</td>
<td>1322</td>
</tr>
<tr>
<td>Indonesia</td>
<td>557</td>
<td>532</td>
</tr>
<tr>
<td>Mali</td>
<td>523</td>
<td>360</td>
</tr>
<tr>
<td>Lebanon</td>
<td>502</td>
<td>165</td>
</tr>
<tr>
<td>Nepal</td>
<td>498</td>
<td>350</td>
</tr>
</tbody>
</table>

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

Support costs and the basis of their allocation are as follows:

<table>
<thead>
<tr>
<th>Support costs and the basis of allocation to activities</th>
<th>Principal basis of allocation to activities</th>
<th>2021 £’000</th>
<th>2020 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>General management, risk and compliance</td>
<td>Headcount and expenditure</td>
<td>439</td>
<td>315</td>
</tr>
<tr>
<td>Financial management</td>
<td>Headcount and expenditure</td>
<td>1,687</td>
<td>1,445</td>
</tr>
<tr>
<td>Human resources</td>
<td>Headcount</td>
<td>1,985</td>
<td>2,342</td>
</tr>
<tr>
<td>Strategy and impact</td>
<td>Expenditure</td>
<td>213</td>
<td>239</td>
</tr>
<tr>
<td>Information systems</td>
<td>Headcount and expenditure</td>
<td>3,017</td>
<td>3,657</td>
</tr>
<tr>
<td>Premises and facilities</td>
<td>Headcount</td>
<td>1,355</td>
<td>1,647</td>
</tr>
<tr>
<td>Governance</td>
<td>Headcount and expenditure</td>
<td>340</td>
<td>443</td>
</tr>
</tbody>
</table>

The 2020 amount for General management, risk and compliance includes £105,000 which was disclosed last year as part of Financial management.
Notes to the financial statements
31 March 2021

5. SUBSIDIARY

Tearfund has a wholly-owned trading subsidiary, Tearfund Trading Limited, which is registered in England and Wales, company registration number 03779450. The registered address is 100 Church Road, Teddington TW11 8QE. The company undertakes various trading activities to raise funds for Tearfund and all its taxable profits are treated as qualifying distribution to Tearfund under Deed of Covenant. Its results and assets for the year ended 31 March 2021 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021 £'000</th>
<th>2020 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total incoming resources</td>
<td>54</td>
<td>105</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>(37)</td>
<td>(62)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>17</td>
<td>43</td>
</tr>
<tr>
<td>Qualifying distribution</td>
<td>(17)</td>
<td>(52)</td>
</tr>
<tr>
<td>Retained profit/(loss) for the year</td>
<td>- (9)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021 £'000</th>
<th>2020 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>32</td>
<td>58</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(27)</td>
<td>(62)</td>
</tr>
<tr>
<td>Funds</td>
<td>5</td>
<td>(4)</td>
</tr>
</tbody>
</table>

In 2020/21, £12,000 (2019/20: £52,000) of profits were restricted and £5,000 were unrestricted (2019/20: unrestricted loss of £9,000).

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

Net (incoming)/outgoing resources for the year are stated after charging the following:

<table>
<thead>
<tr>
<th></th>
<th>2021 £'000</th>
<th>2020 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of tangible fixed assets</td>
<td>1,015</td>
<td>1,140</td>
</tr>
<tr>
<td>Depreciation of intangible fixed assets</td>
<td>18</td>
<td>163</td>
</tr>
<tr>
<td>Permanent diminution of intangible fixed assets</td>
<td>-</td>
<td>84</td>
</tr>
<tr>
<td>Auditors’ remuneration: 2021 audit – Tearfund</td>
<td>62</td>
<td>–</td>
</tr>
<tr>
<td>Auditors’ remuneration: 2020 audit – Tearfund</td>
<td>5</td>
<td>54</td>
</tr>
<tr>
<td>Other assurance services – Tearfund</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Auditors’ remuneration: audit – Tearfund Trading</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>(Profit) on sale of tangible fixed assets</td>
<td>- (38)</td>
<td></td>
</tr>
<tr>
<td>Operating leases: land and buildings – unrestricted</td>
<td>60</td>
<td>56</td>
</tr>
<tr>
<td>Operating leases: land and buildings – restricted</td>
<td>1,008</td>
<td>1,056</td>
</tr>
</tbody>
</table>

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

7. EMPLOYEES AND TRUSTEES

To reflect the requirements of the charities SORP, changes to this note have been made in respect of the disclosure of average number of persons employed rather than average full-time equivalent persons; and a review of the disclosure of employee benefits has led to adjustments in the reporting of the prior year costs of overseas employees.

<table>
<thead>
<tr>
<th>Employee costs</th>
<th>2021 UK £'000</th>
<th>2021 Overseas £'000</th>
<th>2021 Total £'000</th>
<th>2020 UK £'000</th>
<th>2020 Overseas £'000</th>
<th>2020 Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>16,310</td>
<td>12,702</td>
<td>29,012</td>
<td>16,292</td>
<td>12,462</td>
<td>28,754</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>33</td>
<td>516</td>
<td>549</td>
<td>42</td>
<td>421</td>
<td>463</td>
</tr>
<tr>
<td>Social security costs</td>
<td>1,581</td>
<td>64</td>
<td>1,645</td>
<td>1,662</td>
<td>55</td>
<td>1,717</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>1,348</td>
<td>185</td>
<td>1,533</td>
<td>1,688</td>
<td>213</td>
<td>1,901</td>
</tr>
</tbody>
</table>

|                       |               |                     |                  |               |                     |                  |
|                       | 19,272        | 13,667              | 32,739           | 19,684        | 13,151              | 32,835           |
7. EMPLOYEES AND TRUSTEES CONTINUED

Included in the above employee costs are redundancy and severance costs of £248,000 (2019/20: £296,000). Redundancy costs are provided for when the decision has been made and the employees have been informed, and the amounts could be calculated with a reasonable accuracy and the settlement is probable in the next financial year.

### Average number of persons employed during the year

<table>
<thead>
<tr>
<th></th>
<th>2021 Number</th>
<th>2020 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK-contracted employees based:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In the UK</td>
<td>461</td>
<td>484</td>
</tr>
<tr>
<td>Overseas</td>
<td>111</td>
<td>128</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>572</strong></td>
<td><strong>612</strong></td>
</tr>
<tr>
<td>Staff based overseas on local contracts</td>
<td>665</td>
<td>661</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,237</strong></td>
<td><strong>1,273</strong></td>
</tr>
</tbody>
</table>

UK staff includes those personnel based at Tearfund’s main UK office in Teddington together with those based in Scotland, Northern Ireland and Wales. Overseas staff on UK contracts includes UK nationals working overseas as well as non-UK nationals employed to work in various countries around the world. Staff based overseas on local contracts are employed mainly on projects funded by institutions. All staff were employed across the range of activities detailed on the SOFA. No employees are employed directly by Tearfund Trading Limited.

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

<table>
<thead>
<tr>
<th>Emoluments range</th>
<th>2021 Number</th>
<th>2020 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,001 – £70,000</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>£70,001 – £80,000</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>£80,001 – £90,000</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>£90,001 – £100,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>£100,001 – £110,000</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>£120,001 – £130,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>£140,001 – £150,000</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

The two highest paid individuals in the 2021 numbers above are members of staff who work in our international programmes. Their emoluments include accommodation, school fees, medical and other benefits, which allow us to be appropriately competitive in recruiting and retaining staff in the international Non-Governmental Organisation market.

Pension payments of £130,000 (2019/20: £136,000) were made for these twenty three (2019/20: twenty four) higher-paid employees. The total emoluments received by the chief executive in the year was £90,000 (2019/20: £90,000). In 2020/21 the senior executives of the organisation earned a total of £650,000 (2019/20: £653,000) including national insurance and pensions.

**Trustees**

Trustee Directors and other committee members are not employees and received no remuneration for their services. During the year, two directors/committee members were reimbursed or had costs paid for by Tearfund for a total of £534 for UK travel and subsistence expenses (2019/20: nine for £6,748). No directors/committee members had overseas travel paid for by Tearfund (2019/20: one for £2,447).

Indemnity insurance is provided for the directors at a cost of £10,640 (2019/20: £6,496).

**Pensions**

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

Included within creditors falling due within one year is £249,000 (2019/20: £224,000) in respect of pension contributions due to be paid to the fund managers.
Notes to the financial statements
31 March 2021

8. TAXATION

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

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th>Tearfund and Tearfund Group</th>
<th>Freehold land and buildings £’000</th>
<th>Fixtures, fittings and equipment £’000</th>
<th>Motor vehicles £’000</th>
<th>Total Tangible £’000</th>
<th>Total Intangible £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>At 1 April 2020</td>
<td>2,688</td>
<td>6,229</td>
<td>109</td>
<td>9,026</td>
</tr>
<tr>
<td></td>
<td>Additions</td>
<td>-</td>
<td>139</td>
<td>-</td>
<td>139</td>
</tr>
<tr>
<td></td>
<td>Disposals</td>
<td>-</td>
<td>(63)</td>
<td>-</td>
<td>(63)</td>
</tr>
<tr>
<td></td>
<td>At 31 March 2021</td>
<td>2,688</td>
<td>6,305</td>
<td>109</td>
<td>9,102</td>
</tr>
</tbody>
</table>

Accumulated depreciation

| At 1 April 2020 | 1,764 | 4,745 | 58 | 6,567 | 1,207 |                   |
| Charge for the year | 76 | 921 | 18 | 1,015 | 18 |                   |
| Disposals | - | (63) | - | (63) | - |                   |
| At 31 March 2021 | 1,840 | 5,603 | 76 | 7,519 | 1,225 |                   |

Net book value

| At 31 March 2021 | 848 | 702 | 33 | 1,583 | - |                   |
| At 31 March 2020 | 924 | 1,484 | 51 | 2,459 | 18 |                   |

The book value of freehold land not depreciated is £200,000 (2019/20: £200,000). Tearfund’s offices in Teddington have a book value of £848,000 (2019/20: £924,000) and are insured at a value of £10,000,000 (2019/20: £10,000,000).

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

10. LONG-TERM INVESTMENTS

<table>
<thead>
<tr>
<th>Tearfund Group</th>
<th>Tearfund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 £’000</td>
</tr>
<tr>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

Unquoted investment in subsidiary

At 31 March 2021, Tearfund had one wholly-owned subsidiary which is registered in England and Wales.

<table>
<thead>
<tr>
<th>Organisation name</th>
<th>Class of share of capital held</th>
<th>Nature of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tearfund Trading Limited</td>
<td>Ordinary</td>
<td>Raising funds through trading activities</td>
</tr>
</tbody>
</table>
# Notes to the financial statements

## 31 March 2021

## 11. STOCKS

<table>
<thead>
<tr>
<th></th>
<th>Tearfund Group</th>
<th>Tearfund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 £'000</td>
<td>2020 £'000</td>
</tr>
<tr>
<td>Goods held for distribution to communities</td>
<td>860</td>
<td>1,201</td>
</tr>
<tr>
<td>Goods for resale</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Disaster management and IT stores</td>
<td>11</td>
<td>66</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>882</strong></td>
<td><strong>1,280</strong></td>
</tr>
</tbody>
</table>

## 12. DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>Tearfund Group</th>
<th>Tearfund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within one year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount owed by group undertaking</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax recoverable</td>
<td>679</td>
<td>502</td>
</tr>
<tr>
<td>Other debtors</td>
<td>1,006</td>
<td>983</td>
</tr>
<tr>
<td>Accrued institutional grants</td>
<td>2,515</td>
<td>3,338</td>
</tr>
<tr>
<td>Accrued legacy income</td>
<td>3,787</td>
<td>4,381</td>
</tr>
<tr>
<td>Prepayments and other accrued income</td>
<td>973</td>
<td>887</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,960</strong></td>
<td><strong>10,091</strong></td>
</tr>
</tbody>
</table>

## 13. CREDITORS

<table>
<thead>
<tr>
<th></th>
<th>Tearfund Group</th>
<th>Tearfund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>-</td>
<td>96</td>
</tr>
<tr>
<td>Interest-free loans</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Amount owed to group undertaking</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other creditors</td>
<td>590</td>
<td>1,060</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>1,819</td>
<td>1,767</td>
</tr>
<tr>
<td>Accruals</td>
<td>1,397</td>
<td>1,949</td>
</tr>
<tr>
<td>Deferred income</td>
<td>5</td>
<td>448</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,911</strong></td>
<td><strong>5,420</strong></td>
</tr>
</tbody>
</table>

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

## Deferred income balance

<table>
<thead>
<tr>
<th></th>
<th>2021 £'000</th>
<th>2020 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>448</td>
<td>378</td>
</tr>
<tr>
<td>Released income</td>
<td>(445)</td>
<td>(61)</td>
</tr>
<tr>
<td>Deferred income</td>
<td>2</td>
<td>131</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td><strong>5</strong></td>
<td><strong>448</strong></td>
</tr>
</tbody>
</table>
Notes to the financial statements
31 March 2021

14a. FUNDS MOVEMENT (2020/21)

<table>
<thead>
<tr>
<th>Tearfund and Tearfund Group</th>
<th>1 April 2020 £’000</th>
<th>Income £’000</th>
<th>Expenditure £’000</th>
<th>Transfers £’000</th>
<th>31 March 2021 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td>3,896</td>
<td>34,153</td>
<td>(29,148)</td>
<td>725</td>
<td>9,626</td>
</tr>
<tr>
<td>Designated funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed asset fund</td>
<td>2,477</td>
<td>-</td>
<td>-</td>
<td>(894)</td>
<td>1,583</td>
</tr>
<tr>
<td>Overseas assets fund</td>
<td>(111)</td>
<td>-</td>
<td>(65)</td>
<td>301</td>
<td>125</td>
</tr>
<tr>
<td>Strategic priorities</td>
<td>8,452</td>
<td>-</td>
<td>(2,949)</td>
<td>-</td>
<td>5,503</td>
</tr>
<tr>
<td></td>
<td>10,818</td>
<td>-</td>
<td>(3,014)</td>
<td>(593)</td>
<td>7,211</td>
</tr>
<tr>
<td>Total unrestricted funds</td>
<td>14,714</td>
<td>34,153</td>
<td>(32,162)</td>
<td>132</td>
<td>16,837</td>
</tr>
<tr>
<td>Restricted funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appeals and emergencies:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia floods</td>
<td>14</td>
<td>-</td>
<td>(14)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>258</td>
<td>892</td>
<td>(540)</td>
<td>4</td>
<td>614</td>
</tr>
<tr>
<td>Burundi and Rwanda</td>
<td>238</td>
<td>1</td>
<td>(150)</td>
<td>-</td>
<td>89</td>
</tr>
<tr>
<td>Central African Republic</td>
<td>194</td>
<td>-</td>
<td>(119)</td>
<td>-</td>
<td>75</td>
</tr>
<tr>
<td>Coronavirus Emergency Appeal</td>
<td>-</td>
<td>3,730</td>
<td>(3,051)</td>
<td>(12)</td>
<td>667</td>
</tr>
<tr>
<td>East Africa</td>
<td>33</td>
<td>3</td>
<td>(36)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1,140</td>
<td>2</td>
<td>(563)</td>
<td>-</td>
<td>579</td>
</tr>
<tr>
<td>Middle East</td>
<td>784</td>
<td>458</td>
<td>(281)</td>
<td>-</td>
<td>961</td>
</tr>
<tr>
<td>Myanmar</td>
<td>48</td>
<td>62</td>
<td>(33)</td>
<td>-</td>
<td>77</td>
</tr>
<tr>
<td>Other</td>
<td>101</td>
<td>4</td>
<td>122</td>
<td>12</td>
<td>239</td>
</tr>
<tr>
<td>Pakistan</td>
<td>145</td>
<td>-</td>
<td>(55)</td>
<td>-</td>
<td>90</td>
</tr>
<tr>
<td>Southern Africa cyclone</td>
<td>737</td>
<td>343</td>
<td>(741)</td>
<td>(2)</td>
<td>337</td>
</tr>
<tr>
<td>Sudan and South Sudan</td>
<td>167</td>
<td>18</td>
<td>(4)</td>
<td>-</td>
<td>181</td>
</tr>
<tr>
<td>Syria crisis</td>
<td>825</td>
<td>76</td>
<td>(261)</td>
<td>-</td>
<td>640</td>
</tr>
<tr>
<td>Yemen</td>
<td>1,429</td>
<td>862</td>
<td>(490)</td>
<td>-</td>
<td>1,801</td>
</tr>
<tr>
<td></td>
<td>6,113</td>
<td>6,451</td>
<td>(6,216)</td>
<td>2</td>
<td>6,350</td>
</tr>
</tbody>
</table>
14a. FUNDS MOVEMENT (2020/21) CONTINUED

<table>
<thead>
<tr>
<th>Tearfund and Tearfund Group</th>
<th>1 April 2020 £'000</th>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
<th>31 March 2021 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted funds brought forward</td>
<td>6,113</td>
<td>6,451</td>
<td>(6,216)</td>
<td>2</td>
<td>6,350</td>
</tr>
<tr>
<td>Country funds</td>
<td>-</td>
<td>108</td>
<td>(96)</td>
<td>(10)</td>
<td>2</td>
</tr>
<tr>
<td>Project funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutions and trusts</td>
<td>4,290</td>
<td>31,872</td>
<td>(30,854)</td>
<td>(125)</td>
<td>5,183</td>
</tr>
<tr>
<td>Connected Church</td>
<td>378</td>
<td>307</td>
<td>(395)</td>
<td>(16)</td>
<td>274</td>
</tr>
<tr>
<td>Other</td>
<td>563</td>
<td>1,677</td>
<td>(1,558)</td>
<td>16</td>
<td>698</td>
</tr>
<tr>
<td>Beneficiary funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other children funds</td>
<td>-</td>
<td>2,613</td>
<td>(2,614)</td>
<td>1</td>
<td>-</td>
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<tr>
<td>Issue funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disaster management</td>
<td>-</td>
<td>908</td>
<td>(908)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Water and sanitation</td>
<td>-</td>
<td>2,613</td>
<td>(2,613)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HIV and AIDS</td>
<td>-</td>
<td>459</td>
<td>(134)</td>
<td>-</td>
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<td>Conflict and poverty</td>
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<td>206</td>
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<td>-</td>
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<tr>
<td>Total restricted funds</td>
<td>11,344</td>
<td>47,214</td>
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<td>(132)</td>
<td>12,832</td>
</tr>
<tr>
<td>Total</td>
<td>26,058</td>
<td>81,367</td>
<td>(77,756)</td>
<td>-</td>
<td>29,669</td>
</tr>
</tbody>
</table>

Designated funds are set up for the following purposes:
- The fixed asset fund represents the net book value of Tearfund’s tangible and intangible fixed assets to indicate that these resources are not available for other purposes.
- The overseas assets fund represents money spent in our overseas locations for the replacement of vehicles and for the provision of renewable energy solutions.
- The strategic priorities fund represents monies set aside to fund a range of strategically important projects across multiple countries, together with investment in leadership and management development and new information systems.

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

Fund balances may be negative for the following reasons:
- The overseas assets fund represents money spent in our overseas locations for the replacement of vehicles and for the provision of renewable energy solutions. This fund had an opening debit balance, which has now been covered in full by transfer from the general fund.

At 31 March 2021, the total deficit balances amounted to £335,795 (2019/20: £489,000).
Notes to the financial statements
31 March 2021

14a. FUNDS MOVEMENT (2020/21) CONTINUED

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

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

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>1 April 2020 £’000</th>
<th>Income £’000</th>
<th>Expenditure £’000</th>
<th>31 March 2021 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foreign, Commonwealth and Development Office (FCDO)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central African Republic: AID Match</td>
<td>(3)</td>
<td>1,773</td>
<td>(1,770)</td>
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<tr>
<td>Haiti: AID Match</td>
<td>-</td>
<td>97</td>
<td>(112)</td>
<td>(15)</td>
</tr>
<tr>
<td>Pakistan: AID Match</td>
<td>(44)</td>
<td>277</td>
<td>(231)</td>
<td>2</td>
</tr>
<tr>
<td><strong>FCDO &amp; Other:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burundi Smart CoVid</td>
<td>-</td>
<td>9</td>
<td>(9)</td>
<td>-</td>
</tr>
<tr>
<td>Democratic Republic of Congo Risk Communication</td>
<td>-</td>
<td>34</td>
<td>(34)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Start Network:</strong></td>
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<td></td>
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<tr>
<td>Afghanistan</td>
<td>-</td>
<td>88</td>
<td>(88)</td>
<td>-</td>
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<td>Bulawayo</td>
<td>-</td>
<td>100</td>
<td>(100)</td>
<td>-</td>
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<tr>
<td>Burundi flooding: Alert 421</td>
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<td>150</td>
<td>(150)</td>
<td>-</td>
</tr>
<tr>
<td>Ethiopia CoVid</td>
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<td>231</td>
<td>(231)</td>
<td>-</td>
</tr>
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<td>Indonesia earthquake</td>
<td>-</td>
<td>185</td>
<td>(184)</td>
<td>1</td>
</tr>
<tr>
<td>Mozambique</td>
<td>-</td>
<td>51</td>
<td>(51)</td>
<td>-</td>
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<td>Nigeria</td>
<td>2</td>
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<td>(2)</td>
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<td>Nigeria evaluation</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>3</td>
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<td>Nigeria Dec-20</td>
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<td>(50)</td>
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<td>South Sudan flooding</td>
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<td>150</td>
<td>(150)</td>
<td>-</td>
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<tr>
<td><strong>Total FCDO funds</strong></td>
<td>(42)</td>
<td>3,195</td>
<td>(3,162)</td>
<td>(9)</td>
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<tr>
<td><strong>Disasters Emergency Committee (DEC)</strong></td>
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<tr>
<td>Indonesia tsunami</td>
<td>92</td>
<td>-</td>
<td>(92)</td>
<td>-</td>
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<tr>
<td>Cyclone Idai 2019</td>
<td>145</td>
<td>299</td>
<td>(438)</td>
<td>6</td>
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<td>Coronavirus</td>
<td>-</td>
<td>889</td>
<td>(954)</td>
<td>(65)</td>
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<td>1,188</td>
<td>(1,484)</td>
<td>(59)</td>
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### Notes to the financial statements
31 March 2021

#### 14b. FUNDS MOVEMENT (2019/20)

<table>
<thead>
<tr>
<th>Tearfund and Tearfund Group</th>
<th>1 April 2019 £’000</th>
<th>Income £’000</th>
<th>Expenditure £’000</th>
<th>Transfers £’000</th>
<th>31 March 2020 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General fund</strong></td>
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<td>7,402</td>
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<td>(111)</td>
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<td>Strategic priorities</td>
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<table>
<thead>
<tr>
<th>Tearfund and Tearfund Group</th>
<th>1 April 2019 £’000</th>
<th>Income £’000</th>
<th>Expenditure £’000</th>
<th>Transfers £’000</th>
<th>31 March 2020 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Restricted funds</strong></td>
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<td></td>
</tr>
<tr>
<td>Appeals and emergencies:</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Asia floods</td>
<td>27</td>
<td>-</td>
<td>(13)</td>
<td>-</td>
<td>14</td>
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<tr>
<td>Bangladesh</td>
<td>-</td>
<td>632</td>
<td>(374)</td>
<td>-</td>
<td>258</td>
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<tr>
<td>Burundi and Rwanda</td>
<td>484</td>
<td>7</td>
<td>(251)</td>
<td>(2)</td>
<td>238</td>
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<tr>
<td>Central African Republic</td>
<td>287</td>
<td>2</td>
<td>(95)</td>
<td>-</td>
<td>194</td>
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<tr>
<td>Democratic Republic of Congo</td>
<td>93</td>
<td>3</td>
<td>(97)</td>
<td>1</td>
<td>-</td>
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<td>East Africa</td>
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<td>4</td>
<td>(185)</td>
<td>-</td>
<td>33</td>
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<td>Hurricane Matthew</td>
<td>8</td>
<td>-</td>
<td>(9)</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1,432</td>
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<td>(1)</td>
<td>1,140</td>
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<td>(863)</td>
<td>(1)</td>
<td>784</td>
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<td>387</td>
<td>115</td>
<td>(654)</td>
<td>-</td>
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<td>Nepal earthquake</td>
<td>156</td>
<td>1</td>
<td>(157)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other</td>
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<td>3</td>
<td>(61)</td>
<td>(30)</td>
<td>101</td>
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<tr>
<td>Pakistan</td>
<td>-</td>
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<td>(74)</td>
<td>30</td>
<td>145</td>
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<td>Sahel/Niger crisis</td>
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<td>-</td>
<td>(45)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Southern Africa cyclone</td>
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<td>2,132</td>
<td>(2,430)</td>
<td>-</td>
<td>737</td>
</tr>
<tr>
<td>Sudan and South Sudan</td>
<td>415</td>
<td>14</td>
<td>(426)</td>
<td>164</td>
<td>167</td>
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<tr>
<td>Syria crisis</td>
<td>669</td>
<td>299</td>
<td>(143)</td>
<td>-</td>
<td>825</td>
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<tr>
<td>Yemen</td>
<td>1,381</td>
<td>682</td>
<td>(634)</td>
<td>-</td>
<td>1,429</td>
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<tr>
<td></td>
<td>8,342</td>
<td>4,763</td>
<td>(7,154)</td>
<td>162</td>
<td>6,113</td>
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</tbody>
</table>
Notes to the financial statements
31 March 2021

14b. FUNDS MOVEMENT (2019/20) CONTINUED

<table>
<thead>
<tr>
<th>Tearfund and Tearfund Group</th>
<th>1 April 2019 £'000</th>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
<th>31 March 2020 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted funds brought forward</td>
<td>8,342</td>
<td>4,763</td>
<td>(7,154)</td>
<td>162</td>
<td>6,113</td>
</tr>
<tr>
<td>Country funds</td>
<td>158</td>
<td>143</td>
<td>(291)</td>
<td>(10)</td>
<td>-</td>
</tr>
<tr>
<td>Project funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutions and trusts</td>
<td>3,325</td>
<td>31,108</td>
<td>(29,979)</td>
<td>(164)</td>
<td>4,290</td>
</tr>
<tr>
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<td>666</td>
<td>(704)</td>
<td>1</td>
<td>378</td>
</tr>
<tr>
<td>Other</td>
<td>300</td>
<td>2,121</td>
<td>(1,869)</td>
<td>11</td>
<td>563</td>
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<tr>
<td>Beneficiary funds:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other children funds</td>
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<td>(3,401)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Issue funds:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Disaster management</td>
<td>316</td>
<td>940</td>
<td>(1,256)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Water and sanitation</td>
<td>287</td>
<td>2,688</td>
<td>(2,975)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HIV and AIDS</td>
<td>271</td>
<td>483</td>
<td>(754)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conflict and poverty</td>
<td>1,039</td>
<td>-</td>
<td>(1,039)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>83</td>
<td>(83)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Total restricted funds</td>
<td>15,132</td>
<td>45,717</td>
<td>(69,505)</td>
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<td>11,344</td>
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<tr>
<td>Total</td>
<td>26,211</td>
<td>85,057</td>
<td>(85,210)</td>
<td>-</td>
<td>26,058</td>
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</table>

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

**Department for International Development (DFID)**

<table>
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<tr>
<th></th>
<th>1 April 2019 £'000</th>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
<th>31 March 2020 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democratic Republic of Congo Sexual Violence</td>
<td>-</td>
<td>(29)</td>
<td>29</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Central African Republic: AID Match</td>
<td>3</td>
<td>1,579</td>
<td>(1,585)</td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td>Pakistan: AID Match</td>
<td>-</td>
<td>12</td>
<td>(56)</td>
<td>(44)</td>
<td></td>
</tr>
<tr>
<td><strong>Total DFID funds</strong></td>
<td>21</td>
<td>2,083</td>
<td>(2,146)</td>
<td>(42)</td>
<td></td>
</tr>
</tbody>
</table>

**Start Network:**

<table>
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<tr>
<th></th>
<th>1 April 2019 £'000</th>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
<th>31 March 2020 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi flooding</td>
<td>-</td>
<td>80</td>
<td>(80)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Democratic Republic of Congo</td>
<td>3</td>
<td>-</td>
<td>(3)</td>
<td>-</td>
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</tr>
<tr>
<td>Democratic Republic of Congo IDP of Kamango</td>
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<td>26</td>
<td>(26)</td>
<td>-</td>
<td></td>
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<tr>
<td>Democratic Republic of Congo Alert 363</td>
<td>-</td>
<td>128</td>
<td>(128)</td>
<td>-</td>
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<tr>
<td>Democratic Republic of Congo Alert 384</td>
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<td>158</td>
<td>(158)</td>
<td>-</td>
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</tr>
<tr>
<td>Nigeria</td>
<td>15</td>
<td>(11)</td>
<td>2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Nigeria evaluation</td>
<td>-</td>
<td>10</td>
<td>(7)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>South Sudan Ebola</td>
<td>-</td>
<td>130</td>
<td>(130)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total DFID funds</strong></td>
<td>21</td>
<td>2,083</td>
<td>(2,146)</td>
<td>(42)</td>
<td></td>
</tr>
</tbody>
</table>

**Disasters Emergency Committee (DEC)**

<table>
<thead>
<tr>
<th></th>
<th>1 April 2019 £'000</th>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
<th>31 March 2020 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myanmar refugees 2017</td>
<td>274</td>
<td>81</td>
<td>(355)</td>
<td>-</td>
<td></td>
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<tr>
<td>Indonesia tsunami</td>
<td>28</td>
<td>483</td>
<td>(419)</td>
<td>92</td>
<td></td>
</tr>
<tr>
<td>Cyclone Idai 2019</td>
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<td>1,262</td>
<td>(1,117)</td>
<td>145</td>
<td></td>
</tr>
<tr>
<td><strong>Total DEC funds</strong></td>
<td>302</td>
<td>1,826</td>
<td>(1,891)</td>
<td>237</td>
<td></td>
</tr>
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</table>
# Notes to the financial statements
## 31 March 2021

### 15a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2020/21)

<table>
<thead>
<tr>
<th>Fund balances at 31 March 2021 are represented by:</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tearfund Group:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>1,583</td>
<td>-</td>
<td>1,583</td>
</tr>
<tr>
<td>Current assets</td>
<td>17,568</td>
<td>14,429</td>
<td>31,997</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(2,314)</td>
<td>(1,597)</td>
<td>(3,911)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,837</td>
<td>12,832</td>
<td>29,669</td>
</tr>
<tr>
<td><strong>Tearfund:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term investments</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>1,583</td>
<td>-</td>
<td>1,583</td>
</tr>
<tr>
<td>Current assets</td>
<td>17,553</td>
<td>14,429</td>
<td>31,982</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(2,304)</td>
<td>(1,597)</td>
<td>(3,901)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,837</td>
<td>12,832</td>
<td>29,669</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Fund balances at 31 March 2020 are represented by:</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tearfund Group:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>2,477</td>
<td>-</td>
<td>2,477</td>
</tr>
<tr>
<td>Current assets</td>
<td>15,767</td>
<td>13,234</td>
<td>29,001</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(3,530)</td>
<td>(1,890)</td>
<td>(5,420)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,714</td>
<td>11,344</td>
<td>26,058</td>
</tr>
<tr>
<td><strong>Tearfund:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term investments</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>2,477</td>
<td>-</td>
<td>2,477</td>
</tr>
<tr>
<td>Current assets</td>
<td>15,760</td>
<td>13,254</td>
<td>29,014</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(3,519)</td>
<td>(1,910)</td>
<td>(5,429)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,723</td>
<td>11,344</td>
<td>26,067</td>
</tr>
</tbody>
</table>

### 16. OPERATING LEASE COMMITMENTS

At 31 March 2021 Tearfund and the Tearfund Group were committed to making the following payments in total in respect of operating leases for land and buildings:

<table>
<thead>
<tr>
<th></th>
<th>Tearfund Group</th>
<th>Tearfund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 £'000</td>
<td>2020 £'000</td>
<td>2021 £'000</td>
</tr>
<tr>
<td>Within one year</td>
<td>719</td>
<td>892</td>
</tr>
<tr>
<td>In the second to fifth years inclusive</td>
<td>481</td>
<td>680</td>
</tr>
<tr>
<td>After five years</td>
<td>-</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>1,200</td>
<td>1,704</td>
</tr>
</tbody>
</table>
Notes to the financial statements
31 March 2021

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

There were expenditure transfers to the subsidiary of Tearfund of £nil (2019/20: £6,376) in the year ended 31 March 2021. The balance owing by Tearfund Trading Limited to Tearfund at the end of the year of £17,000 (2019/20: £52,000) is disclosed in note 12.

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

19. CAPITAL COMMITMENTS
At 31 March 2021 there were no contracted or authorised capital commitments (2019/20: £27,800).