



INTERNATIONAL

Building Brighter Futures

Registered Charity No. 1115989 (England & Wales)



BUILD IT INTERNATIONAL

**TRUSTEE'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
(COMPANY LIMITED BY GUARANTEE)**

YEAR ENDED 31 DECEMBER 2020

REGISTERED COMPANY NO. 05495358 (ENGLAND AND WALES)

www.builditinternational.org

**BUILD IT INTERNATIONAL
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**



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LEGAL AND ADMINISTRATIVE INFORMATION

Company number	05495358
Charity number	1115989
Governing document	Memorandum and Articles of Association
Trustees	Ronnie Fleming - Chair Liz Elston Mayhew – Deputy Chair Graham Wickenden - Treasurer Florence Bearman Chris James Peter Bedford until 5 th March 2020 Sharon Jackson from 2 nd December 2020
Secretary	Andrew Jowett
Chief Executive	Andrew Jowett
Registered office	The Pump House Coton Hill Shrewsbury SY1 2DP
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank plc. Business Banking P.O. Box 89 Shrewsbury Shropshire SY1 2WQ
Website	www.builditinternational.org

TRUSTEES' REPORT

INTRODUCTION & HIGHLIGHTS

Our plans for 2020 were significantly affected by the COVID-19 pandemic with delayed activities in Zambia and the postponement of fundraising events in the UK. As a result, we suffered an 18% reduction in income and completed around 70% of our planned programme. In March 2020, at the start of the pandemic, Build It International drew up three objectives:

1. To ensure the safety of our staff and trainees
2. To ensure that the charity emerges from the crisis with all critical functions intact
3. To contribute to the wider COVID-19 response in Zambia

We are pleased to present our annual report outlining developments at Build It International in 2020. This report covers the activities of both Build It International and BII Zambia Ltd. Highlights include:

- Training completed for a further 184 young men and women in various building skills including bricklaying, carpentry, plastering and painting, bringing the total to date to 1,213.
- Launch of distance learning for trainees during the closure of our Centre for Excellence.
- Start of construction work on a two storey Build It office at the Centre for Excellence.
- Start of construction work at Light of Hope School and Katombora Reform Institute near Livingstone.
- Launch of the "Safe Hands" initiative with the construction of 21 permanent wash stations at 13 schools.

We estimate that 22,000 people will benefit from our work carried out in 2020. This brings the total to 324,000 direct and indirect beneficiaries since Build It was launched.

This report also serves as a Directors' report as required by s417 of the Companies Act 2006.

In preparing the accounts, the Trustees have followed the accounting policies set out in note 1 to the accounts and comply with the requirements of the governing document, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice 2015.

CHARITABLE OPERATIONS

Build It International was established in 2006 with the aim of supporting the small-scale building sector as a way of creating sustainable employment opportunities and economic growth in low-income countries, mainly in Africa. Our vision is: *An Africa in which everyone has the opportunity to work and thrive.*

The Charity's legal objects are:

- a. The relief of poverty and the improvement of the conditions of life particularly in socially and economically disadvantaged and flood-prone communities.
- b. The promotion of sustainable means of achieving economic growth and regeneration.
- c. The enhancement of education, primarily in building construction, in deprived and flood-prone communities.
- d. The preservation, conservation and protection of the environment and the use of natural resources.

Mission Statement: *to create opportunities for young people and their communities through skills training, work experience and essential community building projects.*

Our core values are: Empowerment, Excellence, Collaboration and Courage

Our primary activity is entry-level construction skills training for men and women under 35 years old living in poverty in Zambia. This is called *Training into Work* and is delivered through three pathways: our Centre for Excellence in Lusaka, on-the-job training at our community building projects and thirdly, with partner organisations at other locations. Our livelihoods-based approach also includes post-graduation career development support, especially for females.

Public Benefit

Our programme directly benefits low-income communities and families through skills training and also the provision of essential community buildings; schools, health clinics, teachers' houses and clean water/sanitation facilities. Our approach benefits the public by:

- a. **Supporting local livelihoods;** *skills training is important because it reduces poverty by giving people (our trainees) the potential to earn a better living, enjoy greater economic resilience and provide practical skills for the community. This is borne out by our impact studies.*
- b. **Promoting sustainable building materials, design and construction;** *this is important because it promotes a sustainable use of raw materials and simple, robust design to improve the quality and durability of community facilities.*
- c. **Participation of local communities;** *we do this to promote local ownership of projects.*

In defining our charitable programme, we have regard for the Charity Commission's general guidance on public benefit and relief of poverty for public benefit.

REVIEW OF ACTIVITIES AND PERFORMANCE AGAINST STRATEGIC OBJECTIVES

2020 was the fourth year of our Building Brighter Futures strategy that runs until 2023. Our overall aim is to be the leading entry-level vocational training organisation in Zambia. The main objectives are presented below following an analysis of how we fared against our COVID-19 risk management objectives.

COVID-19 Response Objectives

To ensure the safety of our staff and trainees

Build It followed Government guidelines in UK and Zambia and enhanced these with internal COVID-19 protocols covering all areas of operation and travel. We assisted employees to work from home where possible and implemented a range of Health and Safety measures across the organisation. These measures continue to be actively reinforced and monitored, and non-compliance is a disciplinary issue. In addition, Build It has tried to support the well-being of staff through regular contact and access to online resources.

To our knowledge, no staff has contracted COVID-19 but there were instances of self-isolation as a precaution.

To ensure that Build It emerges from the crisis with all critical functions intact

Like most fundraising organisations, we were concerned at the possibility of a drop in income. Budgets were re-worked to postpone discretionary expenditure, freeze recruitment and account for delayed project activity. A short working week of four days was agreed with all staff from 1st May until 31st July 2020. This allowed us to retain all staff positions. In the event, income was down 18%.

Fundraising adapted to losing planned supporter events by keeping in touch through online events and meetings. Overall, we coped well with the disruption.

To contribute to the wider COVID-19 response in Zambia

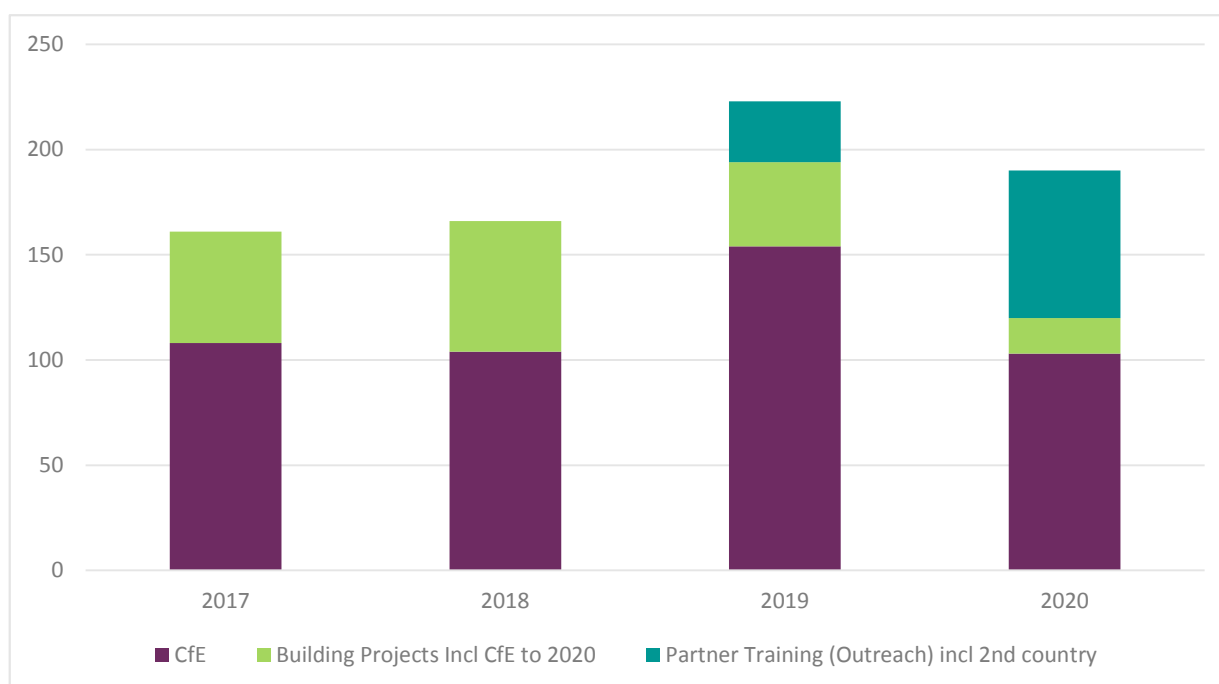
We are proud to have quickly and successfully launched two initiatives: Distance Learning (from April) and Safe Hands (July – December and continuing). These are discussed in more detail below.

Strategic Objective 1: Support at least 2000 men and women through our *Training Into Work* programme

Some 208 trainees entered our programme and 184 graduated (88% against a target of 90%). Our target for the year was 280 graduates but this was compromised by the forced closure of the training centre (20th March to 27th July 2020) and our decision not to train on community projects for trainees' safety re COVID-19. The one exception was the Centre for Excellence office. Under the circumstances, this is an excellent result.

This brings the number of graduates since 2017 to 734 or 36% of our strategic target. A total of 1,213 have graduated since the programme commenced.

Trainees by pathway 2017-2020



We delivered 10,530 training/days during the year compared with 12,535 in 2019. Entry-level courses delivered: Basic Building Skills, Brick and Blocklaying, Rough Carpentry, Painting and Plastering. Unfortunately, our new Floor and Wall Tiling course had to be postponed until 2021.

The figures include training at our partner Katombora Reform School, Livingstone where 66 young men were trained in bricklaying and rough carpentry. This is under the Rise Again Project, a three-year programme funded by the European Commission where we work in partnership with the NGO Undikumbukire Project.

Graduates included 38 women (21%), a modest rise from the 18% trained in 2019. We continue to explore ways to increase the number of women in our programme.

On closure of the Centre for Excellence, the training team prepared and recorded 30 video lessons that were downloaded onto electronic tablets. These were distributed weekly to the two cohorts of trainees that had been sent home. The programme ran for eight weeks and covered demonstration material, theory, knowledge tests and 'stay safe' information on COVID-19.

Through the remote support of our training consultant, Ralph Need, we continued to invest in the capacity and quality of our Training into Work Programme through staff coaching, course content review and development of further guidelines. We continued to be endorsed by National Open College Network (NOCN) whose annual visit was made virtually.

Disruption due to COVID-19 affected the local construction sector which in turn limited our ability to give all trainees work placements. In total, 119 trainees (63%) completed or started their placements in 2020.

Under the Career Development Support component of Training into Work we:

- continued to put on monthly drop-in sessions for graduates struggling to find work, with social distancing rules observed – these included two female-only sessions.
- responded to 189 'worker' requests from 15 contractors (up from 126 requests in 2019), of which 54 were fulfilled.

The cost of training per person, including all overheads, ranged from £1,000 to £1400 (2019: £1,045 to £1,615) depending on course and location. The average cost was £1,215.

Strategic Objective 2: Deliver community-led building projects to improve access to education and health services for 150,000 people

In 2020, our target was to complete two new community projects, a second teacher's house at Chitukuko and further investment in the Centre for Excellence training facility. This was compromised by COVID-19 disruption and we were able only to start one new project and the Centre for Excellence's office in addition to completion of the teacher's house at Chitukuko. However, we launched and completed 50% of our Safe Hands programme that includes installing multi-person hand washing stands in primary and secondary schools.

Project Each project is estimated to provide benefit over a life-time of 25-30 years.	Estimated Direct & Indirect Life-Time Beneficiaries	Estimated Cost per Beneficiary
Light of Hope School, Livingstone: Three classroom block, ablution block and teachers house (75% completed)	4,334	£85 direct £17 indirect
Centre for Excellence office block and further landscaping, site works	n/a	n/a
Katombora Reform School, toilet block (75% completed)	3,000	£15 per juvenile
Safe Hands Phase 1	13,715	£3 per child



Shifwankula Primary School, hand washing station

Strategic Objective 3: Share our experience to support provision and uptake of improved skills training

In 2020 our aim was to define an advocacy strategy and launch the first year of activity. The strategy was signed off by the Board in February 2020 and outlined a range of activities focused on employers, government and other training organisations. The overall aim is to increase spending on skills training and showcase an effective model of quality training provision. Initial two-year funding was secured from the Waterloo Foundation.

Progress during the year was limited due to travel and meeting/event restrictions. However, our Affiliate Contractors team continue to work with around 15 local companies to engage them in our *Training into Work* programme. In particular, we have promoted safe working environments, learner placements (paid) and a more positive attitude towards female workers.

Working closely with our quality assurance partner NOCN, we submitted our curriculum to the Zambia Qualifications Authority (**ZAQA**) to certify two courses.

Strategic Objective 4: Extend our reach to at least one other country beyond Zambia

After good progress in 2019, our research is on hold pending the lifting of COVID-19 travel restrictions.

Impact Monitoring and Evaluation

In 2020, our Training into Work and Community Building programmes will benefit an estimated 22,000 people. This increases our running total to 79,000 since 2017 enabling us to stay on target to reach 150,000 by end 2023.

The cumulative number of life-time beneficiaries since 2006 is estimated at 324,000.

Data collection for the annual Impact Study was delayed from March to November because of travel restrictions in Zambia during the pandemic. The final report was completed by Lifetime Consulting on 5th March 2021. Headlines include:

- 78% of graduates were active in construction within 6 months of graduation.
- On average 51% were working more than 10 days/month in construction.
- On average, 57% of graduates are earning at least USD1.90/day compared with 19% before they completed our training programme.
- 66% of graduates are able to make financial savings regularly compared to 14% pre-training.
- PPI (2010 Poverty Probability Index) data indicated that 49% graduates were living in poverty compared with 76% pre-training.

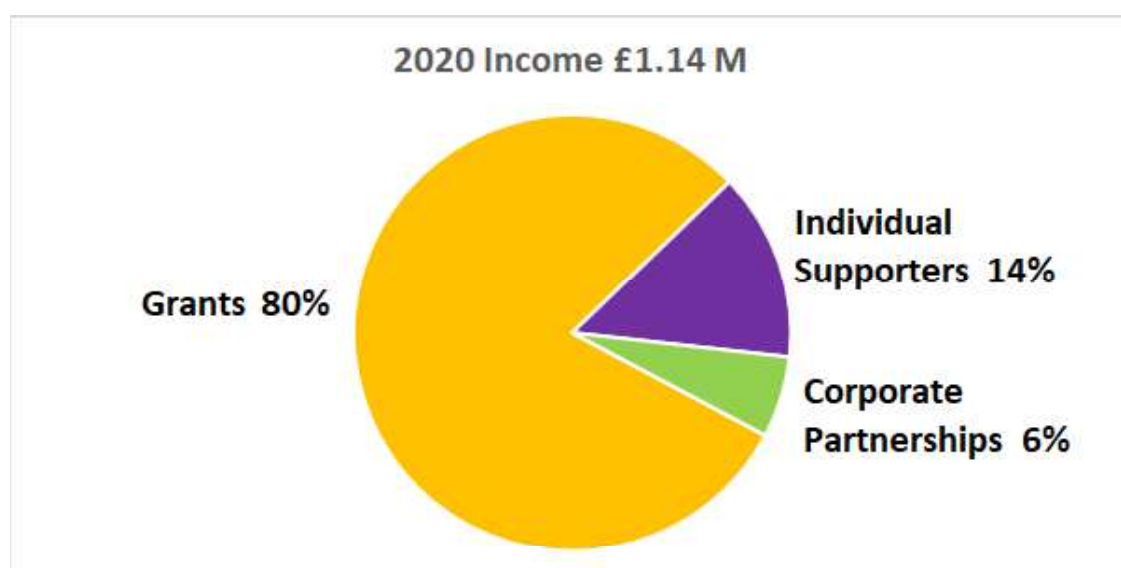
Copies of the full report are available on request and there is a summary on our web-site.

RAISING FUNDS

We raised £1.14M including gifts in kind – an impressive result given the pandemic, only 18% down on 2019. Our sincere thanks to all our individual supporters, corporate partners, grant-making foundations including the Oak Foundation, and institutional donors, Irish Aid and the European Commission.

Our approach is to develop a high value, loyal supporter base. To achieve this we aim to engage supporters through regular correspondence and events as well as our website, social media and quality reporting. This is managed by a small team of professional staff based in Shrewsbury. For every £1 spent on raising funds we received £5.53 in income.

We are delighted to have completed the first full year of our Young Professionals Board that supports our fundraising and communications work.



Build It International is registered with the Fundraising Regulator that sets and maintains standards for charitable fundraising as detailed in the [Code of Fundraising Practice](#) to ensure that we are respectful, open, honest and accountable to the public. The charity actively monitors fundraising activity undertaken on our behalf as far as resources allow. This includes having written agreements in place with corporate partners whose staff fundraise for Build It. The Trustees are satisfied that throughout 2020 the charity complied with the Code and received no complaints.

Build It's fundraising is based on building quality relationships with our supporters without the need for intrusion or undue pressure, and to ensure the protection of any vulnerable supporters. We never sell or share their information to other organisations to use for their own purposes. We will only allow supporters' information to be used by suppliers working on our behalf or where we are required to do so by law. We have continued to review and update policies and procedures to ensure compliance with the General Data Protection Regulations (GDPR).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Build It International was formed as a company limited by guarantee in 2005 and became a registered UK charity in September 2006 with a memorandum and articles of association, dated August 2006, as its governing document.

The Directors of the Board (Trustees) are appointed with a view to ensuring that Build It enjoys the skills and experience necessary to guide the charity's work. The Board is responsible for the overall direction of the charity, policies and legal compliance. Trustee indemnity insurance is included in our insurance policies.

Build It is registered in Zambia as BII Zambia Ltd, which is a Company limited by Guarantee. A memorandum of understanding guides the relationship between the UK and Zambia Boards and was renewed in December 2018. The intention outlined in the memorandum of understanding is that BII Zambia is a subsidiary of Build It and, as a result of this, its results are consolidated into those of Build It International.

Our Finance and Audit Committee (FAC) meets ahead of every Board meeting and on an *ad hoc* basis as required. In May 2020, Build It also established a COVID-19 Risk Management Committee with four Board members including the Chair or Vice Chair from UK and Zambia, members of the FAC, and staff representation to oversee our response to the pandemic. This met seven times between May and December and reviewed three scenarios for impact, risks and action. It continues to meet monthly.

We continue to enjoy the input of a wide range of advisors and volunteers on an individual basis and through our Technical Advisory Group (see website). Their input is highly appreciated.

Build It's head office is in Shrewsbury in the United Kingdom with eight staff (including four part-time). The main functions are fundraising, finance and strategy. Our office in Lusaka employs 23 staff who manage programme delivery. The Board would like to thank all staff for their hard work, enthusiasm and professional dedication over the past 12 months, especially during the COVID-19 pandemic.

A Nomination and Remuneration Committee was established in March 2018 to consider Chief Executive and senior staff remuneration and appointments. Other salaries are set by the Chief Executive in consultation with the Finance and Audit Committee as part of the annual budgeting process.

Governance

Trustees are recruited openly. Role descriptions are agreed and the positions advertised through trustee recruitment channels. New Trustees go through a comprehensive induction process that includes: a full set of key documents (all policies, strategy papers and Board minutes) and time with senior staff at the Shrewsbury office when permitted.

Four Board meetings were held in 2020 (attendance) as well as a strategy session:

Ronnie Fleming (5/5)	Liz Elston Mayhew (5/5)	Graham Wickenden (5/5)
Florence Bearman (5/5)	Chris James (5/5)	Sharon Jackson (0/1)

Charity Governance Code – The Board signed up to the principles of this comprehensive, voluntary code of practice in December 2017 and adopted the version for large charities. It was due for review in 2020 and a trustee survey of key areas to work on was completed. We are still confident that we are compliant with most aspects of the Code and will draw up an action plan to implement the few remaining items.

In 2020, Build It continued to employ Affinity Resolutions to advise on compliance with GDPR and to act as the charity's Data Protection officer. Policies and procedures are constantly reviewed and regular training held for staff and Trustees.

All staff and Trustees sign up annually to a Code of Conduct.

In September 2020, the Board appointed haysmacintyre as its external auditors following a competitive tendering process. The Board would like to thank WMT for their many years of much appreciated service as the previous external auditors.

Safeguarding

We recognise the importance of ensuring that children, young people and vulnerable adults associated with our work are safeguarded, and that their health, safety and welfare is promoted while in our programme.

We have a safeguarding policy, approved by the Board, as well as guidelines to guide staff delivering our programme. These are regularly reviewed along with staff training. Please contact us for further information.

Key Objectives for 2021

- 280 trainees complete skills training courses.
- Complete a gender strategy to encourage more women into the programme.
- Pilot short courses that attendees will pay for.
- Complete Light of Hope Community School and build a Maternity Ward at Libuyu, Livingstone.
- Centre for Excellence: complete the Country Office, student toilets and start Learning Plaza 5.
- Progress implementation of our advocacy activities.

REVIEW OF FINANCIAL POSITION

Income – total for the 12 months to 31st December was £1,140,879.

Expenditure - £953,132 for the 12 months to 31 December 2020 excluding capital expenditure at the Centre for Excellence

- Charitable expenditure excluding capital was 78.6%.
- A further £85,847 of capital expenditure was incurred on land and buildings at the Centre for Excellence, Lusaka.
- Cost of raising funds £204,426 (2019: £257,436) or 21.4% (21.6% in 2019). Every £1 spent returned £5.53 (2019: £5.29) in income.
- When capital expenditure on our training centre is included, our charitable expenditure rises to 80.3% and the cost of raising funds drops to 19.7%.

Value of our unrestricted reserves, excluding fixed assets, was £533,761

There is a surplus in the Statement of Financial Activities (SoFA) in 2020 of £187,746. SoFA does not include expenditure of a capital nature (Centre for Excellence construction and vehicle purchases) which is £85,847.

Funds held at 31 December 2020

- Restricted funds of £851,755 including £498,573 relating to Centre for Excellence fixed assets.
- Unrestricted funds £559,288 including £25,527 relating to fixed assets.

STATUTORY POLICIES

A schedule of policies is maintained with policies reviewed on a rolling programme at Board meetings.

Risk Management

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. The Risk Register is a standing item at every Board meeting whereby significant risks are identified and evaluated and appropriate actions are agreed. The Risk Register is examined more frequently by the Finance and Audit and COVID-19 Committees.

At the Board Meeting in March 2021, Trustees considered that the three highest risks that the charity currently faces in achieving its strategic objectives are disruption from the COVID-19 pandemic; loss of key staff in Zambia, mainly to higher paid jobs at other NGO's; and a major breach of cyber security protection.

COVID-19 pandemic risk management is reviewed frequently by the Senior Management Team and by a specially constituted COVID-19 Committee of the Board of Trustees, which currently meets monthly. The reviews focus on protection of staff and trainees from infection by the virus; the impact on operations in Zambia of restrictions on training and construction activity, and the potential financial impacts on income and expenditure. A reforecast for 2021 has been completed, with unrestricted cash forecast out to mid-2022 and a number of different financial scenarios examined. These forecasts and scenarios are updated as frequently as necessary. As happened during peaks of the pandemic in 2020, we are prepared to act quickly as circumstances change.

As a small charity operating in Zambia, we are not always able to match the staff pay packages of larger and better financed organisations. This means that we are at constant risk of key staff leaving for better paid jobs, once they have gained valuable work experience with Build It. We recognise that we will mostly be unable to match the pay packages of the best paid staff in the third sector and therefore seek to mitigate the risk of the loss of key staff in different ways. We try to achieve this by making our operations more resilient

through systems that are less staff-dependent, in areas such as finance and procurement, and by making working conditions as pleasant as possible.

Protecting the charity against cyber-attacks continued to be a major focus in 2020. Staff have regular training and we continue to assess ourselves against the guidelines for small charities from the National Cyber Security Centre. This has become of even greater importance with most staff working from home during the current pandemic. We continue to resource and report this risk to each Board Meeting.

Going concern

In common with many other charities, the impact of COVID-19 has put the assessment of the going concern basis for Build It much higher up the agenda than previously. When the full extent of the pandemic became apparent, management took immediate action to conserve cash, including putting all staff temporarily on a four-day week. Construction projects were temporarily halted or restricted and the Zambian Government halted training at our Centre for Excellence for four months during 2020. In addition, the economic impact of the pandemic called into question whether Build It's income streams could continue at their current level.

With the experience of this difficult period of operations under our belts and in particular with the flexible response of our excellent staff to often very challenging conditions, we are confident that Build It's future continues to be assured. We have not been able to implement projects as actively as we wished during 2020 and income was undoubtedly reduced due to the uncertain economic environment, both in Zambia and in Europe. The other side of the coin is that we have entered 2021 with temporarily higher than expected levels of unspent reserves. Once the pandemic allows, we will use these reserves to pursue our programmes with increased vigour.

In the meantime, we have forecast our cash consumption out to the middle of 2022 under several sets of different possible conditions. On the basis of these forecasts and based on the experience of our responses to the pandemic, the Board is confident that Build It's future is assured and that the assessment of the charity's finances on a going concern basis continues to be appropriate.

Grant Making Policy

When occasionally a grant is made to another organisation, appropriate checks are undertaken on the partner, an agreement is signed and project delivery is monitored through visits, reports and audits. All but £2,400 of our projects this year were directly managed through our Zambia offices. All project proposals are vetted by the Finance and Audit Committee, and then submitted to Trustees for their approval to ensure that the proposed work is in line with strategy.

Reserves Policy

Reserves are held to deal with unforeseen operational costs or falls in income below expectations and to provide funding for agreed projects. Build It International therefore aims to maintain readily realisable reserves sufficient to cover at least three months of budgeted average core expenditure. The reserves should also, under normal circumstances, not exceed an upper limit of four months average budgeted total expenditure.

At the end of 2020 the value of our unrestricted reserves, excluding fixed assets, was £533,761. The aim in a normal year is for unrestricted reserves not to exceed an upper limit of four months' average budgeted total expenditure. 2020 was far from a normal year and by the year end we had slightly exceeded this upper limit. There were two principal reasons for this: the first being that some of our donors, recognising the difficult conditions posed by the COVID-19 pandemic and to give us extra flexibility, generously made unrestricted donations that would normally have been restricted; and secondly, we took swift action to cut costs, including staff costs, to mitigate the potential risks posed by the pandemic. Since the end of 2020, levels of unrestricted reserves have already begun to revert to more normal levels and are expected to remain there during 2021. Unrestricted reserves as at the 31st March 2021 stood at £450,025 in line with expectations.

Regular updates on our work are posted on our website: www.builditinternational.org

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of BII for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and of the group for that period. In preparing these financial statements, the Trustees are required to:

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SMALL COMPANY PROVISIONS

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

Approved by the Board and signed on its behalf on 6 May 2021.



Ronald Fleming
Chair of Trustees



Graham Wickenden
Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BUILD IT INTERNATIONAL

Opinion

We have audited the financial statements of Build It International for the year ended 31 December 2020, which comprise the Consolidated Statement of Financial Activities, Balance Sheets, Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' 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 by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to UK employment law, and local employment laws in Zambia, and we considered the extent to which non-compliance might have a material

effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

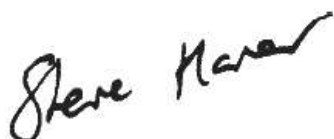
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to non-compliance with laws and regulations and the processing of journal entries. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made in relation to accounting estimates, in particular those concerned with the recognition of income;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 13 May 2021

10 Queen Street Place
London

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Income Funds £	2020 Total £	2019 Total £
INCOME FROM:					
Donations	3	652,868	477,320	1,130,188	1,362,196
Other Trading Activities	3	-	-	-	13,176
Investment income – interest receivable		2,073	178	2,251	3,630
Profit on sale of assets		-	7,917	7,917	-
Other income		-	522	522	-
Total		654,941	485,937	1,140,878	1,379,002
EXPENDITURE ON:					
Raising funds		190,707	13,719	204,426	257,436
Charitable activities – programme activities in Zambia		82,783	665,924	748,707	933,033
Total	8	273,490	679,643	953,133	1,190,469
NET INCOME/(EXPENDITURE)	4	381,451	(193,706)	187,745	188,533
Transfers between funds	14	(308,987)	308,987	-	-
NET MOVEMENTS IN FUNDS	4	72,464	115,281	187,745	188,533
RECONCILIATION OF FUNDS:					
Total funds brought forward at 1 January 2020		486,824	736,473	1,223,297	1,034,764
TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER 2020	15	559,288	851,754	1,411,042	1,223,297

The statement of financial activities includes all gains and losses in the year.

Excluded from the above is capital expenditure on the Centre of Excellence in the amount of £85,847 (2019: £99,611). In line with the requirements of FRS 102 this has been capitalised on the balance sheet and will be depreciated in line with the accounting policies set out in note 1.

CONSOLIDATED AND CHARITY BALANCE SHEETS

		2020		2019	
		Group	BII UK	Group	BII UK (as restated)
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10	524,101	1,777	474,568	2,659
Total fixed assets		524,101	1,777	474,568	2,659
CURRENT ASSETS					
Debtors	11	42,934	34,513	65,283	52,723
Cash at bank and in hand (including advances)		981,052	872,744	799,818	783,005
Total current assets		1,023,986	907,257	865,101	835,728
CREDITORS: amounts falling due within one year	12	(137,045)	(25,819)	(116,372)	(34,896)
Net Current Assets		886,941	881,438	748,729	800,832
Net Assets		1,411,042	883,215	1,223,297	803,491
Funds of the Charity					
Unrestricted funds		559,288	559,288	486,824	486,824
Restricted income funds	14	851,754	323,927	736,473	316,667
Total funds		1,411,042	883,215	1,223,297	803,491

The net surplus of the charitable company before consolidation was £79,724 (2019: £190,449).

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with the FRS102 SORP.

The financial statements were approved and authorised for issue by the Board of Directors on 6 May 2021 and were signed below on its behalf by:



Ronald (Ronnie) Fleming
Chair of Trustees



Graham Wickenden
Treasurer

Company registration no. 05495358
 Charity registration no. 1115989

CONSOLIDATED STATEMENT OF CASHFLOWS

	Notes	2020 £	2019 £
NET CASH PROVIDED BY OPERATING ACTIVITIES	A	257,136	254,164
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of land & buildings		(85,847)	(99,611)
Purchase of equipment		-	(37,942)
Purchase of land, buildings and equipment		(85,847)	(137,942)
Proceeds from sale of assets		9,945	1,990
Increase/(Reduction) cash and cash equivalents		181,234	118,601
Cash and cash equivalents at the beginning of the year		799,818	681,217
Cash and cash equivalents at the end of the year		981,052	799,818

Analysis of cash and cash equivalents

Cash and cash equivalents comprise solely cash at bank and in hand for both the current and prior year.

A. NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

Operating Cash Flows

Operating surplus	187,746	188,533
Adjustments for items not affecting cash flows:		
Depreciation on fixed assets	34,287	41,807
(Gain)/Loss on sale of assets	(7,917)	4,723
Net operating cash flows before reinvestment in working capital	214,116	235,063
Reduction/(increase) in debtors	22,349	(3,986)
Increase in creditors	20,671	23,087
Net cash provided by operating activities	257,136	254,164

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019) – (Charities SORP (second edition) (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. No changes have been required to the financial statements following the adoption of the second edition of the Charities SORP. Build it International meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Advantage has been taken of the exemption in paragraph 1.12 of FRS102 not to prepare a parent company cash flow statement.

(b) Going Concern

The Board at the time of signing these Accounts have considered that for at least the next twelve months the charity is a going concern. See the main report and note 20 for information on the impact of COVID-19.

(c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. There are no judgements made that have a significant effect on the amounts recognised in the financial statements.

(d) Income

Income represents donations and grants received which are brought into account on receipt unless their receipt is probable in which case they are brought into account when notified. Grants received in advance are shown as income. Gifts in kind are recognised on receipt and are valued at best estimate to the organisation.

Fundraising events participation fees are recognised as income on completion of the event.

(e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(f) Interest receivable

Interest on funds held on deposit is included when earned and the amount can be measured reliably by the charity.

NOTES TO THE FINANCIAL STATEMENTS

(g) Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the trustees in furtherance of the general charitable objectives.

Restricted funds are subject to specific restrictions funds as imposed by the donors.

(h) Expenditure

Expenditure is recognised when a liability is incurred.

Cost of raising funds includes those costs incurred in attracting donations.

Charitable activities includes grants made to African NGOs to fund their charitable activities. These costs include both direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with use of resources, e.g. salary by time spent within that activity.

(i) Irrecoverable VAT

The charity is not registered for VAT therefore irrecoverable VAT is included with the costs to which it relates.

(j) Operating leases

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

(k) Tangible fixed assets

Tangible fixed assets are shown at cost. Asset with a purchase cost above £1,000 are capitalised.

Depreciation is calculated to write down the cost of assets to their estimated residual values over their expected useful lives as follows:

Land	0% on cost
Buildings	2.85% on cost
Office Equipment and furniture	25% on cost
Motor Vehicles	25% on cost
Services & Site works	10% on cost
Landscaping	20% on cost

Assets under construction are buildings and infrastructure which are incomplete. Depreciation will commence when completed and put into use.

(l) Debtors

Debtors are recognised at the amount due. Prepayments are valued at the amount prepaid.

(m) Cash at Bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar amount.

NOTES TO THE FINANCIAL STATEMENTS

(n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement account.

(o) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(p) Pension Contributions

Since 1 March 2015 Build It International in the UK has offered non-temporary employees membership of a defined contribution occupational scheme "The People's Pension" operated by B&CE. All new non-temporary employees since 1 March 2015 are offered an employer contribution to "The People's Pension"; pre-existing employees have been allowed to retain employer contributions to pre-existing personal pension schemes. The charity's Auto-Enrolment staging date was 1 March 2016; and "The People's Pension" is the scheme in use to comply with those obligations. The terms and conditions of employees of Build It in Zambia follow the requirements and norms applicable to Zambia; which include direct contributions to the Government-run National Pension Scheme Authority (NAPSA) pension scheme.

Build It International had a defined benefit pension scheme.

(q) Settlement payments

Redundancy and settlement payments are recognised at the leaving date of the member of staff and measured at the best estimate of expenditure required to settle the obligation at the reporting date.

(r) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. All differences are taken to the SoFA.

(s) Risk Management Policy

The charity has a Currency Risk Management Policy that is used to guide the purchase of forward contracts. This has the objective of covering 40%-50% of anticipated foreign currency requirements over the next 12 months; weighted to covering more shorter-term funding requirements and to cover less than 9-12 months ahead. At a virtual meeting held on 5th November 2020, the Board agreed with the Finance & Audit Committee's recommendation temporarily to suspend this policy and to cease the purchase of forward contracts. This decision, which is under continuous review, was taken in the light of a continuous and continuing significant depreciation of the Zambian Kwacha against all major currencies.

(t) Basis of consolidation

The financial statements consolidate the results of the UK charitable company and its subsidiary, BII Zambia on a line-by-line basis.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

NOTES TO THE FINANCIAL STATEMENTS

3. INCOME FROM DONATIONS	2020	2019
	£	£
Individuals	160,309	413,506
Grants from foundations and trusts and other organisations	969,879	948,690
	<u>1,130,188</u>	<u>1,362,196</u>

Grants from foundations and trusts and other organisations includes donations of services and materials totalling £5,000 (2019: £12,208) and £nil (2019: £365) for provision of meeting facilities, and £nil (2019: £1,283) for materials, and £nil (2019: £10,560) for training and professional services.

We greatly value all the individuals who donate money to our work. Some of these individuals give very large amounts depending in part on their personal circumstances and enthusiasm for particular projects. In 2019 one project in particular caught the imagination of a donor, with support in excess of £150,000. In 2019 too we ran a successful Cycle Challenge event in Zambia generating significant donations. We are reassured by the continuing encouragement and support we receive from individual donors who like us are looking forward to new projects and fundraising events, both of which were affected by the COVID-19 pandemic.

Other trading activities comprise payments for participating in fundraising events.

4. MOVEMENT IN FUNDS

	2020	2019
	£	£
Net movement in funds is stated after charging:		
Depreciation of tangible assets	34,287	41,807
UK auditors remuneration	13,200	7,800
Operating lease rentals – land and buildings	11,844	10,795
Recognised exchange differences (gain)/Cost	<u>(6,901)</u>	<u>(6,546)</u>

5. STAFF COSTS (UK & ZAMBIA)

	2020	2019
	£	£
Wages and salaries	449,930	489,973
Social security costs	28,550	29,096
Other pension costs	19,646	20,887
	<u>498,126</u>	<u>539,956</u>

NOTES TO THE FINANCIAL STATEMENTS

5. STAFF COSTS (UK & ZAMBIA) (continued)

Direct employees (i.e. excluding contract workers)

	2020			2019		
	Part-time	Full-time	Total	Part-time	Full-time	Total
UK- based staff	4	4	8	4	4	8
Zambia-based staff	-	26	26	-	24	24
Group Total	4	30	34	4	28	32

The average number of employees (full-time and part-time) in the year was 31 (2019: 31).

No employee earned in excess of £60,000 during the year including pension contributions (2019: none). The cost of Key Management Personnel is £138,676 (inc. Employer National Insurance and pension) for three employees (2019: £139,990 for three employees). Key Management Salaries and a salary scheme are set by a Remuneration Committee in consultation with the Chief Executive (and Finance and Audit Committee as part of the annual budgeting process).

Build It International directly delivers its charitable programme of work and training in Zambia. We utilise the skills of highly qualified staff to deliver quality training with high standards to our trainees to give them the best grounding for their future. When compared with similar organisations staff numbers in Zambia are higher than other organisations which outsource their work.

Holiday Pay outstanding at the end of the year was £4,545 (2019: £12,291).

Whilst modest in quantity Build It International greatly values the expertise and voluntary time given by a number of individuals during 2020 and prior periods.

6. TRUSTEE REIMBURSED EXPENSES

A total of £383 (2019: £3,113) was incurred related to the expenses of five trustees. The reduction in costs was wholly due to meetings held on line due to COVID 19.

NOTES TO THE FINANCIAL STATEMENTS

7. TRUSTEE DONATIONS, TRUSTEE REMUNERATION AND RELATED PARTIES

A total of £22,725 was donated by Trustees and Related Parties (2019: £20,618). No trustees received remuneration with regard to being a Trustee in the year 2020 (2019: £Nil).

Other than those with BII Zambia below, there were no related party transactions in the year (2019: none).

The majority of expenditure is in Zambia through our subsidiary, BII Zambia Limited (a company limited by guarantee).

	2020
	£
Cash transfers from UK to Zambia	500,000
Non-cash transfers from UK to Zambia	42,812
Non-cash transfers from Zambia to UK	(799)
	<hr/>
	542,013

Total net Transfers to Zambia were £542,013 (ZMW 10.6M) of which ZMW 8.9M was for revenue projects and ZMW 1.7M for Centre for Excellence building projects and capital items.

Other than as stated above there were no other related party transactions in the current or previous accounting period.

NOTES TO THE FINANCIAL STATEMENTS

8. ALLOCATION OF EXPENDITURE

The Charity allocates support costs having analysed the principal areas of cost, attributing to each area the proportion of time or resources expended between Cost of generating funds and Charitable activities.

The Charity has allocated its UK support costs as shown below:

2020	Direct costs	Support costs		Total	
	£	(including salaries)		2020	2020
		£		£	
Costs of generating funds	146,945	57,481	30%	204,426	21.4%
Charitable activities	614,585	134,122	70%	748,707	78.6%
	761,530	191,603		953,133	

The above 2020 expenditure and percentages do not include £85,847 (2019: £99,611) of capital expenditure on the Centre for Excellence. When this is added Charitable Activities are 79.5% (2019: 80.0%) of expenditure including the Centre for Excellence.

2019	Direct costs	Support costs		Total	
	£	(including salaries)		2019	2019
		£		£	
Costs of generating funds	179,399	78,037	35%	257,436	21.6%
Charitable activities	788,107	144,926	65%	933,033	78.4%
	967,506	222,963		1,190,469	

The above 2019 expenditure and percentages do not include £99,611 of capital expenditure on Centre for Excellence. When this is added Charitable Activities are 80.0% of expenditure including Centre for Excellence.

ANALYSIS OF SUPPORT COSTS

	2020	2019
	£	£
UK Staff and Contractors (excluding Fundraising)	114,306	128,838
UK Support costs (Including UK office, insurances and IT)	62,607	73,333
UK Audit Fees	13,200	7,800
Costs relating to the governance of the Charity	1,490	12,992
Total Support Costs	191,603	222,963

NOTES TO THE FINANCIAL STATEMENTS

9. GROUP FINANCIAL STATEMENTS

The Financial statements consolidate the results of BII and its subsidiary, BII Zambia Limited. A separate Statement of Financial Activities and Statement of Cash Flows is not presented for the UK Charitable Company because the charity has taken advantage of the exemptions in S408 of the Companies Act 2006.

10 a). FIXED ASSETS - GROUP

	Group Land & buildings £	Group Office equipment £	Group Motor Vehicles £	Group Total £
Costs at 1 January 2020	458,171	24,113	130,230	612,514
Additions	85,848	-	-	85,848
Disposals	-	-	(16,223)	(16,223)
At 31 December 2020	544,019	24,113	114,007	682,139
Depreciation at 1 January 2020	28,018	19,328	90,600	137,946
Depreciation charge for year	17,427	1,683	15,177	34,287
Disposals	-	-	(14,195)	(14,195)
At 31 December 2020	45,445	21,011	91,582	158,038
Net book value at 31 December 2020	498,574	3,102	22,425	524,101
Net book value at 31 December 2019	430,153	4,785	39,630	474,568

Land is long leasehold land for the Centre for Excellence project in Zambia.

Building will be depreciated over the expected useful life, and will begin in the year in which they are brought into use. Buildings are all at the Centre for Excellence and as at 31 December 2020 are in use other than the Office building which is expected to be completed and put into use in 2021.

At 31 December 2020 there are capital commitments relating to the Centre for Excellence of £nil (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS

10 b). FIXED ASSETS – CHARITABLE COMPANY

	Office Equipment £
Costs at 1 January 2020	3,545
Additions	-
At 31 December 2020	<u>3,545</u>
Depreciation at 1 January 2020	866
Depreciation charge for the year	902
At 31 December 2020	<u>1,768</u>
Net book value at 31 December 2020	<u>1,777</u>
Net book value at 31 December 2019	<u>2,659</u>

11. DEBTORS

	Group 2020 £	BII UK 2020 £	Group 2019 £	BII UK 2019 £
Gift Aid	9,360	9,360	4,916	4,916
Sundry Debtors and Prepayments	33,574	25,153	60,367	47,807
Total	<u>42,934</u>	<u>34,513</u>	<u>65,283</u>	<u>52,723</u>

12. CREDITORS (Amount falling due within one year)

	Group 2020 £	BII UK 2020 £	Group 2019 £	BII UK 2019 (as restated) £
Accrued charges – UK audit	13,200	13,200	7,800	7,800
Sundry accruals	42,398	12,619	65,439	27,096
Deferred income	81,447	-	43,133	-
Total	<u>137,045</u>	<u>25,819</u>	<u>116,372</u>	<u>34,896</u>

Analysis of movements in deferred income (Group)

Balance at 1 January 2020	43,133
Released in the year	(43,133)
Income deferred	81,447
Balance at 31 December 2020	<u>81,477</u>

The above all relates to Irish Aid income. £81,477 has been deferred at the year end as the trustees do not consider the income recognition criteria under FRS 102 to have been met at this date.

NOTES TO THE FINANCIAL STATEMENTS

13. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2020 the charity had commitments of £16,427 (2019: £28,212) related to non-cancellable operating leases. This concerns a lease on Shrewsbury office premises entered into by BII UK. Of this £11,992 (2019: £11,674) relates to a period of less than one year and £4,435 (2019: £16,538) relates to a period of one to five years.

BUILD IT INTERNATIONAL
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020



NOTES TO THE FINANCIAL STATEMENTS

14. ANALYSIS OF RESTRICTED FUNDS

	Balance 1.1.2020 £	Income £	Expenditure £	Transfers from Restricted £	Transfers from Unrestricted £	Balance 31.12.2020 £	Cumulative Capital Purchases £
<u>Training to Work</u>							
Training to Work including Centre for Excellence	552,370	170,120	(300,577)	-	194,500	616,413	498,573
<u>Community Building with Training and Support Activities</u>							
Mukuyo Community School (2019)	27,329	-	(18,906)	-	-	8,423	-
Naluyanda Community School (2019)	39,318	17,079	(15,675)	-	-	40,722	-
Light of Hope Community School (2020)	24,308	81,400	(86,445)	-	-	19,263	-
Libuyu Maternity Unit (2020/2021)	(5,505)	70,895	(16,480)	-	-	48,910	-
Other Community Projects (Zambia)	98,653	26,669	(65,937)	(30,513)	-	28,872	-
<u>Other Projects</u>							
Advocacy	-	70,000	(19,042)	-	-	50,958	-
Safe Hands programme	-	41,017	(43,337)	30,513	10,000	38,193	-
Programme Support & Development Costs	-	8,757	(113,244)	-	104,487	-	-
Total	736,473	485,937	(679,643)	-	308,987	851,754	498,573

**BUILD IT INTERNATIONAL
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**



Funding is for individual projects and collectively for projects of a similar nature.

Community building projects include our training programme and constructing buildings for long-term local use.

The Naluyanda closing balance was overstated by £30,871 in the 2019 accounts, and Other Community Projects was understated by the same amount due an analytical error between these two balances.

* Training to work including the Centre for Excellence - the balance shown of £616,417 does not take into account capital expenditure incurred constructing the Centre for Excellence of £498,573 - this amount is on the Balance Sheet. Therefore, £117,844 remains available to spend on future activity.

Libuyu Maternity Unit – design costs were incurred in 2019; project income will be received in 2020.

Funds Transfers:

1. Programme support and development costs: As in previous years a transfer from unrestricted funds is necessary to cover a deficit where expenditure exceeds income.
2. Safe Hands: £10,000 of a corporate donation to support the work of Build It during the COVID-19 pandemic is being utilised to support our programme of hand wash stations and PPE and other practical support to community schools in Zambia.
3. Training to work including the Centre for Excellence: We are pleased that our donors have shown such support for Build It during a year of COVID-19: Some who usually give restricted donations have made these unrestricted this year. A transfer from unrestricted is necessary to support the activities of training and building at the Centre for Excellence.
4. £30,513 was transferred from restricted projects funds to our Safe Hands Programme

BUILD IT INTERNATIONAL
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020



NOTES TO THE FINANCIAL STATEMENTS

14. ANALYSIS OF RESTRICTED FUNDS GROUP (continued)

	Balance 1.1.2019 £	Income £	Expenditure £	Transfers from Restricted £	Transfers from Unrestricted £	Balance 31.12.2019 £	Cumulative Capital Purchases £
<u>Training to Work</u>							
Training to Work including Centre for Excellence	489,175	432,717	369,522	-	-	552,370	430,153
<u>Community Building with Training and Support Activities</u>							
Kamila Community School (2018)	3,081	49,291	41,974	-	-	10,398	-
Mukuyo Community School (2019)	-	160,984	133,655	-	-	27,329	-
Naluyanda Community School (2019)	-	162,782	123,464	-	-	70,189	-
Light of Hope Community School (2020)	-	27,715	3,407	-	-	24,308	-
Libuyu Maternity Unit (2020/2021)	-	-	5,505	-	-	(5,505)	-
Other Community Projects (Zambia)	56,587	125,026	93,358	-	-	57,384	-
<u>Other Projects</u>							
Programme Support & Development Costs	-	2,015	127,673	-	125,658	-	-
Total	543,843	960,530	898,558	-	125,658	736,473	430,153

NOTES TO THE FINANCIAL STATEMENTS

15. ANALYSIS OF RESTRICTED FUNDS PARENT COMPANY

Movement in funds – parent charity

	Balance 1.1.2020 £	Income	Expenditure £	Transfers from unrestricted £	Balance 31.12.20 £
Restricted funds	316,667	315,776	(617,503)	308,987	323,927
Unrestricted funds	486,824	654,921	(273,470)	(308,987)	559,288
Total	803,491	970,697	(890,973)	-	883,215

	Balance 1.1.2019 £	Income	Expenditure £	Transfers from unrestricted £	Balance 31.12.19 £
Restricted funds	167,621	867,681	(844,293)	125,658	316,667
Unrestricted funds	485,921	418,472	(291,911)	(125,658)	486,824
Total	653,542	1,286,153	(1,136,204)	-	803,491

Note on restricted funds

Individual projects are extensively monitored by management and on a regular basis by the trustees at their quarterly meetings. An analysis in these accounts of those projects and the restricted funds attributable to them has been provided at the consolidated group level (see above and below) but not at the UK charity level. It has been decided by the trustees that given the current difficult pandemic conditions, the effort needed this year to provide such UK-only analysis (together with the prior year comparatives), was disproportionately large compared to the benefit that would be derived from such analysis by the readers of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

16. ANALYSIS OF FUNDS

Group	Unrestricted Fund £	Restricted Fund £	2020 Total Funds £
Fixed Assets	25,528	498,573	524,101
Current Assets	559,580	464,405	1,023,985
Current Liabilities	(25,820)	(111,224)	(137,044)
Total	559,288	851,754	1,411,042

Group	Unrestricted Fund £	Restricted Fund £	2019 Total Funds £
Fixed Assets	44,415	430,153	474,568
Current Assets	477,305	387,796	865,101
Current Liabilities	(34,896)	(81,476)	(116,372)
Total	486,824	736,473	1,223,297

The Restricted Funds balance of £851,754 includes fixed assets expenditure £498,573 already incurred in constructing our Centre for Excellence of. Therefore, £353,182 of restricted funds remain available to spend on future activity.

17. TAXATION

Build it International is a registered charity and therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

18. GRANTS

During 2020 the charity made two grants totalling £2,400 (2019: £10,605). One grant was made to support improved facilities at a community school where Build It has constructed school buildings, and is to facilitate greater improvements in community and educational attainment. The other small grant was to St Francis Hospital towards the construction of an oxygen tank facility in anticipation of their COVID-19 response.

All other projects are directly managed by Build It International.

NOTES TO THE FINANCIAL STATEMENTS

19 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Income Funds £	2019 Total £
INCOME FROM:				
Donations	3	402,046	960,150	1,362,196
Other Trading Activities	3	13,176	-	13,176
Investment income – interest receivable		3,250	380	3,630
Profit on sale of assets		-	-	-
Total		418,472	960,530	1,379,002
EXPENDITURE ON:				
Raising funds		211,432	46,004	257,436
Charitable activities – programme activities in Zambia		80,479	852,554	933,033
Total	8	291,911	898,558	1,190,469
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS	4	126,561	61,972	188,533
Transfers between funds	14	(125,658)	125,658	-
NET MOVEMENTS IN FUNDS	4	903	187,630	188,533
RECONCILIATION OF FUNDS:				
Total funds brought forward at 1 January 2019		485,921	548,843	1,034,764
Total funds carried forward at 31 December 2019	15	486,824	736,473	1,223,297

NOTES TO THE FINANCIAL STATEMENTS

20. DETAILS OF SUBSIDIARY UNDERTAKINGS

Build it International operates in Zambia through Bill Zambia Limited (a Company Limited by Guarantee), registered in Zambia as company number 120150137444.

Control is exercised through a Memorandum of Understanding between the two Boards. The BII Chair and CEO are both members of the Bill Zambia Ltd Board of Trustees. There is a single senior management team that includes both UK and Zambia staff members. Cash is transferred from the UK to Zambia on an 'as necessary' basis.

The aggregate amount of assets, liabilities and funds at 31 December 2020 for BII Zambia Limited was ZMW 10,387,607 (2019: ZMW 6,805,862). In the twelve months ending 31 December 2020 it had an income of ZMW 14,702,509 (2019: ZMW 11,039,173; expenditure of ZMW 12,413,372 (2019: ZMW 11,758,820); and a surplus of ZMW 2,289,137 (2019: deficit of ZMW deficit 719,647). Direct Income for BII Zambia Limited included grants from institutional donors, gifts in kind, local cash contributions to projects and bank deposit interest.

21. POST-BALANCE SHEET EVENTS

Since the year end, the COVID-19 pandemic has continued to impact Build It International's activities in both Zambia, where in February the government temporarily closed schools and training courses for the second time during the pandemic (since reopened), and in the UK, where office staff are still mostly working from home. Problems arising from the pandemic appear to be alleviating, both in the UK as a result of lockdown and the vaccination programme; and in Zambia, where the virus appears not to have taken hold to quite the extent originally expected, even with the spread from South Africa of a more infectious strain.

The numerous impacts on Build It are covered in the Trustees' Report. The pandemic is expected to continue to put both income and expenditure under pressure during 2021. However, the Trustees are confident that the charity is taking sufficient action to conserve resources, that it will continue as a going concern and that it will be ready to resume full operations once conditions permit.

22. RESTATEMENT OF PRIOR YEAR FIGURES

The accounts have been restated to correct the impact of an accounting error in presenting the parent charitable company's deferred income at 31 December 2019. The change has resulted in an increase to the parent charitable company's surplus for the year ended 31 December 2019 of £40,133, and a reduction of the parent company's deferred income at 31 December 2019 of the same amount. There was no impact on the group balance sheet at 31 December 2019 or the result presented in the Consolidated Statement of Financial Activities for the year ended 31 December 2019.