



# TOOLS FOR SELF RELIANCE

Practical help for practical people



**Report of the Directors and Financial Statements**

**For the year ended 31<sup>st</sup> December 2019**

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## **Company Information**

Patrons:	Archbishop Desmond Tutu Archbishop of York, John Sentamu
Directors:	Mr S Hitchmough - Chair of the Board Mr J P N Payne Ms S Erb Mrs C A de H Bowell (resigned 22 <sup>nd</sup> September 2019) Ms L Hansford - Treasurer Ms J Scott Ms M Tarrant (Co-opted 22 <sup>nd</sup> September 2019) Mrs L Taylor (Co-opted 6 <sup>th</sup> December 2019)
Chief Executive Officer:	Ms S L Ingleby
Registered Office:	Netley Marsh Workshop Netley Marsh Southampton Hampshire SO40 7GY
Registered Number:	01487630 (England and Wales)
Charity Number:	280437
Senior Statutory Auditor:	Christopher David Osmond
Accountants and auditors:	Stone Osmond Limited Accountants and Registered Auditors 75 Bournemouth Road Chandlers Ford Eastleigh Hampshire SO53 3AP
Principal Bankers:	HSBC – Totton, Hampshire COIF – London CAF – West Malling, Kent
Website:	<a href="http://www.tfsr.org">www.tfsr.org</a>

The trustees are pleased to present their report outlining the Charity's activities and developments over the past year and to present the financial statements of the company for the year ended 31 December 2019.

## GOVERNANCE

Tools for Self Reliance is a company limited by guarantee. It is registered as a Charity with the Charity Commission. Anyone can become a member of the company and liability is limited to £1. Tools for Self Reliance is an independent Charity and not affiliated to any other organisation.

## CHARITABLE OPERATIONS

***Our vision: The vision of Tools for Self Reliance is a world free of poverty, where people can use their skills and energies to meet their needs and aspirations.***

The Charity was established to relieve poverty amongst people in the developing areas of the world by the provision of hand and other tools and equipment, together with training in their use, and business and livelihood skills. In addition, the Charity provides facilities in the UK for the personal development of individuals with the object of improving their conditions of life.

## DIRECTORS AND TRUSTEES

For the purposes of Charity Law and throughout this report, the trustees of the Charity are collectively referred to as the directors. Directors are elected from and by the members at the Annual General Meeting. Role descriptions are in place for all directors and there is a policy for the induction of new directors.

The Directors are responsible for the overall direction of the Charity, policies and legal compliance. Operational responsibility is delegated to the Chief Executive Officer, who is assisted by a staff team at the Charity headquarters based at Netley Marsh. The Directors have a yearly meeting with the staff team to discuss the current and future strategic direction of the Charity. They also meet with staff as required as part of their work on the Board sub-committees.

Board sub-committees	
Committee	Members
Finance and Property	Linda Hansford, Steve Hitchmough
Fundraising	Jacqui Scott, Jeremy Payne
Governance Sub Committee	Linda Taylor, Steve Hitchmough
Development Advisory Group	Susan Erb, Megan Tarrant

The Directors confirm they have complied with their responsibilities in pursuance of the Charity's public benefit objective in terms of Section 4 of the 2006 Charities Act, having due regard to the guidance published by the Charity Commission when exercising any powers or duties to which the guidance is relevant.

## **Our Programmes and Activities**

Our five-year strategy **Africa Works**<sup>1</sup>, continues to shape our work and ensure we remain focussed on addressing underemployment and unemployment in Africa through the acquisition of vocational skills and targeted interventions; thus contributing to sustainable and inclusive growth.

## **Mission Statement**

***Our mission is to contribute to poverty reduction in Africa by working with partner organisations to empower people to build sustainable livelihoods through the provision of tools and training.***

## **United Nations Sustainable Development Goals<sup>2</sup>**

These goals are intended to embody a universally shared and common global vision of progress towards a safe, just and sustainable world for all to thrive in. There are seventeen goals in all; with the work of Tools for Self Reliance being most closely aligned with the following:

***Goal 1 No Poverty – ending poverty in all its forms everywhere***

***Goal 4 Quality Education – ensure inclusive and equitable quality education and promote lifelong learning opportunities for all***

***Goal 8 Decent Work and Economic Growth – promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all***

***Goal 10 Reduced Inequalities – reduce income inequality within and among countries.***

## **Our Model**

Tools for Self Reliance works towards moving people out of unemployment or underemployment and into meaningful, sustainable work. Our model brings together a number of elements, which we believe need to be in place to enable effective interventions that bring about long-term positive change. These include vocational training, business training, life skills training, training in functional literacy and numeracy, access to micro credit and support to set up and build small business enterprises.

As we progress into our five-year strategy, we have developed a number of extended projects which include additional activities to address specific needs in the families and communities participants come from. These projects combine our core activity of supporting training with support to address issues such as early marriage, FGM, improved water and sanitation and support for young mothers.

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<sup>1</sup> Our new five-year strategy – ‘Africa Works’ can be found on our website: <http://www.tfsr.org/wp-content/uploads/2016/09/Africa-Works-single-page.pdf>

<sup>2</sup> For further information on the United Nations Sustainable Development Goals - [http://www.undp.org/content/dam/undp/library/corporate/brochure/SDGs\\_Booklet\\_Web\\_En.pdf](http://www.undp.org/content/dam/undp/library/corporate/brochure/SDGs_Booklet_Web_En.pdf)

## Review of Activities and Performance

Strategy Area	Programmes
<b>Goal 1</b>	We will remain focussed on developing and expanding our core model, supporting people in rural and urban communities to build viable and sustainable livelihoods.
<b>Goal 2</b>	We will be proactive in seeking out and building partnerships with complementary organisations, contributing to a cohesive and sustainable project model.
<b>Objectives</b>	
<ul style="list-style-type: none"> <li>• Deliver 35-40 projects per year, supporting 1,200 people across our country programmes</li> <li>• We will work with other development organisations to embed additional components into our projects</li> <li>• To support training and business start up and development, we will be responsive to tool and equipment needed; including ways to resource an increasing demand for power tools</li> <li>• Establish an in-country office in at least one of our programme countries, to support our partners and the development of projects</li> <li>• Work with our partners to support them in the development of their own capacity and ability to respond to changing needs</li> </ul>	

### Project Delivery

During 2019, 28 projects were started or completed. In our strategic plan we set ourselves a target 35-40 projects per year, however there has been a shift away from this target to enable us to work with our partners on longer-term projects and also to deliver projects which include additional activities that address issues affecting the trainees, their families and their communities. To this end, in 2019, four of the projects started will be delivering additional activities, including community outreach to raise awareness of early child marriage, women's empowerment, early child development, promotion of organic farming practices and improving water and sanitation in communities and schools.

A total of **1,398** people were directly involved in our projects through the delivery of vocational, business, life skills and functional literacy and numeracy training activities. Of this total almost **50%** of our project participants are female.

A further **1,630** will benefit from the additional activities included in the four extended projects. Of this total, **63%** are female.

Vocational Training Projects and Participants								
Country	Number of projects by country		Number of training participants by country					
	2018-2019	2019-2020						
Ghana	2	5	Total	253	Male	140	Female	113
Malawi	0	5	Total	394	Male	227	Female	167
Sierra Leone	1	4	Total	260	Male	95	Female	165
Uganda	4	0	Total	226	Male	136	Female	90
Zambia	3	4	Total	265	Male	112	Female	153
<b>Total</b>	<b>10</b>	<b>18</b>	<b>Total</b>	<b>1,398</b>	<b>Male</b>	<b>710</b>	<b>Female</b>	<b>688</b>

Extended Projects and Participants							
<b>Ghana</b>							
Partner	Thematic Approach	Number of participants by country/project					
<b>NORSAAC</b>	Reducing child marriage and women's empowerment	Total	1,000	Male	500	Female	500
<b>SGA</b>	Community outreach and early childhood development	Total	180	Male	0	Female	180
<b>TRAX</b>	Promotion of organic farming practices/ training of lead farmers	Total	200	Male	50	Female	150
<b>Sierra Leone</b>							
<b>BWU</b>	Wealth, Health and Wellbeing for Women	Total	250	Male	50	Female	200
<b>Zambia</b>							
<b>KEVTC</b>	Water and Sanitation/ Education	Total	3,210	Male	1,500	Female	1,710
<b>Totals</b>			<b>4,840</b>		<b>2,100</b>		<b>2,740</b>

### Working with other Organisations

2019 saw the launch of our LiFE Network, set up to bring together organisations working in the livelihoods development sector. In total, twenty-nine participants from seventeen organisation attended and used the meeting to network, share knowledge and skills and to discuss the challenges and opportunities faced in their work. The network will provide an ongoing platform for organisations to share ideas, pursue opportunities to work collaboratively and also to become a platform for promoting livelihood development activities. In 2020, we will further promote the network at the BOND Conference.

### Provision of tools and equipment

Feedback from our partners, training participants and graduates who have established their own small businesses remains consistent in reporting limited access to tools and equipment in country. Where available they are invariably poor quality and / or prohibitively expensive. Provision of tools and equipment for training and business start-up is seen as crucial in ensuring

effective delivery of skills training and enabling graduates to have the tools they need for their work.

To meet the need and demand for electrical tools and equipment, we have continued to actively recruit volunteers to work on refurbishing and testing of these; and this enabled us to send 139 power tools and 120 electrical sewing machines to partners for training and also to support new and existing businesses. Electric motors are also provided with hand sewing machines to give trainees and graduates the option of how best to use the machines they receive.

All volunteers embarking on testing and refurbishing electrical tools undertake a comprehensive training programme at our headquarter workshops and we will be rolling this programme out to our groups across the UK during 2020.

During visits to partners and from discussions with trainees and graduates the need to address the provision of treadle bases was highlighted. Access to bases in our programme countries is limited and those available are invariably of poor quality or prohibitively expensive. To better address the needs of tailors, we have now adopted a new packing method that allows for bases to be flat packed, which makes it possible to include more in each shipment.

To ensure we are effectively supporting our partners and other livelihoods organisations, and the projects they are delivering, the following tools were sent during 2019.

<b>Country</b>	<b>No. of tools</b>	<b>Replacement value of tools*</b>
Ghana	5,644	£34,249
Uganda	7,990	£64,288
Zambia	2,903	£22,183
Non-Partner	5	£343
<b>Totals</b>	<b>16,542</b>	<b>£121,063</b>

*\* Values are based at 50% of the total replacement value of the tools and equipment shipped*

### **Developing Capacity**

As part of the visits undertaken to our programme countries in 2019, we held three partner workshops in Zambia, Malawi and Ghana

A range of social media platforms have been set up to enable regular communications between partners and ourselves, and the sharing of information and updates



## **Outcomes and achievements in 2019**

During the year visits were made to Malawi and Ghana to evaluate eight projects. A further two projects were evaluated by our Zambia Country Officer. A total of 133 graduates were visited to gather feedback and data on their training and activities.

- Of the 201 graduates met during project evaluations, 81% reported that they were using skills that they had learned in their training to earn an income.
- 69% of these graduates had started their own businesses after their training and 23% had secured jobs.
- Combined, and on average, the graduates reported that their income had increased almost seven times on what it was before their training.
- 8% of the graduate met were using the funds they had earned to continue to train and/or return to school to finish their education

### **Key Activities and Targets for 2020**

- Continue implementation of 18 projects started in 2019
- Start 18 new projects – including two 2-year projects
- Send shipments to support projects and organisations in: Sierra Leone, Malawi, Ghana and Zambia; and respond, as appropriate and within our capacity, to requests for tools and equipment from other livelihood organisations
- Undertake a survey with all partners to review capacity, tool provision and other key project management activities, feeding results into scoping activities in preparations for the development of our 2021 strategy
- Hold partner workshops in Uganda, Sierra Leone and Malawi, providing an opportunity for partners to come together and share their knowledge and experience and to input into the development of our country programmes
- Undertake 2 Project Development visits to Ghana and Malawi to work with partners to undertake collaborative development of new projects.
- Deliver electrical training for up to 10 volunteers from our UK groups

A list of our partners by country can be found in Annex 1

Strategy Area	Impact and Learning
<b>Goal 3</b>	We will further develop mechanisms to monitor and evaluate project effectiveness and impact. Identifying and recognising changing needs and enabling continuous learning; and will share what we have learned with our partners and other organisations.
<b>Objectives</b>	
<ul style="list-style-type: none"> <li>• We will embed tracking methodologies and undertake short and longer-term evaluations of our projects to enable us to better understand the impact of our work; and use this to adapt and progress our model.</li> <li>• We will establish an online resource bank, to share our knowledge and expertise.</li> </ul>	

During 2019, work continued on the development of our monitoring structure and mechanisms, to ensure effective reporting and to optimise opportunities to gather qualitative and quantitative feedback and data our projects.

The consolidation of data and feedback from our projects has been supported by students from Portsmouth University on placement as part of their studies. Their work has enabled us to establish standardised indicators and to track progress against these across all our projects.

Using this consolidated data and feedback, alongside that gathered from trainees and graduates during evaluations, we are now producing Impact Reports for projects which provide a summary of activities undertaken, outcomes, challenges faced, lessons learned and participant comments.<sup>3</sup>

Work started in 2019 on the development of online monitoring tools, that will streamline the collection and consolidation of data. We will begin piloting the tools developed during 2020.

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<sup>3</sup> Copies of our Impact Reports are available on the Resources page of our website:  
<https://www.tfsr.org/about/publications/>

Strategy Area	Impact and Learning
<b>Goal 4</b>	We will continue to build on our robust organisational structure to effectively resource the delivery of our Africa Programme and its activities.
<b>Objectives</b>	
<ul style="list-style-type: none"> <li>• Increase unrestricted income and diversify our income source, with the aim of increasing our income to £1 million by 2021.</li> <li>• Build strategic partnerships, including with businesses and similar organisations.</li> <li>• Grow our supporter base and increase the number of engaged and active supporters.</li> <li>• Support the development and sustainability of our UK Programme volunteers, and encourage them to diversify the ways in which they work with us.</li> <li>• Engage with the public and businesses to ensure the continued provision of high quality refurbished tools and equipment.</li> </ul>	

### Income Diversification

Responsibility for income generation lies mainly with our Fundraising Team. No fundraising activities are undertaken by external paid fundraisers or by any commercial participator. Tools for Self Reliance is registered with the Fundraising Regulator and has a robust Fundraising Policy in place, underpinned by an Ethical Giving Policy and Refusal and Acceptance of Donations Policy. During 2019 we received no complaints regarding our fundraising activities.

Tools for Self Reliance’s work is funded through a mixture of grant income, donations and income generated from rents and events. During 2019 we raised £1,117,354 – including gifts in kind (£781,236 in 2018).

In 2019 we were fortunate to receive a significant grant, which will enable us to support seven partners in the delivery of projects from 2020. The grant will also enable us to undertake a range of networking and monitoring and evaluation activities and to develop our fundraising and communications activities.

We are also very grateful to the Turing Foundation for their donation of €40,000 for the Health, Wealth and Wellbeing Project in Sierra Leone, being delivered by the Baptist Women’s Union from 2019-2021. This project will support the delivery of training to 200 participants and the delivery of an awareness programme for 500 local community members of the local community. By the end of this 2-year project women in the target communities will be enabled to earn a sustainable income and to make informed choices about their health and lives at individual and household level and create a more enabling environment at community level.

Our ambitious plans to further develop the contribution we can make to poverty reduction in Africa is underpinned by a sound fundraising strategy, to ensure that we can fund the projects we know will make a difference. We have received generous investment in our work for many years from grant making trusts, individuals, and from our volunteer groups who make a significant contribution to our fundraising efforts. We are hugely appreciative of this ongoing support and extend our thanks to all those who have supported our work during the year

### **Building strategic partnerships**

As a small organisation, Tools for Self Reliance needs to give strategic consideration to increasing capacity through collaborative working. This might mean securing volunteer support through a local business, or working in partnership with another organisation on a joint funding bid. In 2018 we carried out networking activities with a range of organisations and special interest groups in order to lay the foundations for future potential partnerships and sharing of resources and best practice.

### **Growing our supporter base**

Tools for Self Reliance is grateful to receive support from individuals who make donations on both a regular and one-off basis. This income is essential in supporting programme delivery costs, and operational costs in the UK. Many supporters have been investing in our work for a number of years, and see through our communications activity the impact that their donations have had. In 2018 we carried out a successful appeal to ask donors that had given to us in the past to become regular givers. This resulted in a 5% annual increase in regular donation income. We have also increased opportunities for donors to share their feedback with us, so that we can learn from them how we can best enhance their donor experience.

### **Working with Volunteers**

Our volunteers across the UK continue to offer invaluable support for our work through their various activities. We greatly appreciate their commitment and for their ongoing support, which continues to be the cornerstone of our activities in the UK. In 2019, in recognition of this, 45 volunteers were awarded long service certificates; representing 765 years of volunteering.

In total, we have 641 volunteers supporting our work across the UK – 87% of these volunteers are male and 13% are female. 110 of our volunteers are based at our Netley Marsh headquarters and the remaining 531 work independently or in organised groups.

We have 28 active volunteer groups from Hampshire in the south to Aberdeenshire in the north; and a further seven organisations that work in partnership with us, details of which can be found in Annex 2.

During 2019, our volunteers continued to support the work of the Charity through their involvement in a wide range of activities, including an impressive contribution to the fundraising efforts of the Charity through their attendance at events and sales, resulting in £82,596 being raised.

We were able to use these funds to support projects in Malawi, Ghana, and Zambia. Funds received from groups towards the end of the year have been set aside to support projects in the coming year, including projects in Uganda and Malawi. We would like to extend our thanks to all of our volunteers, we are most grateful for their ongoing commitment and hard work.

<b>Volunteer Activities*</b>	<b>Number of volunteers</b>
Sorting and refurbishing of tools, sewing machines and haberdashery	<b>535</b>
Collectors	<b>352</b>
Tool selling	<b>232</b>
Public speaking	<b>132</b>
Attending events	<b>148</b>
Other – including site maintenance, office work, warehouse work, etc.	<b>123</b>

\*Some volunteers undertake more than one activity.

In 2019 we were again successful in securing funding through the British Council and the European Union’s EVS programme. Two young volunteers from Germany and Austria began their volunteer placements in the second half of the year, with a third volunteer from Russia due to join us at the beginning of 2020. They will have the opportunity to work alongside our daily volunteers and experience life in the UK. Looking ahead to 2020, future funding for this volunteer programme will be dependent on the final outcomes of the Brexit negotiations.

<b>Strategy Area</b>	<b>Communication</b>
<b>Goal 5</b>	We will use an integrated communications approach to highlight key messages and tell people about our work and its impact.
<b>Objectives</b>	
<ul style="list-style-type: none"> <li>• We will use impact data and evidence from our work to develop a compelling case for support, building credibility and engaging existing and new supporters.</li> <li>• We will define our key messages and audiences and use relevant media channels to raise our profile at national and international level.</li> </ul>	

### **Key Messages and audiences**

In 2019, we focussed on sharing more news on our work and its impact with our supporters and stakeholders. As a result of this activity, we saw an increase in engagement across all platforms, including a 20% growth in Facebook followers and over 31,000 website visits.

Looking forward, in order to increase our impact we aim to engage more people with our work, and significantly raise our profile. We already have a range of channels that we use – monthly e-newsletter, printed communications, and social media platforms – and in 2018, we worked on using these imaginatively to communicate the importance of sustainable livelihood development as a way to reduce poverty and improve lives in a very direct way.

### **Review of Financial Position**

Income for the year from donations and grants was £951,957, reflecting an increase of £297,471 from the 2018 funds of £654,486. Funds from rents, investments, sales and events were up by 13% compared to the previous year. Expenditure was £918,603, which is £205,484 more than the 2018 spending of £713,119.

Included in the above figures are the value of tools shipped (donations in kind) of £121,063 (2018 - £113,983).

Alongside funding from external sources such as trusts and foundations, we have continued to generate funds internally from sources including:

- rental income from units on our Netley Marsh site, which generated £59,034 of income
- the sale of excess or unsuitable tools, haberdashery and scrap metal, which generated £106,363 of income.

### **Funds held at 31<sup>st</sup> December 2019**

Total reserves amount to £905,164, including fixed assets of £457,044. The fixed assets of Tools for Self Reliance are the Netley Marsh workshop site, including that part used as investment property together with the value of workshop, warehouse and office equipment.

## **Statutory Policies**

### **Risk Management**

The directors have examined the potential risks that the Charity faces. They have reviewed the risks on a regular basis and confirm that measures to minimise these risks are in place.

### **Reserves Policy**

Our reserves policy is set to ensure that our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring that we do not retain income for longer than required. As such it is Tools for Self Reliance's policy to manage the Charity such that available cash reserves are held at a minimum level of between two and three months' core running costs. At the year-end we had unrestricted cash free reserves of £97,867 (2018 - £103,404), which meets this criterion.

## **Other Policies**

### **General Data Protection Regulation (GDPR)**

In 2019 we continued to ensure compliance with all relevant GDPR regulations and our own Fundraising Pledge. A Privacy Policy<sup>4</sup> is in place and guidance has been provided to our volunteers.

### **Fundraising Regulator Code**

The four main pillars of this code – being legal, open, honest and respectful, are embedded into our own fundraising policy and practices. The trustees ensure compliance with the General Duties outlined in the Code and ensure that policies are reviewed in line with any changes and amendments made to the Code during the year.

An Ethical Policy and Refusal and Acceptance of Donations Policy are also in place

### **Safeguarding**

Tools for Self Reliance is committed to upholding its responsibility to ensure that all those working with and for the Charity are protected from all forms of harm, abuse, neglect and exploitation. To this end a comprehensive Safeguarding Policy has been put in place, which includes an enhanced Code of Conduct for all employees. We are also working with our partners to ensure good safeguarding practices are in place and observed and will introduce a Code of Conduct for our volunteers in 2020.

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<sup>4</sup> Our Privacy Policy can be found on our website: <https://www.tfsr.org/wp-content/uploads/2018/05/2018-Privacy-Notice.pdf>

**Compliance with the Governance Code**

The Board continues to uphold the principles of this voluntary code of practice; and has an action plan in place to review activities to ensure ongoing compliance.

All trustees / co-opted members and members of the senior management team are required to sign Eligibility Declarations and a Conflict of Interest Declaration.



### **Statement of Director's Responsibilities**

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations. We continue to ensure we effectively manage our finances to ensure we are best placed to deliver the highest quality impact in our programmes and projects.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the 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 these financial statements, the Directors are required to:

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

The Directors 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 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.

**Statement as to Disclosure of Information to Auditors**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed

Dated: 24<sup>th</sup> August 2020



Mr S Hitchmough

Signed



Ms L Hansford

Dated: 24<sup>th</sup> August 2020

## **Independent Auditors' Report to the directors of Tools for Self Reliance**

### **Opinion**

We have audited the financial statements of Tools for Self Reliance for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at [date] and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out on page 15, the directors 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Charity'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 directors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:  
[[www.frc.org.uk/auditorsresponsibilities](http://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 Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher David Osmond (Senior Statutory Auditor)  
For and on behalf of Stone Osmond Ltd  
Statutory Auditor  
75 Bournemouth Road  
Chandlers Ford  
Eastleigh  
Hants  
SO53 3AP



24th August 2020

**Statement of Financial Activities for the year ended 31<sup>st</sup> December 2019**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>	<u>2018 Total Funds</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>INCOME AND EXPENDITURE</b>					
Incoming Resources	1				
Donations and grants	10	421,563	530,394	951,957	654,486
Investment income		59,034	-	59,034	56,371
Income from other trading activities	11	106,363	-	106,363	70,379
<b>TOTAL INCOMING RESOURCES</b>		<u>586,960</u>	<u>530,394</u>	<u>1,117,354</u>	<u>781,236</u>
Resources Expended					
Direct Charitable Expenditure	12	462,440	291,746	754,186	599,154
Expenditure on raising funds		164,417	-	164,417	113,965
<b>TOTAL RESOURCES EXPENDED</b>		<u>626,857</u>	<u>291,746</u>	<u>918,603</u>	<u>713,119</u>
Net Incoming/(Outgoing) resources before transfers	2	(39,897)	238,648	198,751	68,117
Transfers between funds		32,755	(32,755)	-	-
Net Incoming/(outgoing) resources for the year		(7,142)	205,893	198,751	68,117
Gains/(Losses) on Investment		-	-	-	-
<b>BALANCES BROUGHT FORWARD</b>					
<b>AS AT 1 JANUARY 2019</b>		<u>557,763</u>	<u>148,650</u>	<u>706,413</u>	<u>638,296</u>
<b>BALANCES CARRIED FORWARD</b>					
<b>AS AT 31 DECEMBER 2019</b>		<u>550,621</u>	<u>354,543</u>	<u>905,164</u>	<u>706,413</u>

The notes form part of these financial statements

**Balance Sheet 31<sup>st</sup> December 2019**

	<u>Notes</u>	<u>2019</u> £	<u>2018</u> £
<b>FIXED ASSETS</b>			
Tangible assets	4	142,044	146,781
Investments	5	<u>315,000</u>	<u>315,000</u>
		457,044	461,781
<b>CURRENT ASSETS</b>			
Debtors	6	1,999	4,754
Bank balances and funds in hand		<u>460,427</u>	<u>270,164</u>
		462,426	274,918
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>10,016</u>	<u>22,864</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>452,410</u>	<u>252,054</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		909,454	713,835
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	<u>4,290</u>	<u>7,422</u>
<b>NET ASSETS</b>		<u>905,164</u>	<u>706,413</u>
<b>RESERVES</b>			
Unrestricted reserves	9	290,938	298,080
Restricted reserves		354,543	148,650
Revaluation reserve		<u>259,683</u>	<u>259,683</u>
		<u>905,164</u>	<u>706,413</u>

The notes form part of these financial statements

**Balance Sheet 31<sup>st</sup> December 2018**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to Small Companies.

**ON BEHALF OF THE BOARD**

Mr S Hitchmough – Board Chairman



Ms L Hansford – Board Treasurer



Approved by the Board on 11<sup>th</sup> July 2020

The notes form part of these financial statements



## **Notes to the Financial Statements for the year ended 31<sup>st</sup> December 2018**

### **1. ACCOUNTING POLICIES**

#### **Accounting convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s)

#### **Donated Tools**

Donated tools are valued at replacement value less 50%.

### **INCOMING RESOURCES**

#### **Grants and donations**

Income from grants and donations is included in the Statement of Financial Activities 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.
- Legacies are accounted for on receipt.

#### **Income from other trading activities**

Income from other trading activities is included in the Statement of Financial Activities on an accruals basis.

The notes form part of these financial statements

## **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.

### **Fund Accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charitable company. Designated funds are unrestricted funds of the company which the directors have decided to set aside to use for a specific purpose. Restricted funds are donations which the donor had specified are to be solely used for particular areas of the company's work or specific projects being undertaken.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or if held under a finance lease, over the lease term, whichever is the shorter.

Land and buildings	- 2% straight line
Plant and machinery	- 25% reducing balance
Computer equipment	- 33% on cost

### **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 contribution made to the scheme during the year were £26,871 (2018 - £26,090).

These notes form part of the financial statements

### **Investment properties**

In accordance with the SORP some of the Charity’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 directors 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.

The investment property was re-valued to £315,000 by the directors on 31 December 2016. It is the policy of the Charity to revalue the asset every five years. There is considered to be no impairment during the year.

### **2. NET INCOMING / (OUTGOING) RESOURCES FOR YEAR**

Net incoming / (outgoing) resources is stated after charging:

	<u>2019</u>	<u>2018</u>
Depreciation – owned assets	4,737	5,540
Audit fee	3,000	3,000
Non audit fee	1,750	1,750
Pension costs	<u>26,871</u>	<u>26,090</u>
Directors emoluments and other benefits etc. (see note 15)	<u>162</u>	<u>32</u>

### **3. TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year ended 31<sup>st</sup> December 2019 or for the year to 31st December 2018 due to its charitable status.

These notes form part of the financial statements

#### 4. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u>	<u>Improvements to Property</u>	<u>Plant and Machinery</u>	<u>Computer Equipment</u>	<u>Total</u>
	£	£	£	£	£
<b>COST</b>					
At 1 January 2019	106,091	130,813	51,071	24,745	312,720
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2019	<u>106,091</u>	<u>130,813</u>	<u>51,071</u>	<u>24,745</u>	<u>312,720</u>
<b>DEPRECIATION:</b>					
At 1 January 2019	43,128	46,995	51,071	24,745	165,939
Charge for year	2,121	2,616	-	-	4,737
Eliminated on disposals	-	-	-	-	-
At 31 December 2019	<u>45,249</u>	<u>49,611</u>	<u>51,071</u>	<u>24,745</u>	<u>170,676</u>
<b>NET BOOK VALUE:</b>					
At 31 December 2019	<u>60,842</u>	<u>81,202</u>	<u>-</u>	<u>-</u>	<u>142,044</u>
At 31 December 2018	<u>62,963</u>	<u>83,818</u>	<u>-</u>	<u>-</u>	<u>146,781</u>

#### 5. FIXED ASSET INVESTMENTS

	<u>2019</u> £	<u>2018</u> £
Netley Marsh rented units	<u>315,000</u>	<u>315,000</u>

#### 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2019</u> £	<u>2018</u> £
Other debtors – VAT	1,999	3,254
Other debtors	-	1,500
	<u>1,999</u>	<u>4,754</u>

#### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2019</u> £	<u>2018</u> £
Trade creditors	2,016	2,414
Taxation and Social Security	-	6,198
Pension Contributions	3,250	3,502
Accruals	4,750	4,750
Loans	-	6,000
	<u>10,016</u>	<u>22,864</u>

These notes form part of the financial statements

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Loans repayable by instalments:		
Loans - one to two years	-	-
Pension contributions	<u>4,290</u>	<u>7,422</u>
	<u>4,290</u>	<u>7,422</u>

**9. RESERVES**

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
<b>Unrestricted Funds:</b>		
At 1 January 2019	298,080	299,147
Net incoming/outgoing resources for the year	<u>(7,142)</u>	<u>(1,067)</u>
At 31 December 2019	<u>290,938</u>	<u>298,080</u>
<b>Restricted Funds:</b>		
At 1 January 2019	148,650	79,466
Net incoming/outgoing resources for the year	<u>205,893</u>	<u>69,184</u>
At 31 December 2019	<u>354,543</u>	<u>148,650</u>
<b>Revaluation Reserve</b>		
At 1 January 2019	259,683	259,683
Gain/Loss for year	<u>-</u>	<u>-</u>
At 31 December 2019	<u>259,683</u>	<u>259,683</u>
<b>TOTALS</b>	<u>905,164</u>	<u>706,413</u>

These notes form part of the financial statements

### Analysis of 2019 Total Net Assets by Fund

	<u>Unrestricted Capital</u> £	<u>Restricted Income</u> £	<u>Total Funds</u> £
Fixed assets	457,044	-	457,044
Cash at bank and in hand	105,884	354,543	460,427
Other net current liabilities	(12,307)	-	(12,307)
	<hr/>	<hr/>	<hr/>
	<u>550,621</u>	<u>354,543</u>	<u>905,164</u>

### 10. DONATIONS AND GRANTS

	Unrestricted	Restricted	Total
Donations and grants	300,500	530,394	830,894
Donations in kind	121,063	-	121,063
	421,563	530,394	951,957

### 11. INCOME FROM OTHER TRADING ACTIVITIES

Income from other trading activities consists of the sale of tools £48,680 (2018 - £42,404), sale of scrap £4,640 (2018 - £7,031) and eBay, Craft 2 Craft and other £53,043 (2018 - £20,944).

### 12. DIRECT CHARITABLE EXPENDITURE

	<u>2019</u> £	<u>2018</u> £
African programme	434,318	328,450
Donated tools	121,063	113,983
UK programme	186,813	145,394
Depreciation	4,737	5,540
Governance (note 13)	7,255	5,787
	<hr/>	<hr/>
	<u>754,186</u>	<u>599,154</u>

All direct charitable costs are allocated to the relevant areas and the support costs are allocated on the basis of an estimate of time spent by staff upon those activities.

These notes form part of the financial statements

### 13. GOVERNANCE

	<u>2019</u>	<u>2018</u>
	£	£
Audit and accountancy	4,750	4,750
Directors benefits/reimbursements	162	32
Director recruitment costs	-	895
Director development	-	70
AGM	61	40
Bond membership/Exhibition	<u>2,282</u>	<u>-</u>
	<u>7,255</u>	<u>5,787</u>

### 14. EMPLOYEES

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

	<u>2019</u>	<u>2018</u>
Direct charitable activities	10	10

#### Employee costs

	<u>2019</u>	<u>2018</u>
	£	£
Salaries	269,449	260,727
Social security costs	19,163	19,347
Pension contributions	<u>26,871</u>	<u>26,090</u>
	<u>315,483</u>	<u>306,164</u>

There are no employees earning at a rate over £60,000 per year.

### 15. DIRECTORS BENEFIT/REMUNERATION

The number of Directors at the year-end was six. The company does not provide Directors indemnity insurance. The company reimbursed expenses and travel costs of £162 (2018- £32); the Articles preclude the payment of any remuneration.

### 16. AUDITOR LIABILITY LIMITATION AGREEMENT

The liability of the auditor is limited to ten times the fee, per agreement dated May 2010.

These notes form part of the financial statements

## **17. CONTINGENT LIABILITY**

Tools for Self Reliance participates in The Growth Plan run by The Pensions Trust, a multi-employer scheme. There exists a potential debt that could be levied by the trustee of the Plan in the event of the employer ceasing to participate in the Plan, or the Plan winding-up.

As Tools for Self Reliance has opted to remain with the Plan and continues to offer this Plan to its employees, the likelihood of the debt crystallising is remote. Tools for Self Reliance is committed to paying deficit contributions to the Plan for seven years from 1 January 2020. The present value at the year-end is £5,297 (2018 - £8,695) and is included within creditors.



## **Annex 1 - Current Partners**

### **Ghana**

TRAX-Ghana, NORSAAC, Wuni Zooya Development Programme (WUDEP),  
Street Girls Aid (SGA), Centre for capacity Improvement for the Wellbeing of the Vulnerable  
(CIWED)

### **Non Project Partners**

NEWIG, National Vocational Training Institute (NVTI)

### **Malawi**

Foundation for Education and Social Development (FESODEV), Foundation for Community  
and Capacity Development (FOCCAD), Young Achievers Foundation (YAF) – formerly Lilongwe  
Youth Organisation (LYO), Youth Organisation for Health and Development (YOHAD),  
Nkhotakota Youth Organisation (NYO)

### **Non Project Partners**

Africa Vision Malawi

### **Sierra Leone**

Educational Centre for the Blind and Visually Impaired (ECBVI), Baptist Women's Union (BWU),  
Craftshare (CVTC), Future Focus Foundation (FFF), Mobility Sierra Leone (MSL)

### **Non Project Partners**

Pangea

### **Uganda**

Rural People in Action for Development (RUPAD), Uganda Rural Development  
Training Centre (URDT), Single Parenthood Association (SPAU), The Green Ribbon Foundation  
Uganda (GRFU), TA Crusade-Uganda

### **Non Project Partners**

**Amigos Worldwide**

**Romsey Deanery**

### **Zambia**

Kabushi Entrepreneurship and Vocational Training Centre (KEVTC), Rise Community  
Aid Program (RICAP), Chichetekelo Outreach Partners (COP), Eliashib Women Projects, Kafue  
Innovation Centre (KIC), Keepers Zambia

### **Non Project Partners**

Build It, Village Water, Chibozu Community Trust

**Annex 2 - Volunteer Groups and Organisations supporting our work**

<b>Tools for Self Reliance Volunteer Groups</b>	<b>Organisations supporting our work</b>
<b>Scotland</b>	
	<ul style="list-style-type: none"> <li>• Garvald – Edinburgh</li> <li>• The Ecology Centre – Fife</li> <li>• Camphill Milltown</li> <li>• Camphill Beannachar – Aberdeen</li> </ul>
<b>North-East</b>	
<ul style="list-style-type: none"> <li>• Baildon &amp; Bradford</li> <li>• Bakewell</li> <li>• Doncaster</li> </ul>	<ul style="list-style-type: none"> <li>• Allied Resource Community - Middlesbrough</li> </ul>
<b>North-West</b>	
<ul style="list-style-type: none"> <li>• Manchester (Didsbury)</li> <li>• Tyldesley</li> <li>• Liverpool (Aigburth)</li> <li>• Leyland</li> <li>• Windermere</li> <li>• Carlisle</li> <li>• URC Staffordshire (Newcastle under Lyme)</li> </ul>	
<b>South-East</b>	
<ul style="list-style-type: none"> <li>• Canterbury</li> <li>• Sutton</li> <li>• Reading</li> </ul>	
<b>South-West and Wales</b>	
<ul style="list-style-type: none"> <li>• Swindon</li> <li>• Bristol</li> <li>• Holt (Bradford on Avon)</li> <li>• Bridgend</li> <li>• Llanelli &amp; Carmarthen</li> <li>• Castle Cary</li> </ul>	
<b>Central and East Anglia</b>	
<ul style="list-style-type: none"> <li>• South Shropshire and Borders (Clun)</li> <li>• Coventry</li> <li>• South Birmingham</li> <li>• Southwell (Nottingham)</li> <li>• Downham Market</li> <li>• Cambridge</li> <li>• Leicester City</li> <li>• Leicester Oadby &amp; Wigston</li> <li>• Malvern Hills</li> <li>• Barton-under-Needwood</li> </ul>	<ul style="list-style-type: none"> <li>• Tools for Self Reliance Northampton</li> <li>• Tools for Self Reliance Milton Keynes</li> </ul>