

*Tools*

**FOR SELF  
RELIANCE**

practical help for  
practical people

# **Report of the Trustees and Financial Statements**

**for the year ended 31 December 2007**

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*Founding patrons: Julius K Nyerere, Most Rev. Trevor Huddleston CR, KCMG*

*Patrons: Archbishop Desmond Tutu, Susan George, Archbishop of York – John Sentamu*



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## Company information for year ended 31 December 2007

### Background

Tools for Self Reliance registered as charity number 280437 on 10 October 1980 and was established as a company limited by guarantee, number 1487630, on 26 March 1980. Tools for Self Reliance is an independent charity and is not affiliated to any other organisation.

### Organisational structure

The charitable company is administered by a Board of Trustees. In company law, they are the Directors. They are elected from and by the Members of Tools for Self Reliance at their Annual General Meeting. There is a process in place for induction of new trustees. In addition to six full board meetings each year, there are sub-committees of trustees and staff to consider employment and finance. New members are nominated and ratified by the trustees.

### Charitable objectives

The charity is established *to relieve poverty amongst the people of the under-developed areas in the world by the provision of hand and other tools and equipment*. The principal activities undertaken to further this object form the basis of this report. The charity's guiding document is its Memorandum and Articles of Association.

### Mission statement

*Tools for Self Reliance aims to empower artisans working in developing countries so that they can better participate in the development of themselves and their communities. To achieve this we work with partner organisations to provide tools and training, and we raise awareness of the causes of poverty.*

### Patrons

- Archbishop Desmond Tutu
- Dr Susan George
- Archbishop John Sentamu

### Trustees

- Ms R Burbidge
- Mr Alastair Christie
- Dr C Dolbear
- Mr Ben Fawcett (resigned 21 July 2007)

- Ms A Fender-Brown
- Mr David Harries (resigned 21 July 2007)
- Mr Alan Jenkins (elected 21 July 2007)
- Mr Bram Miller (elected 21 July 2007)
- Dr Anthony Tyrrell (Chair)

### Secretary

Dr Eddie Grimble

### Financial adviser

Mr John Dolbear

### Staff

- Jan Kidd Chief Executive
- Ash Abili Project Development
- Larry Boyd Fundraising
- Jo Bush Volunteers Coordinator
- Luke Caley Partnership Development
- Jon Dunkley Operations
- Sarah Ingleby Partnership Development
- Ian Limbrick Group Support
- Polly Read Administration
- Lydia Stallard Finance
- Rob Westcott Group Support

### Bankers

- CafBank, a subsidiary of Charities Aid Foundation
- COIF Charities Deposit Fund, London
- HSBC, Totton, Hampshire

### Solicitors

Eric Robinson & Co., Hythe

### Auditors

Stone Osmond Limited  
Accountants & Registered Auditors  
75 Bournemouth Road  
Chandlers Ford SO53 3AP

The company's auditors are willing to continue in office.

### Registered office

Netley Marsh Workshops  
Ringwood Road  
Netley Marsh  
Southampton SO40 7GY

Tel: 023 8086 9697 Fax: 023 8086 8544  
Email: [info@tfsr.org](mailto:info@tfsr.org) Web: [www.tfsr.org](http://www.tfsr.org)  
Registered company number: 1487630 (England & Wales)

## Report of the trustees

In 2007 we started to implement our new organisational strategy which outlines in detail how we will work for the next five years (2007–11).

Tools for Self Reliance works with African organisations to help people gain sustainable income through productive activities. We help people such as builders, carpenters, blacksmiths, metal workers, mechanics and tailors start and expand small businesses. We support their efforts to organise themselves to take part in community affairs and build their communities.

*This report is structured by the objectives of the Organisational Strategy and demonstrates how Tools for Self Reliance trustees and staff use the Strategy to measure the organisation's performance.*

### Strategic objectives

#### Objective One

*We will continue to work in Africa, delivering a high quality programme to facilitate the development of the artisan sector and their communities, according to local needs and priorities.*

This year was the first year of our new five-year organisational strategy. We changed the way we work with our partners so that we now only work on projects that include both tools and training. During the year we worked on 17 projects with 15 partners in four African countries, whilst also working with other partners to develop their projects and developing new partnerships.

#### Tanzania

We worked with the Small Industries Development Organisation (SIDO) on livelihoods projects which provide tools and training in Ruvuma, Kilimanjaro, Tabora, Arusha, Rukwa, Mbeya and Iringa regions. These projects provided 280 small entrepreneurial groups with top-up vocational skills, business skills and tools. Participants said that increased income enabled them to pay school fees and improve their homes.

Sewing machine maintenance courses were held in five regions enabling approximately 100 tailors and seamstresses to learn how to maintain sewing machines for themselves and their co-workers.

We continued to support the blacksmiths in Rukwa region with a project including skills development, business and marketing skills, tools input and networking for 90 blacksmiths. The blacksmiths formed a professional association which is thriving.

Martin Chang'a and Renatus Chasuka visited in the summer. Renatus Chasuka demonstrated his blacksmithing at the New Forest Show and other venues around the country. He also visited the British Artist Blacksmiths Association AGM to network with blacksmiths from Europe and the UK.

A week long *Training of Trainers* workshop for SIDO technical officers was funded, and Tools for Self Reliance Partnership Officer, Sarah Ingleby participated.

In 2008 we will continue to work with our partner SIDO on six livelihood projects and will work with three new partners working in vocational colleges and supporting refugees.

#### Uganda

Our main project in Uganda established a tool refurbishing centre with Uganda Rural Development and Training (URDT) in Kagadi. This will make more refurbished tools available to the local community and will train artisans in tool maintenance skills. In 2007, 30 trainees completed their course.

We also completed livelihood projects involving 40 groups each with URDT and with the Network of Local Artisans (NOLA) in Kasese.

NOLA developed a strategic plan with funding via Tools for Self Reliance. This will guide NOLA's activities over the next five years allowing them to focus on activities most important to their members and most likely to succeed.

Another initiative was a joint project with the South Ruwenzori Diocese in Uganda and the Romsey Deanery in Hampshire. This project set up a training workshop premises to give young

vocational graduates a place to work before they set up business on their own. Twenty-seven young people will learn business and technical skills for tailoring and carpentry each year.

In 2008, we will continue our links with URDT and the South Ruwenzori project, and will be helping two other vocational schools with equipment and training.

### **Ghana**

We continued with our diverse programme of partners and projects in Ghana. These included:

- Livelihood projects involving 40 artisan groups with the Centre for Development and People (CEDEP) in Wa and a further 23 groups with our partner TRAX in Bolgatanga
- Phase II of the TRAX blacksmithing project trained eleven blacksmiths
- Training people in sewing machine maintenance and refurbishing skills with CEDEP
- Continued working with our partner Pro-Link on its Vocational Training Programme
- Started a Vocational Training Programme for 100 at risk young women with Girls Growth for Development (GIGDEV).

GIGDEV's Rahama Mohammed visited the Tools for Self Reliance headquarters for a month long training on sewing machine refurbishment, whilst UK volunteer Carol Swift once again visited Ghana to give training in sewing machine maintenance.

We intend to continue supporting all our Ghanaian partners in 2008 and have been developing future projects with the Ghana Young Artisan Movement and Simili Aid.

### **Zimbabwe**

In Zimbabwe we completed a project to set up tool loan centres with DED/OCCZIM, a German/Zimbabwean agency.

We intend to maintain contacts in Zimbabwe so that we can expand our programme when

the political and economic situation is more favourable.

### **Sierra Leone**

We visited Sierra Leone with a view to restarting our programme there. We met with 16 organisations and will start a pilot programme in 2008 through which we expect to support between three and six projects.

### **Zambia**

We have strengthened our links with Kara Counselling, HIV Empowered and Living, and Women for Change in Zambia, with whom we have projects starting in 2008.

### **Malawi**

Our new programme in Malawi was delayed although we have embarked on a joint project with Scottish agency, Global Concerns Trust. More than eight Malawian organisations are interested in working with us there.

### **Other activities**

In addition to our main programme of work we have collaborated to get funding for two projects in South Africa for Feed the Minds, a UK charity, and one for Kenya Widows and Orphans, a Jersey based charity. During the year we have given tools to projects run by other organisations including Mercy ships, Workaid, Ed-Aid, Child Care Uganda, and Re-Cycle.

We are working to improve monitoring and evaluation of our projects and to improve reporting to our supporters. As well as visiting Sierra Leone we made working visits to Uganda, Tanzania and Ghana. With information from these visits and reports from our partners in Africa we kept our supporters in the UK up-to-date on our work.

To help our partners work with us more effectively, we produced a Partnership Handbook. We will be improving on monitoring and evaluation methods in 2008 in collaboration with our partners.

As part of our artisan support projects we sent a total of 7 shipments: 2 to Uganda, 3 to Tanzania, 2 to Ghana. These contained 682 kits comprising 45,631 tools, valued at £494,708. This value is based on the average new purchase price of tools. It reflects the work of Tools for Self Reliance volunteers in refurbishing good-quality used tools to a high standard.

## Objective Two

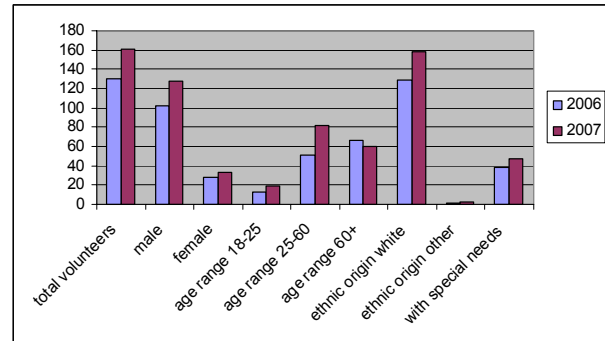
*We will continue to work with a diverse group of people within the UK who support us in our work by collecting and refurbishing tools, and who help us in promoting and raising funds for the organisation.*

We have continued to recruit more volunteers throughout the country. In 2007 we had 63 groups, an increase of 3, and 160 collectors, an increase of 43 since 2005. We also worked with three potential new groups. Using the information available we calculate that from the UK group volunteers about 12% are women and around 18% have special needs.

We ended the year with 161 volunteers at the Netley Marsh Workshops, the Tools for Self Reliance headquarters. We had 58 new people and 27 who left making a net increase of 31 from the end of 2006.

Whilst most of our volunteers refurbish and pack tools, volunteers also work in fundraising, administration, research, database development, event organising and publicity. The Netley Marsh Training Workshop for people with special needs is operated with the Southampton support agency City Limits. This facility at the Netley Marsh site allows for one-on-one training for people with special needs whilst retaining the social interaction of volunteers of all abilities.

Netley Marsh	2006	2007
total volunteers	130	161
male	102	128
female	28	33
age range 18-25	13	19
age range 25-60	51	82
age range 60+	66	60
ethnic origin white	129	158
ethnic origin other	1	3
with special needs	38	47



Tools for Self Reliance group support workers continue to support our tool refurbishers with personal visits to 25 groups and with several groups visiting the Netley Marsh headquarters.

We also ran three summer workcamps with young volunteers from Europe and the UK.

We presented long-service certificates for more than 10 years to 115 volunteers in appreciation of their commitment. Two Netley Marsh volunteers with disabilities, John Way and Fred Storey, received award certificates from the Mayor of Southampton.

Our profile raising got off to a good start when the Archbishop of York, John Sentamu, agreed to be our patron. We also recruited BBC *South Today* TV presenter Roger Finn as a celebrity volunteer.

A successful Awards for All bid helped us to work on developing our publicity materials producing a 'new look'. This was featured in the Annual Review, Organisational Strategy and on our letterheads and stationery. We also produced four new leaflets and three posters for publicity use.

Tools for Self Reliance volunteers and staff gave hundreds of talks, displays and presentations around the UK.

We recruited a retired journalist as a public relations volunteer. He is issuing regular press releases and writing stories about Tools for Self Reliance for local and national media.

## Objective Three

*Working primarily with our existing supporter base we will continue to raise awareness in the UK of the causes of poverty in developing countries, and to lobby appropriately to support our partners and the artisans they work with.*

We began a video production highlighting the work of Tools for Self Reliance in Ghana and Uganda in helping artisans meet the challenges of development. This will be completed in 2008.

In part through our partnership with Hampshire Development Education Centre in an awareness raising project with local schools we have had visits from, and given talks to, a number of local schools.

As mentioned earlier we have facilitated exchange visits from Tanzanian and Ghanaian partners and we visited Ghana, Tanzania, Uganda and Sierra Leone in the year.

We continued to support Fair Trade by using and promoting the use of Fair Trade goods.

In an attempt to bring the concerns of the artisans to the notice of their respective governments we continue to work closely with various High Commissions and when in Sierra Leone met with Alimamy Koroma, the Minister for Trade and Industry.

### **Governance and administration**

We improved our premises with new lighting, improved our warehouse systems and revamped the meeting room. This has increased productivity, safety and comfort for volunteers and staff.

Bob White, Group Support Officer, retired and Jo Bush was appointed as Volunteers Coordinator. In 2008 we will appoint Luke Caley as Partnership Development Officer and Ian Limbrick as Group Support Officer. We also hosted five long-term volunteers, gap-year students from Europe. The John Lewis Partnership seconded Grant Williams, a skilled project manager for six months to work improving our publicity materials and training publicity volunteers.

We exceeded our fundraising target of £600,000. This was largely due to more success with grant giving trusts but also thanks to substantial legacy amounts and the increased efforts of all our volunteers.

This has allowed us to support more of our partners' projects, and thanks to the Albion Trust to employ an extra member of staff.

All our overheads, apart from staff costs, are covered by income that we generate ourselves from our craftshop rents and sales of surplus tools and scrap.

### **Finances**

The organisation remained on a firm footing financially. At the end of the financial year we had income of £690,955 compared to £493,110 in 2006 and expenditure of £572,358 compared to £429,401 in 2006 resulting in a surplus of income over expenditure of £118,597. This excludes the value of tools donated, refurbished and shipped.

The increases in income and spending reflect the increase in costs of activities in furtherance of the charity's objects and in particular the support for training costs in partner projects carried out in Africa.

The value of tools shipped (donations in kind) was £494,708. This is a fall on 2006 (£860,494), accounted for by the decrease in number of shipments, sending unrefurbished rather than refurbished tools to the Uganda Rural Development Centre refurbishing project, and the delay to January 2008 of the first Zambia shipment.

Net current assets for this year amount to £366,908, including restricted funds of £234,724 which are committed for specific activities. The large amount of restricted funding we are holding at the end of the year was in part owing to £50,000 donated to cover costs of a new staff member for two years; £30,000 designated for a new building which will generate income; and income for one project in Zambia, two in Tanzania and three in Ghana, all due to start in early 2008.

The uncommitted funds amount to £132,184. With the £50,000 restricted funding for salaries this is within the reserves policy of maintaining free reserves at the level of between four and six months direct running costs, currently standing at between £175,000 and £262,500.

Total reserves amount to £777,469 including fixed assets of £410,561. The fixed assets of Tools for Self Reliance are the Netley Marsh workshop site, including that used as investment property (craftshop rentals) and the value of workshop, warehouse and office equipment.

## **The future**

Our future work will continue to be guided by our current Organisational Strategy. In particular we intend to expand into Malawi, to continue to diversify our partnerships in Tanzania, Ghana and Uganda, and to consolidate the start we have made in Sierra Leone and Zambia. We will ship our first container to Sierra Leone this year. We aim to support 30 different projects in 2008.

We will focus on expanding our UK volunteer base to increase numbers of people who are supporting us and to diversify how they support us. In particular we aim to improve on our feedback mechanisms so that our supporters are more aware of the work of our partners.

*The Annual Review 2007, Organisational Strategy 2007–2011 and this Annual Report for 2007 are available free from Tools for Self Reliance.*

# Company information for the year ended 31 December 2007 (continued)

## Tools for Self Reliance organisation

David Harries, Chair for the past 6 years stepped down at the 2007 AGM and Dr Anthony Tyrrell was elected as Chair. Mr Ben Fawcett also resigned and Mr Alan Jenkins and Mr Bram Miller were elected as trustees.

Tools for Self Reliance local volunteer groups in the UK are linked to the national organisation but are not legally accountable to or by Tools for Self Reliance. Tools for Self Reliance groups are not required to submit accounts for consolidation.

Three Tools for Self Reliance local groups are registered charities working closely with the national organisation. These are Tools for Self Reliance Cymru, Tools for Self Reliance Milton Keynes and Tools for Self Reliance Northampton. They are solely responsible for their finances and activities.

## Constitution

The company has no share capital and is precluded by its Memorandum and Articles of Association from distributing any portion of its profits to the members.

## Investment powers

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit. However any funds will be invested with careful consideration to risk and reflecting the ethical and environmental policies of the charity.

## Exemptions

The trustees have taken advantage, in the preparation of the report, of the exemptions applicable to small companies.

## Reserves and risk management

It is Tools for Self Reliance policy to manage the organisation such that free reserves are held at the level of between four and six months direct running costs.

The trustees and staff also examined the major strategic, business and operational risks which the charity faces and confirmed that systems had been established to mitigate these risks. Risks were grouped under the following categories: strategic, compliance, financial and operational. In each case the likelihood, impact and consequence of the risk was considered. A system of ongoing risk assessment is in place. It is thought that there are no significant risks to the charity's operation in 2008.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted

Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The auditors, Stone Osmond Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On Behalf Of the Board of Trustees:



Dr E Grimble – Secretary 15 March 2008

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOOLS FOR SELF RELIANCE**

We have audited the financial statements of Tools for Self Reliance for the year ended 31 December 2007 on pages 5 to 17. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the financial statement in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out below.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

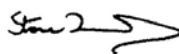
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its surplus for the year then ended.
- The financial statements have been properly prepared in accordance with the Companies Act 1985.
- The information given in the Report of the Trustees is consistent with the financial statements.



Stone Osmond Limited  
Accountants and Registered Auditors  
75 Bournemouth Road, Chandlers Ford, Hampshire  
SO53 3AP

Date: 9 May 2008

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2007

	Unrestricted Funds £	Restricted Funds £	2007 Total £	2006 Total £
<b>INCOME AND EXPENDITURE</b>				
Incoming Resources				
Donations and grants	310,616	312,379	622,995	425,063
Donations in kind – tools sent (see note 1)	494,708		494,708	860,494
Rents receivable	40,365		40,365	40,902
Investment income	13,387		13,387	7,961
Other income	14,208		14,208	19,184
<b>TOTAL INCOMING RESOURCES</b>	873,284	312,379	1,185,663	1,353,604
Resources Expended				
Costs of activities in furtherance of the charity's objects	297,690	228,208	525,898	362,940
Donations in kind – tools sent (see note 1)	494,708		494,708	860,494
Fundraising and publicity	25,811		25,811	37,762
Governance costs	20,649		20,649	28,699
<b>TOTAL RESOURCES EXPENDED</b>	838,858	228,208	1,067,066	1,289,895
Net Incoming/(Outgoing) Resources Before Transfers	34,426	84,171	118,597	63,709
<b>Transfers between funds</b>	-30,000	30,000		
Net Incoming/(Outgoing) Resources For The Year	4,426	114,171	118,597	63,709
Gains/(Losses) on Investments				
<b>NET MOVEMENT IN FUNDS</b>	4,426	114,171	118,597	63,709
Balances brought forward as at 1 January 2007	538,319	120,533	658,872	595,163
<b>BALANCES CARRIED FORWARD AS AT 31 DECEMBER 2007</b>	542,745	234,724	777,469	658,872

Notes to the Statement of Financial Activities:

1. Donations in kind – tools sent

It is the policy of the charity to account only for the value of tools physically dispatched overseas.

The notes form part of these financial statements.

## SUMMARY INCOME AND EXPENDITURE (including special projects)

For the year ended 31 December 2007

	2007	2006
	£	£
<b>INCOME</b>		
<b>Voluntary income</b>		
Donations in kind	494,708	860,494
Grants and donations	622,995	241,531
Special projects and National Lottery grants		183,532
	<u>1,117,703</u>	<u>1,285,557</u>
<b>Activities for generating funds</b>		
Rent from craftshops	40,365	40,902
Sales of tools and scrap	13,750	17,825
Sales of development education resources	458	1,359
	<u>54,573</u>	<u>60,086</u>
<b>Investment income</b>		
Bank interest	13,387	7,961
<b>TOTAL INCOME</b>	<u>1,185,663</u>	<u>1,353,604</u>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Refurbished tools dispatched	494,708	860,494
Tool refurbishment	55,064	48,335
Development education	29,253	37,762
Partnership development	68,830	49,845
Artisan support	61,947	45,314
Special projects	228,208	127,308
Groups support	58,505	39,272
Site refurbishment and maintenance	24,090	15,105
	<u>1,020,606</u>	<u>1,223,434</u>
<b>Costs of generating funds</b>		
Fundraising	25,811	37,762
<b>Governance costs</b>		
Administration	20,649	28,699
<b>TOTAL EXPENDITURE</b>	<u>1,067,066</u>	<u>1,289,895</u>
<b>SURPLUS FOR THE YEAR</b>	<u>118,597</u>	<u>63,709</u>

All recognised gains and losses are included in the Income and Expenditure account.

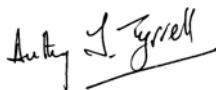
## BALANCE SHEET

At 31 December 2007

		2007		2006	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	5		210,561		219,927
Investments	6		<u>200,000</u>		<u>200,000</u>
			<b>410,561</b>		<b>419,927</b>
<b>CURRENT ASSETS:</b>					
Stocks		1,053		2,180	
Debtors	7	9,038		11,354	
Cash at bank		<u>377,706</u>		<u>242,804</u>	
		<b>387,797</b>		<b>256,338</b>	
<b>CREDITORS:</b>					
Amounts falling due within one year	8	<u>20,889</u>		<u>17,393</u>	
<b>NET CURRENT ASSETS:</b>			<u><b>366,908</b></u>		<u><b>238,945</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u><b>777,469</b></u>		<u><b>658,872</b></u>
<b>RESERVES:</b>					
Revaluation reserve	9		200,000		200,000
Restricted funds			234,724		120,553
Retained reserves	9		<u>342,745</u>		<u>338,319</u>
			<u><b>777,469</b></u>		<u><b>658,872</b></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Trustees on 15 March 2008 and were signed on its behalf by:



.....  
Dr A Tyrrell – Trustee

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 December 2007

## 1. ACCOUNTING POLICIES

### Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985.

### Incoming resources

#### Grants and donations

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that grants and donations given to the charity must be used in future accounting periods, the income is deferred until these periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular purposes which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

### Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff upon those activities.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	-2% on cost
Plant and machinery, etc	-33% on cost and 25% on reducing balance

**Stock:** Stock comprises development education resources, T-shirts and greetings cards and are valued at the lower of cost and net realisable value.

**Pensions:** The company operates a defined contribution pension scheme.

Contributions payable for the year are charged in the income and expenditure account.

The assets of the scheme are held separately from those of the charity by the Pensions Trust. The employer's contributions made to the scheme during the year were £17,622 with an employer's contribution of 10% of salary.

### Investment properties

In accordance with Statement of Standard Accounting Practice No.19, some of the charitable company's property is held for long-term investment and is included in the balance sheet at its open market value. The surplus on revaluation is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment property. This represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The Trustees consider that this policy is necessary in order that the financial statements may have a true and fair view because current values and changes in these are of a prime importance rather than the calculation of systematic annual depreciation.

## 2. OPERATING SURPLUS

The operating surplus is stated after charging/(crediting):

	Year ended 31 Dec 2007	Year ended 31 Dec 2006
	£	£
Depreciation – owned assets	10,093	11,790
Surplus on disposal of fixed assets	-	(200)
Auditors' remuneration	3,992	3,740
Pension costs	17,622	15,709

Trustees' emoluments and other benefits: The trustees receive no remuneration and during the year the trustees were paid travel expenses amounting to £830 (2006 – £1,357).

**3. TAXATION: Analysis of the tax charge** – No liability to UK corporation tax arose for the year ended 31 December 2007 nor for the year ended 31 December 2006, as the company is a registered charity.

## 4. INCOMING RESOURCES AND RESOURCES EXPENDED

Income and expenditure for the year is analysed upon the Income and Expenditure Account on page 13.

## 5. TANGIBLE FIXED ASSETS

	Freehold property	Improvements to property	Plant and machinery	Computer equipment	Totals
<b>COST:</b>	£	£	£	£	
At 1 January 2007	106,091	130,813	48,284	11,492	296,680
Additions				727	727
At 31 December 2007	106,091	130,813	48,284	12,219	297,407
<b>DEPRECIATION:</b>					
At 1 January 2007	17,676	15,601	33,374	10,102	76,753
Charge for year	2,121	2,617	3,728	1,627	10,093
At 31 December 2007	19,797	18,218	37,102	11,729	86,846
<b>NET BOOK VALUE:</b>					
At 31 December 2007	86,294	112,595	11,182	490	210,560
At 31 December 2006	88,415	115,212	14,910	1,390	219,927

## 6. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	2007	2006
	£	£
Netley Marsh craftshops	200,000	200,000

The craftshops were valued at open market value, by the trustees, on 31 December 2006. It is the policy of the charity to revalue the asset every 5 years.

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Other debtors – VAT recoverable	3,753	4,746
Other debtors – Prepayments	5,285	6,608
Total	9,038	11,354

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Trade creditors	8,430	4,738
Taxation & Social security	5,430	5,307
Other creditors – Pensions contributions	2,969	2,398
Other creditors – accrued expenses	4,060	4,950
Total	20,889	17,393

**9. RESERVES**

	Retained reserve	Revaluation reserve	Totals
	£	£	£
At 1 January 2007	338,319	200,000	538,319
Surplus for year	4,426	-	4,426
At 31 December 2007	342,745	200,000	542,745

This represents the total assets of the charity, including the value of the charity's investment property, after taking account of current liabilities, but excluding Restricted Funds.

**10. STAFF NUMBERS**

The average number of full time equivalent employees (including part time staff) during the year was as follows.

	2007	2006
Direct charitable activities	9	7.5

**11. STAFF COSTS**

	2007	2006
	£	£
Salaries	206,012	187,018
Social security costs	20,106	17,959
Pension contributions	17,622	15,709
Total	243,740	220,686

The highest paid employee fell in the band between £30,000 and £40,000.

**Thank you to all of our volunteers, supporters, Tools for Self Reliance groups and donors for your generous donations of tools, time and money. These are only a few of those who helped:**

A B Charitable Trust	Langdale Trust
Access 4 Trust	Leonard Laity Stoate Charitable Trust
Albion Trust	Lions Club of HarlowMarr-Munning Trust
Allan and Nesta Ferguson Charitable Settlement	Marsh Christian Trust
Beatrice Laing Trust	Mary Webb Trust
Bisgood Charitable Trust	Matthews Wrightson Charity Trust
Bonhomie United Charity Society	Meetings Industry Meeting Needs
Louise Briggs	Mellers' House, Nottingham High School
Bryan Guinness Charitable Trust	Miss Mary Millyard Charitable Trust
C B & H H Taylor 1984 Trust	MoneySavingExpert
Calleva Foundation	Mrs Eileen Moore-Blythe
Card Aid: Charities Advisory Trust	Morel Trust
Christadelphian Meal A Day Fund	Ms Sally Newcombe & Ms Claire MCGovern
Churches Together in Ringwood	Mrs Betty Nias
City Limits Employment	Mr Ron O'Connor
City of Carlisle Overseas Aid Trust	Oasis Christian Centre
Mr & Mrs Barry & Mary Coles	Open Gate
Mrs D Collingridge	Susan J Otty
Mr Michael Combes	P & W Webster Trust
Community First, New Forest	Patrick Frost Foundation
Cotton Trust	Paul Foundation
Mr & Mrs Nicholas & Bridgid Crace	PCC of South Baddesley
Cyclots Team	Penwith One-Per-Centers
Dean & Chapter of Westminster	Peter Barker-Mill Memorial Charity
Denis Buxton Trust	Rhododendron Trust
Due South	Richard Kirkman Trust
E S G Robinson Charitable Trust	Roar Sextet
Education Services	Robert Kiln Charitable Trust
Edward Cadbury Charitable Trust (Incorporated)	Roger Brooke Charitable Trust
EIL	Rotary Club of Chichester Priory
Eland Cables	Rotary Club of Winchester
Eleanor Rathbone Charitable Trust	Rowan Charitable Trust
Mr George Ellis	Rufford Maurice Laing Foundation
Ericson Trust	St Andrews Church's Fair Trade Shop
Ferguson Benevolent Fund Ltd	St John the Baptist & All Saints PCC
Frays Charitable Trust	St Mary's Charity
Frederick William Carter Trust	St Stephen with St John Westminster
Fulmer Charitable Trust	Shirley & Ian Watson Trust
Furlongs Fund	Sir Halley Stewart Trust
Mrs Daphne Gabbertas	Mrs Margaret Sirkett
Gifford & Partners	Southampton Voluntary Services
Gordian Strapping	Springfield Technology College, Portsmouth
Good Gifts Catalogue	Stephen Clark Charitable Settlement 1965
Greendale Charitable Foundation	Sydney E Franklin Deceased's New Second Charity
GSE 2000 Ltd	Thomas J Home Memorial Trust
Guild of St George	Tibden Trust
Halterworth Primary School	W M J Trafford
Mr & Mrs Roland & Heather Hanbury	Tregenna Trust
Henhurst Charitable Trust	Triodos Foundation
Hillcote Trust	Tripack Ltd
Hirrom Family Trust	T W Metals
H T & L B Cadbury Charitable Trust	Mr Steven Turner
Inman Charity	Mr J W M Wallace
Mr & Mrs M & R Jensen	Mr & Mrs David & Lisa Wallace
Jersey Overseas Aid Commission	Miss Maureen Willis
John and Susan Bowers Fund	Mr Jim Wood
John Lewis Partnership	
Mr John R Johnson	
King John's Morris Men	
Landerfirst Ltd	



