



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 2021

REGISTERED COMPANY NO. 05495358 (ENGLAND AND WALES)

www.builditinternational.org

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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 Florence Bearman - Deputy Chair Liz Elston Mayhew until 8 th December 2021 Graham Wickenden - Treasurer Chris James Sharon Jackson until 9 th March 2022 Lucie Kasanga from 16 th September 2021 Neil Macdougall from 9 th March 2022
Secretary	Andrew Jowett until 1 st January 2022 Judith Fox from 1 st January 2022
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

INTRODUCTION & HIGHLIGHTS

We are pleased to present our annual report outlining developments at Build It International in 2021. This report covers the activities of both Build It International and BII Zambia Ltd.

The COVID19 pandemic continued to interrupt our fundraising and programme activities in 2021. Our Centre for Excellence in Lusaka, Zambia was closed for a total of two months and community activities were affected by restricted access and disrupted supply chains. Despite these challenges we trained our highest ever number of young men and women in a vocational skill and were able to progress building works at various locations including Safe Hands Phase 2. Overall, we completed 75% of planned activities.

Highlights:

- 230 Trainees enrolled with 94% completing their courses in bricklaying, carpentry, plastering and tiling. This brings the total to date to 1,443.
- Completion of a two storey Build It office at the Centre for Excellence and relocation of all staff to this location with closure of the Woodlands office in Lusaka.
- Commencement of a student toilet block at the Centre for Excellence.
- Completion and opening of Light of Hope School, Livingstone.
- Further delivery of "Safe Hands" wash stations under Phase 2; 36 schools supported.
- 70% completion of a Maternal Child Health annex, including a labour ward, at Libuyu Clinic.
- Commencement of a literacy programme at six schools through our partner, The Book Bus.

We estimate that 29,640 people will benefit from our work carried out in 2021. This brings the total to around 362,000 direct and indirect beneficiaries since Build It was launched in 2006.

Managing the COVID19 risk remained a priority and we continued to focus on the three objectives drawn up at the beginning of the pandemic:

- To ensure the safety of our staff and trainees
- To ensure that the charity emerges from the crisis with all critical functions intact
- To contribute to the wider COVID19 response in Zambia

In the UK, COVID19 related restrictions dominated much of the year and put a hold on fundraising events until October. For the second year, our Annual Supporter reception was held online. Overall, income remains steady to 2019 and 2020 levels.

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 women.

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

Our current strategy runs from 2017-2023 having been extended by two years when the pandemic arrived. Our overall aim is to be the leading entry-level vocational training organisation in Zambia. The main objectives and performance are presented below following a brief analysis of managing COVID19 related risks.

COVID19 Response Objectives

To ensure the safety of our staff and trainees

Build It continued to follow Government guidelines in the UK and Zambia and enhanced these with internal COVID19 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. These were actively reinforced and monitored with non-compliance as a disciplinary issue. We encouraged vaccination take up and paid for testing when staff demonstrated symptoms.

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

As a fundraising organisation, we continued to be concerned by the risk to income from the restrictions to fundraising activities. A conservative budget was agreed and reserves forecasting closely followed.

To contribute to the wider COVID19 response in Zambia

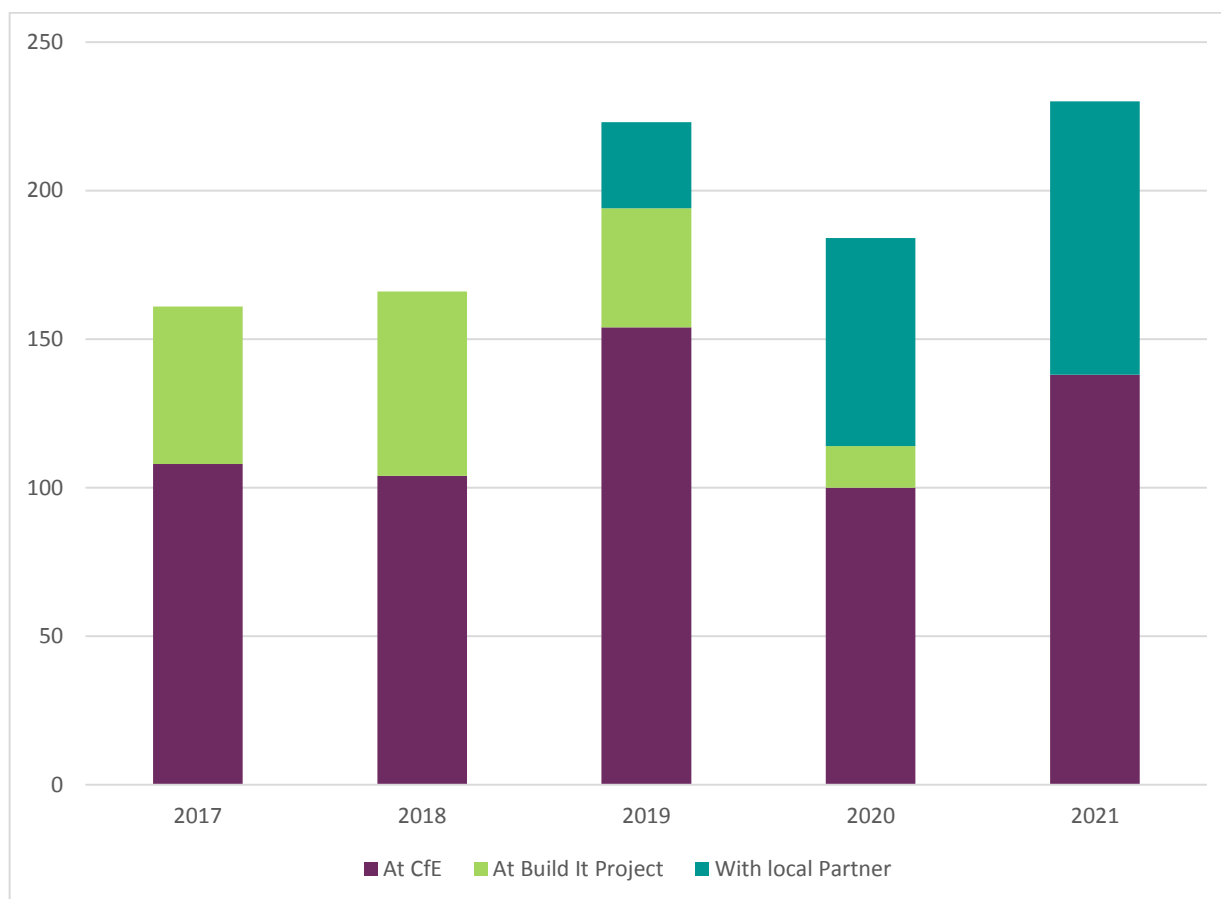
We are proud to have continued successfully with two initiatives: Distance Learning and Safe Hands. These are discussed in more detail below.

Strategic Objective 1: Support at least 2,000 men and women through our *Training Into Work* programme

Some 230 trainees enrolled on our programme against a target of 276. The deficit was due to the closure of the training centre for two months. Of these, 19% were female and 217 graduated (94% completion against a target of 90%). We continued not to train on community projects for COVID19 safety reasons.

This brings the number of graduates enrolled since 2017 to 964 or 48% of our strategic target and a total of 1,443 since the Training into Work programme commenced. Women continue to make up an increasing proportion of our trainees, currently at 25%.

Trainees by pathway 2017-2021



We delivered 14,112 training/days during the year compared with 10,489 in 2020. Entry-level courses delivered: Brick and Block laying, Rough Carpentry, Plastering and Tiling (new course). 70% of trainees completed a work placement. Our programme continues to be endorsed by NOCN, the UK based international awards body, who provide an independent quality assurance service. A review of training delivery was completed by advisor Ralph Need and an action plan drawn up to address issues identified.

Our figures include the last year of training at Katombora Reform School, Livingstone where 92 young men were trained. The Rise Again Project, funded by the European Commission in partnership with the NGO Undikumbukire Project, provides these young men with the skills to rebuild their lives once they leave prison.

The Katombora project skews our gender figures but overall some 19% of trainees were women who continue to perform very well. Increasing the number of female trainees towards 50% is a key objective going forwards as we start to deliver our new Gender Strategy.

Following skills training and work experience, our new graduates are eligible for follow up support including linking them to work jobs. In 2021, we responded to requests from 19 contractors for 292 positions (up from 276 in 2020 and 189 in 2020) of which 118 were fulfilled. Short notice, availability and communicating with graduates constrained fulfilment.

The construction sector in Zambia suffered contraction in 2020/21 due to the pandemic and this affected work opportunities and pay rates for our graduates. See the Impact Monitoring section on p 7.

The cost of training per person, including all overheads, averaged, £1,079 (2020: £1,215). Costs vary by course and location.

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

In 2021, our target was to close out the two projects started in 2020 and this was achieved at Katombora (toilet block) and Light of Hope School. In February, work commenced on an annex to Libuyu Health Centre in Livingstone. Serving an urban compound of 20,000 on a cramped site, this was completed in April 2022. The superb 186 sqm facility comprises consultation and treatment rooms for pregnant women and under-fives services (MCH) such as growth monitoring and vaccinations as well as family planning. It boasts a labour ward with pre and post-delivery spaces, shower and laundry rooms. With generous waiting areas, the new facility will transform the quality of care provided to this poor neighbourhood of 20,000. We are very proud of the quality of build and pay tribute to the Build It delivery team including three graduates from our *Training into Work* programme who won the contract.

At the Centre for Excellence training facility, we continued to make significant investment including the completion of an office that will bring our team together on one site. Work also commenced on a student toilet block design with support from Arup engineering. This completed in June 2022.

We continued to respond to the COVID19 challenge by extending our well received Safe Hands initiative. In 2021, we completed Phase 1 and also Phase 2 with a further 41 stations across 21 schools. Over the two years, 61 stations were built at 35 schools benefitting around 32,000 children.

Project Each project is estimated to provide benefit over a life-time of 25-30 years.	Estimated new Direct & Indirect Life-Time Beneficiaries	Estimated Cost per Beneficiary
Libuyu Health Centre – Maternal Child Health unit and Labour Ward. * Further work in 2022 will complete this project when the balance of 10,000 beneficiaries will be added.	10,000*	£15 per beneficiary
Centre for Excellence office block completion, site works and student toilet block (50%)	n/a	n/a
Safe Hands Phase 1 completion and Phase 2 41 hand-wash stations across 21 schools	18,750	£3 per child

Support to communities post build projects has been limited due to travel restrictions. The main exception is the launch of a one-year initiative under a BGL Legacy grant involving six schools. This includes a literacy campaign through our partner The Book Bus and environmental education activities with ReScope.



Libuyu Maternity / MCH facility with Build It project delivery team and staff

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

In 2021, we were unable to make progress against our advocacy objectives that aims to increase employer and Government spending on skills training as well as showcase an effective model of quality training provision. As in 2020, our team continued to work directly with employers to support women in the sector and promote safe working environments. We are starting to see a shift in attitude in some of our partners.

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

This objective remains on hold and will be reviewed in 2022.

Impact Monitoring and Evaluation

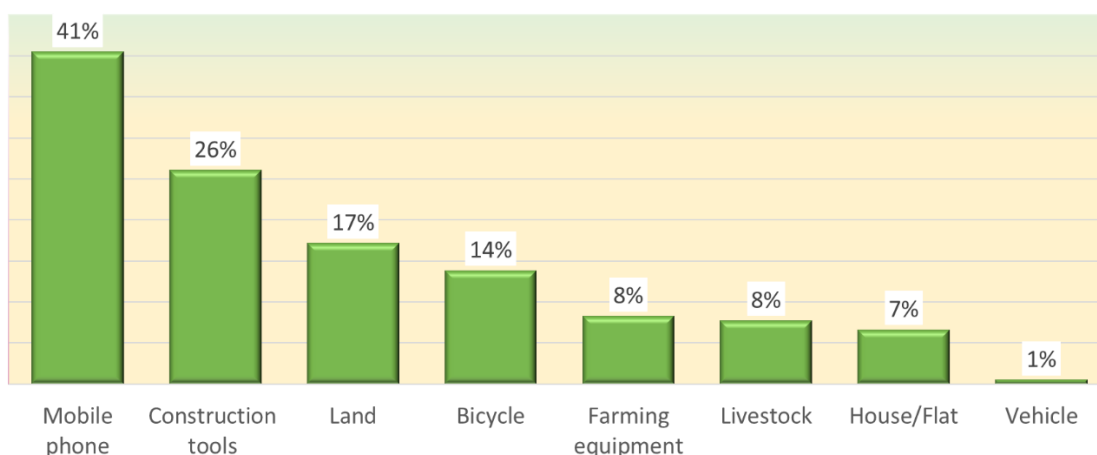
In 2021, our Training into Work and Community Building programmes will benefit a further 29,640 people. This increases our running total to 108,600 since 2017, towards a target of 150,000 by end 2023.

The cumulative number of life-time beneficiaries since 2006 is estimated at 362,000. This includes an estimated 114,000 directly accessing health and education services. The balance are other family members of pupils at schools we have built. Direct health project beneficiaries comprise around 25% total.

Data was collected for our annual independent Impact Study in November 2021 by Lifetime Consulting. Copies of the full report are available on request and there is a summary on our website. In short, this was a tough year for graduates as the pandemic precipitated a down-turn in economic activity with the construction sector hit hard. Lives were still changed for the good, but not as significantly as in previous years. Headline numbers:

- 88% of graduates were active in construction within 6 months of graduation.
- On average 43% were working more than 10 days/month in construction (51% in 2020).
- On average, 48% of graduates are earning at least USD1.90/day compared with 19% before training and 20% of comparison group – but this figure was 57% in 2020 reflecting economic conditions
- 61% of graduates are able to make financial savings regularly compared to 20% pre-training.
- PPI (2010 Poverty Probability Index) data indicated that 49% graduates were likely to be living in poverty compared with 76% pre-training. This is a considerable change.

As an illustration of the impact of increased earnings, the graph below details how many graduates purchased a range of assets over the previous 12 months.

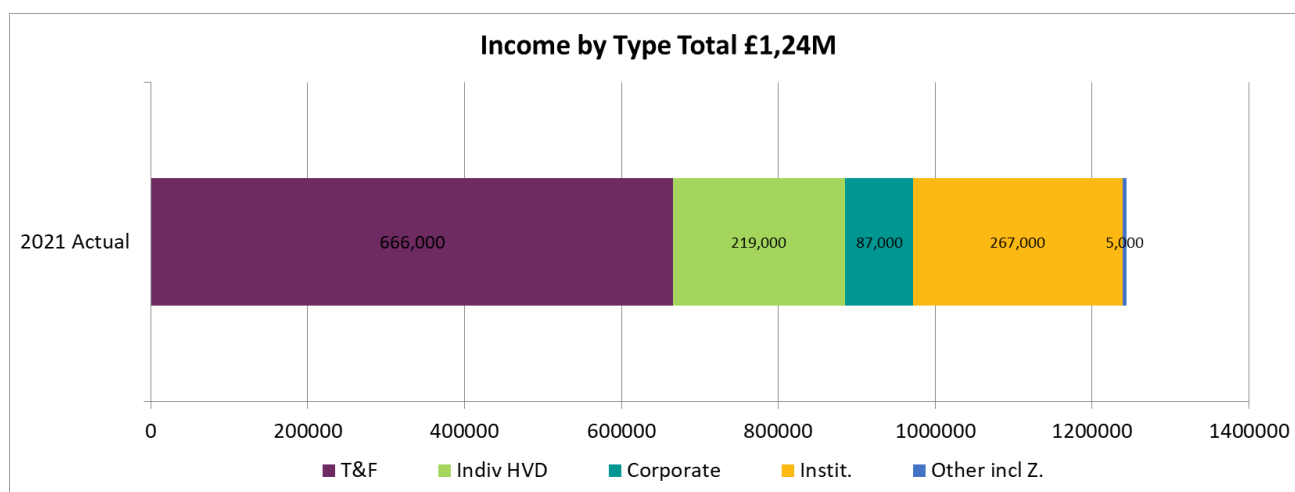


RAISING FUNDS

We secured £1.24M income in 2021 and are grateful to all our supporters for their loyalty and generosity. These include individuals, grant-making Trusts and Foundations (T&F) and two institutional donors; Irish Aid and the European Commission.

Our approach has always been to develop a high value, loyal supporter base. To achieve this we engage supporters through regular correspondence and events as well as our website, social media and quality reporting. In 2021 most of the events were online. This is managed by a small team of professional staff. For every £1 spent on raising funds we received £5.69 in income (2020 = £5.58).

We are delighted to have completed the second year of our UK Young Professionals Board that supports our fundraising and communications work and thank all those who have contributed.



Key:

T&F – Trusts & Foundations

Indiv HVD – Individual High Value Donors

Instit – Institutional Donors

Other incl Z – Other donations including BII Zambia income

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. The Trustees are satisfied that throughout 2021 the charity complied with the Code and received no complaints (2020: none).

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 do not use fundraising agencies or engage in 'chugging' or cold-calling. We never sell or share 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 take professional advice 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 meets ahead of every board meeting and on an *ad hoc* basis as required. From May 2020 to February 2022 a separate COVID19 Risk Management Committee met monthly to oversee our response to the pandemic working to review three scenarios for impact, risks and action. This work has now reverted to FAC and Board meetings.

We continue to enjoy the input of a wide range of advisors and volunteers on an individual basis and their input is highly appreciated.

The Build It head office is in Shrewsbury in the United Kingdom with eight staff (including four part-time). The main functions are fundraising, finance and strategy. In October 2021 our Head of Finance retired and was replaced by our first Director of Finance and Resources in an expanded role. We would like to thank John Hindson for his many years of dedicated service and welcome Jude Fox to the team. Our office in Lusaka employs 23 staff (22 Zambian) who manage programme delivery. The Board would like to thank everyone for their hard work, enthusiasm and professional dedication over the past 12 months, especially during the COVID19 pandemic.

A Nomination and Remuneration Committee considers 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.

Five board meetings were held in 2021 (attendance) as well as a strategy session. Ronnie Fleming took a sabbatical from May to September when Liz Elston Mayhew acted as Chair:

**BUILD IT INTERNATIONAL
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**



Ronnie Fleming (4/5)
Florence Bearman (5/5)
Lucie Kasanga (2/2)

Liz Elston Mayhew (5/5)
Chris James (4/5)

Graham Wickenden (5/5)
Sharon Jackson (1/5)

The Board would especially like to thank Liz Mayhew for her nine years of dedicated service. Liz brought a professional dynamism to the board from running her own company, with an entrepreneurial flair for making things happen. Liz continues to serve the third sector as a trustee in the arts and cultural field and we wish her well in this work.

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. A survey of trustees' views, measured against the criteria set out under the code, was completed during the latter part of 2020. A summary report of the findings was circulated to the trustees in March 2021. The results of the survey showed that Build It met or exceeded the vast majority of objectives within the code. Due to the COVID19 pandemic no further action has taken place on this.

Through 2021, 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.

Environmental, Social and Governance

Position statements have been updated on our website to emphasise how we work and our contribution towards four U.N. Sustainable Development Goals: 1 No poverty, 4 Quality education, 5 Gender equality and 8 Decent work and economic growth. This will strengthen our case for support from corporates.

Key policies updated in 2022 include Equality, Inclusion and Diversity (formally Equal Opportunities).

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. Our safeguarding procedures were reviewed and substantially updated with effect from September 2021 followed by investment in staff training. Please contact us for further information.

Key Objectives for 2022

- 276 trainees to complete skills training.
- Close out the gender strategy and commence implementation.
- Update the Training into Work Business plan to increase income from within Zambia.
- Complete Libuyu Clinic Phase 2 and Zambezi Sawmills community School.
- Further investment in our Centre for Excellence: student toilets, site works and learning spaces.
- Raise £1.07M.
- Review of Organisational Strategy for 2023 onwards.

REVIEW OF FINANCIAL POSITION

Income – the total for the 12 months to 31st December 2021 was £1,243,048 (2020: £1,140,878). The principal sources of funding were from trusts and foundations, institutional donors Irish Aid and the European Union and individual donors.

Expenditure - £1,093,984 for the 12 months to 31 December 2021 (2020: £953,133) excluding capital expenditure at the Centre for Excellence;

- Charitable activities expenditure including grant making and excluding capital was 80.1% (2020: 78.6%).
- A further £72,456 of capital expenditure was incurred on land and buildings at the Centre for Excellence, Lusaka.
- When capital expenditure on our training centre is included, our charitable expenditure rises to 81.2% (2020: 80.3%) and the cost of raising funds drops to 18.7% (2020: 19.7%).
- The cost of raising funds was £218,775 or 19.9% (2020: 21.4%) meaning that for every £1 spent we received £5.68 in income (2020: £5.58).

The value of our unrestricted reserves, excluding fixed assets, was £575,162 (2020: £533,760).

There was a surplus in the Statement of Financial Activities (SoFA) in 2021 of £149,064 (2020: £187,745). SoFa does not include expenditure of a capital nature (Centre for Excellence construction, office equipment and vehicle purchases). This was £115,777 in 2021 (2020: £85,848).

Group Funds held at 31 December 2021

- Restricted funds of £944,406 (2020: £851,754) including £553,168 (2020: £498,573) relating to Centre for Excellence fixed assets.
- Unrestricted funds £615,700 (2020: £559,288) including £41,538 (2020: £25,528) 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 also reviewed regularly by the Finance & Audit Committee.

At the Board Meeting in December 2021, Trustees considered that the three highest risks that the charity currently faces in achieving its strategic objectives are continuing disruption from the COVID19 pandemic; loss of key staff in Zambia, mainly to higher paid jobs; and a major breach of our cyber security protection.

COVID19 risk management continues to be reviewed fortnightly by the Senior Management Team and regularly by our COVID19 Committee or main Board. These reviews focus on protection of staff and trainees; the impact of restrictions on our training and construction activities; and the potential impact on income and expenditure.

Unrestricted cash forecasts are estimated against different scenarios and are updated as frequently as deemed necessary to ensure we act quickly as circumstances change.

We pay salaries commensurate with our size, benchmark surveys, and available funding. We offer flexible working conditions and a friendly work environment to reduce the risk of losing key staff. We are also making our operations more resilient through on-line systems in areas such as finance and procurement.

Protecting the charity against cyber attacks continues to be a priority. Staff have regular training and we continue to assess ourselves against the guidelines for small charities from the National Cyber Security Centre. We continue to resource and report on this risk to each Board Meeting.

Going concern

Learning lessons from 2020, we have throughout 2021 maintained a resilient approach to managing major shocks, not least COVID19 but also the highly volatile Zambian currency. We retain strong Boards in the UK and Zambia, professional staff and well established programme delivery systems and processes. The Board members are closely involved in the review of all major decisions and in planning for any shocks and volatility as part of our approach to risk management. We retain a tight grip on expenditure.

While the UK Charity sector has faced major challenges during the year, Build it had a relatively stable year and during 2021 we continued to enjoy the generous support of our loyal supporter base. As in previous recent years, the fundraising environment is challenging and looks to be tougher still over the next period. However, we have put in place a programme of supporter events to 2024 to support new and existing major donor relationships.

With the easing of COVID19 constraints we are now able to repopulate our project pipeline for 2023 onwards. This will enable new conversations with donors who support this work. This income stream has been in the range of £200k to £400k since 2018 and we now aim for growth from 2023.

Having secured and delivered against two institutional grants over last three years, we are using this experience and credibility to further develop funding relations with institutional donor organisations. Our basis of developing these relationships is to demonstrate the excellent work we have done and we expect this to generate funding from 2023 (after an anticipated drop in 2022). A recent donor mapping exercise has identified new targets for major grants and contracts from 2023. These include the European Commission with a major new initiative in youth/green skills. We are increasingly well positioned to access major funding especially given our focus on opportunities for women under our Training into Work programme.

The Finance Committee regularly meets and review the cash position including the income and expenditure levels and ensure that long terms decisions are taken including review of upcoming expenditure, expected donation income and upcoming financial requirements of the charity.

The trustees believe that the cash reserves and current income level will provide support to the charity throughout 2022 and makes the charity a going concern. A detailed analysis and scenario planning is carried out which is regularly discussed at FAC meetings to ensure that any sensitivities are addressed. A comprehensive risk register is maintained which is reviewed by FAC and the main Board to understand and mitigate any current and upcoming risks.

Investment Policy

Cash surplus to short-term needs are held with FSA regulated interest bearing accounts. At present, the Trustees do not consider that this policy needs to be changed. This position is reviewed annually, and the Trustees are satisfied that the current investment returns on surplus cash is acceptable, bearing in mind the current economic climate and the need for surplus (unrestricted) cash funds to be readily accessible.

Grant Making Policy

The majority of our projects are directly managed through our Zambia offices. All project proposals are vetted by the Finance & Audit Committee, and then submitted to Trustees for their approval to ensure that the proposed work is in line with strategy. Where 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. Two grants totalling £26,379 were made in 2021.

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 unrestricted cash reserves sufficient to cover at least three months of budgeted average core expenditure. These reserves should also not exceed an upper limit of four months average budgeted total expenditure.

During 2021, we continued to benefit from donors generously offering unrestricted donations, where there would normally have been a restriction and as such, unrestricted reserves held at the year-end were higher than normal at £616,700 (including fixed assets). It is considered that with the increasingly uncertain economic outlook, it is beneficial to hold healthy unrestricted reserves to help manage income uncertainties.

As at end August 2022 unrestricted reserves stood at £689,070, in line with expectations and is expected to be drawn down further by the year end.

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.

Regular updates on our work are posted on our website: [**www.builditinternational.org**](http://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 incoming resources and application of resources, including the income and expenditure of the charitable company 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 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.

Ronnie Fleming

Ronald Fleming
Chair of Trustees

Graham Wickenden

Graham Wickenden
Treasurer

Date: 28 September 2022

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 2021, 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 2021 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 14, 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 the regulatory requirements of the Charity Commission and Zambian company and employment law, 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:

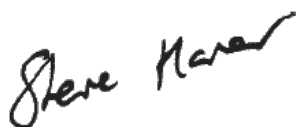
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made in relation to accounting estimates, 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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

10 Queen Street Place
London

Date: 30 September 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure account)

	Notes	Unrestricted Funds £	Restricted Income Funds £	2021 Total £	2020 Total £
INCOME FROM:					
Donations	3	667,228	546,162	1,213,390	1,130,188
Other Trading Activities	3	8,550	-	8,550	-
Investment income – interest receivable		3,360	-	3,360	2,251
Profit on sale of assets		9,816	-	9,816	7,917
Other income		7,932	-	7,932	522
Total		696,886	546,162	1,243,048	1,140,878
EXPENDITURE ON:					
Raising funds		211,884	6,891	218,775	204,426
Charitable activities					
Grant making	18	3,973	26,379	30,352	-
Other charitable activities		179,931	664,926	844,857	748,707
Total	8	395,788	698,196	1,093,984	953,133
NET INCOME/(EXPENDITURE)	4	301,098	(152,034)	149,064	187,745
Transfers between funds	14	(244,686)	244,686	-	-
NET MOVEMENTS IN FUNDS	4	56,412	92,652	149,064	187,745
RECONCILIATION OF FUNDS:					
Total funds brought forward at 1 January 2021		559,288	851,754	1,411,042	1,223,297
TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER 2021	15	615,700	944,406	1,560,106	1,411,042

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 £72,456 (2020: £85,847). 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.

**BUILD IT INTERNATIONAL
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**



CONSOLIDATED AND CHARITY BALANCE SHEETS

		2021		2020	
	Notes	Group £	BII UK £	Group £	BII UK £
FIXED ASSETS					
Tangible assets	10	594,706	1,948	524,101	1,777
CURRENT ASSETS					
Debtors	11	96,864	37,384	42,934	34,513
Cash at bank and in hand (including advances)		960,808	866,006	981,052	872,744
Total current assets		1,057,672	903,390	1,023,986	907,257
CREDITORS: amounts falling due within one year	12	(92,272)	(26,478)	(137,045)	(25,819)
Net Current Assets		965,400	876,912	886,941	881,438
Net Assets		1,560,106	878,860	1,411,042	883,215
Funds of the Charity					
Unrestricted funds		615,700	615,700	559,288	559,288
Restricted income funds	14	944,406	263,160	851,754	323,927
Total funds		1,560,106	878,860	1,411,042	883,215

The net surplus of the charitable company before consolidation was £78,078 (2020: £79,724).

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 28 September 2022 and were signed below on its behalf by:

Ronnie Fleming

Ronald (Ronnie) Fleming
Chair of Trustees

Graham Wickenden

Graham Wickenden
Treasurer

Company registration no. 05495358
Charity registration no. 1115989

CONSOLIDATED STATEMENT OF CASHFLOWS

	Notes	2021 £	2020 £
NET CASH PROVIDED BY OPERATING ACTIVITIES	A	82,278	257,136
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of land & buildings		(72,456)	(85,847)
Purchase of motor vehicles		(41,911)	
Purchase of equipment		(1,410)	-
Purchase of land, buildings and equipment		(115,777)	(85,847)
Proceeds from sale of assets		13,255	9,945
Increase/(Reduction) cash and cash equivalents		(20,244)	181,234
Cash and cash equivalents at the beginning of the year		981,052	799,818
Cash and cash equivalents at the end of the year		960,808	981,052

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	149,064	187,746
Adjustments for items not affecting cash flows:		
Depreciation on fixed assets	42,733	34,287
(Gain)/Loss on sale of assets	(9,816)	(7,917)
Net operating cash flows before reinvestment in working capital	181,981	214,116
(Increase)/Reduction in debtors	(54,930)	22,349
(Reduction)/Increase in creditors	(44,773)	20,671
Net cash provided by operating activities	82,278	257,136

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 COVID19.

(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	4 - 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 2021, 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	2021	2020
	£	£
Individuals	204,526	160,309
Grants from foundations and trusts and other organisations	998,864	969,879
Legacies	10,000	-
	<u>1,213,390</u>	<u>1,130,188</u>

Grants from foundations and trusts and other organisations includes donations of services and materials totalling £8,550 (2020: £5,000) and £375 (2020: £nil) for training and professional services.

Other trading activities comprise payments for participating in fundraising events.

4. MOVEMENT IN FUNDS

	2021	2020
	£	£
Net movement in funds is stated after charging:		
Depreciation of tangible assets	42,733	34,287
UK auditors remuneration	13,800	13,200
Operating lease rentals – land and buildings	5,131	11,844
Recognised exchange differences (Gain)/Cost	<u>(292)</u>	<u>(6,901)</u>

5. STAFF COSTS (UK & ZAMBIA)

	2021	2020
	£	£
Wages and salaries	490,780	449,930
Social security costs	29,334	28,550
Other pension costs	22,142	19,646
	<u>542,256</u>	<u>498,126</u>

NOTES TO THE FINANCIAL STATEMENTS

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

Direct employees (i.e. excluding contract workers)

	2021			2020		
	Part-time	Full-time	Total	Part-time	Full-time	Total
UK- based staff	4	5	9	4	4	8
Zambia-based staff	-	30	30	-	26	26
Group Total	4	35	39	4	30	34

The average number of employees (full-time and part-time) in the year was 32 (2020: 31).

No employee earned in excess of £60,000 during the year including pension contributions (2020: none). The cost of Key Management Personnel is £157,670 (inc. Employer National Insurance and pension) for four employees (2020: £138,676 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 (2020: £4,355).

Whilst modest in quantity Build It International greatly values the expertise and voluntary time given by a number of individuals during 2021 and prior periods.

6. TRUSTEE REIMBURSED EXPENSES

A total of £3,383 (2020: £383) was incurred related to the expenses of five trustees. This includes a figure of £2,906 for Fundraising Consultancy by Sharon Jackson.

NOTES TO THE FINANCIAL STATEMENTS

7. TRUSTEE DONATIONS, TRUSTEE REMUNERATION AND RELATED PARTIES

A total of £12,990 was donated by Trustees and Related Parties (2020: £22,725). No trustees received remuneration with regard to being a Trustee in the year 2021 (2020: £Nil).

Other than those with BII Zambia below, there were no related party transactions in the year (2020: none).

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

	2021	2020
	£	£
Cash transfers from UK to Zambia	450,000	500,000
Non-cash transfers from UK to Zambia	59,700	42,812
Non-cash transfers from Zambia to UK	(164)	(799)
	509,536	542,013

Total net Transfers to Zambia were £509,536 (ZMW 14.2m), (2020: £542,013, ZMW 16.6m).

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:

2021	Direct costs	Support costs		Total	
	£	(including salaries)		2021	2021
		£		£	
Costs of generating funds	190,135	28,640	19.9%	218,775	19.9%
Charitable activities					
Grant making	26,379	3,973	2.8%	30,352	2.8%
Other charitable activities	734,252	110,604	77.3%	844,856	77.3%
	<u>950,766</u>	<u>143,217</u>		<u>1,093,983</u>	

The above 2021 expenditure and percentages do not include £72,456 (2020: £85,847) of capital expenditure on the Centre for Excellence. When this is added Charitable Activities are 81.2% (2020: 79.5%) of expenditure including the Centre for Excellence.

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%
	<u>761,530</u>	<u>191,603</u>		<u>953,133</u>	

The above 2020 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

	2021	2020
	£	£
UK Staff and Contractors (excluding Fundraising)	55,113	114,306
UK Support costs (Including UK office, insurances and IT)	73,049	62,607
UK Audit Fees	13,800	13,200
Costs relating to the governance of the Charity	1,255	1,490
Total Support Costs	<u>143,217</u>	<u>191,603</u>

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 2021	544,019	24,113	114,007	682,139
Additions	72,456	1,410	41,911	115,777
Disposals	-	-	(41,843)	(41,843)
At 31 December 2021	616,475	25,523	114,075	756,073
Depreciation at 1 January 2021	45,445	21,011	91,582	158,038
Depreciation charge for year	17,862	2,106	22,765	42,733
Disposals	-	-	(39,404)	(39,404)
At 31 December 2021	63,307	23,117	74,943	161,367
Net book value at 31 December 2021	553,168	2,406	39,132	594,706
Net book value at 31 December 2020	498,574	3,102	22,425	524,101

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 2021 are in use other than the Office building which is expected to be completed and put into use in 2021.

At 31 December 2021 there are capital commitments relating to the Centre for Excellence of £nil (2020: £nil).

NOTES TO THE FINANCIAL STATEMENTS

10 b). FIXED ASSETS – CHARITABLE COMPANY

	Office Equipment £
Costs at 1 January 2021	3,545
Additions	1,410
At 31 December 2021	<u>4,955</u>
Depreciation at 1 January 2021	1,768
Depreciation charge for the year	1,239
At 31 December 2021	<u>3,007</u>
Net book value at 31 December 2021	<u>1,948</u>
Net book value at 31 December 2020	<u>1,777</u>

11. DEBTORS

	Group 2021 £	BII UK 2021 £	Group 2020 £	BII UK 2020 £
Gift Aid	22,029	22,029	9,360	9,360
Accrued income	10,000	10,000	-	-
Sundry Debtors and Prepayments	65,605	6,355	33,574	25,153
Total	<u>97,634</u>	<u>38,384</u>	<u>42,934</u>	<u>34,513</u>

12. CREDITORS (Amount falling due within one year)

	Group 2021 £	BII UK 2021 £	Group 2020 £	BII UK 2020 (as restated) £
Accruals	89,981	26,478	13,200	13,200
Sundry creditors	2,291	-	42,398	12,619
Deferred income	-	-	81,447	-
Total	<u>92,272</u>	<u>26,478</u>	<u>137,045</u>	<u>25,819</u>

Analysis of movements in deferred income (Group)

Balance at 1 January 2021	81,447
Released in the year	(81,447)
Income deferred	-
Balance at 31 December 2021	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

13. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2021 the charity had commitments of £4,618 (2020: £16,427) under non-cancellable operating leases . This relates to a lease on Shrewsbury office premises. Of this £4,618 (20120 £11,992) relates to a period of less than one year and £nil (2019: £4,435) relates to a period of one to five years. The Lease is with BII UK.

BUILD IT INTERNATIONAL
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021



NOTES TO THE FINANCIAL STATEMENTS

14. ANALYSIS OF RESTRICTED FUNDS

	Balance 1.1.2021 £	Income £	Expenditure £	Transfers from Restricted £	Transfers from Unrestricted £	Balance 31.12.2021 £	Cumulative Capital Purchases £
<u>Training to Work</u>							
Training to Work including Centre for Excellence	616,413	272,362	(286,270)	-	144,500	747,005	553,168
<u>Community Building with Training and Support Activities</u>							
Mukuyo Community School (2020)	8,423	-	(1,002)	-	-	7,421	-
Naluyanda Community School (2020)	40,722	-	(6,326)	(22,937)	-	11,459	-
Light of Hope Community School (2021)	19,263	-	(27,876)	8,613	-	-	-
Libuyu Maternity Unit (2021/2021)	48,910	127,000	(134,547)	-	-	41,363	-
Other Community Projects (Zambia)	28,872	106,563	-	16,324	-	106,396	-
<u>Other Projects</u>							
Advocacy	50,958	-	(29,534)	-	-	21,424	-
Safe Hands programme	38,193	40,227	69,079	-	-	9,341	-
Programme Support & Development Costs	-	-	(100,186)	-	100,186	-	-
Total	851,754	546,162	(698,193)	-	244,686	944,409	553,168

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 Training into Work restricted fund contains two tranches of construction training income from the "Embassy of Ireland, Department of Foreign Affairs and Trade", the first in relation to release of deferred income from the Youth Employed Into Work Project 2020/21 of €90,000 (£81,478) and the second in relation to current year funding under the Youth Employed Into Work Project 2021/22 with a grant of €160,000 (£133,715). This enabled BII Zambia to train 9 cohorts of 23 trainees in construction skills, life skills and secure work placements with contractor partners.

* Training to work including Centre for Excellence - the balance shown of £747,005 includes £553,168 invested in fixed assets incurred constructing Centre for Excellence of £553,168. Therefore, £193,837 remains available to spend on future activity.

Naluyanda Community School Fund relates to the community build project in Chibombo district of a three classroom school building with an office and strong room for exam papers, a new sustainable latrine and a hand pump to provide access to safe, clean water.

Libuyu Maternity Unit restricted fund relates to Phase I of a two phase project, being a new Maternal and Child Health unit at Libuyu Health Centre in Livingstone to improve antenatal, postnatal and family planning services, followed by a Phase II redevelopment of the existing clinic building. .

The Safe Hands Initiative is building permanent hand wash facilities across 18 Zambian schools in rural and urban communities.

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. Training to work including Centre for Excellence: Again during 2021 we are pleased that donors have shown post COVID19 support for Build It by unrestricting their donation when usually restricted donations are given. As such, a transfer from unrestricted of £144,500 is necessary to support the activities of training and building at Centre for Excellence.
3. A small balance of £8,613 was transferred from the Other Community Projects, a restricted fund available to contribute to any shortfalls or other requirements needed relating to Zambia community school projects.

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NOTES TO THE FINANCIAL STATEMENTS

14. ANALYSIS OF RESTRICTED FUNDS (continued)

	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

NOTES TO THE FINANCIAL STATEMENTS

15. ANALYSIS OF RESTRICTED FUNDS PARENT COMPANY

Movement in funds – parent charity

	Balance 1.1.2021 £	Income	Expenditure £	Transfers from unrestricted £	Balance 31.12.21 £
Restricted funds	323,927	296,737	602,190	244,686	263,160
Unrestricted funds	559,288	696,886	395,788	(244,686)	615,700
Total	883,215	993,623	997,978	-	878,860

	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

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 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 £	2021 Total Funds £
Fixed Assets	41,538	553,168	594,706
Current Assets	600,640	457,032	1,057,672
Current Liabilities	(26,478)	(65,794)	(92,272)
Total	615,700	944,406	1,560,106

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

The Restricted Funds balance shown of £944,406 (2020: £851,754) includes capital expenditure incurred constructing the Centre for Excellence of £553,168 (2020: £498,573).

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 2021 the charity made two grants £26,379 (2020: £2,400). These grants were made to support the renovation of a Home Economics room at a Community School where Build It has constructed school buildings, and a grant from the BGL Legacy Programme for adult literacy.

All other projects are directly managed by Build It International.

NOTES TO THE FINANCIAL STATEMENTS

19 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

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

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 2021 for BII Zambia Limited is ZMW 13,130,668 (2020: ZMW 10,387,607). In the twelve months ending 31 December 2021 BII Zambia Limited had an income of ZMW 16,326,988 (2020: ZMW 14,702,509); expenditure of ZMW 17,233,653 (2020: ZMW 12,413,372); and a deficit of ZMW 662,591 (2020: surplus of ZMW 2,289,137). Direct Income for BII Zambia Limited includes grants from institutional donors, gifts in kind, local cash contributions to projects and bank deposit interest.