

# Build it

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 2018**

**REGISTERED COMPANY NO. 05495358 (ENGLAND AND WALES)**

[www.builditinternational.org](http://www.builditinternational.org)

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## LEGAL AND ADMINISTRATIVE INFORMATION

|                           |   |
|---------------------------|---|
| <b>Company number</b>     | 05495358  |
| <b>Charity number</b>     | 1115989   |
| <b>Governing document</b> | Memorandum and Articles of Association  |
| <b>Trustees</b>           | Ronnie Fleming - Chair from 14 March 2019<br>Liz Elston Mayhew – Deputy Chair<br>Graham Wickenden - Treasurer<br>Abigail Gammie<br>Rueben Lifuka<br>Lauren Miller<br>John Nutt – Chair until 14 March 2019<br>Andrew Sentance |
| <b>Secretary</b>          | Andrew Jowett   |
| <b>Chief Executive</b>    | Andrew Jowett   |
| <b>Registered office</b>  | The Pump House<br>Coton Hill<br>Shrewsbury<br>SY1 2DP   |
| <b>Auditors</b>           | Williamson Morton Thornton LLP<br>Verulam Point<br>Station Way<br>St Albans<br>Hertfordshire<br>AL1 5HE   |
| <b>Bankers</b>            | Barclays Bank plc.<br>Business Banking<br>P.O. Box 89<br>Shrewsbury<br>Shropshire<br>SY1 2WQ  |
| <b>Website</b>            | <a href="http://www.builditinternational.org">www.builditinternational.org</a>  |



## INTRODUCTION & HIGHLIGHTS

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

- Training of a further 166 young men and women in various building skills including bricklaying, carpentry and painting bringing the total to date to 808.
- 104 of these trainees passed through the Fast Track programme based at our Centre for Excellence of whom 66 went on to complete work placements with local employers.
- Completion of the Multi-function Hall at our Centre for Excellence in Lusaka.
- Completion of new facilities at Kamaila and Machaya community schools.
- We have now completed 44 projects since our launch in 2006.
- Income of £1.3M.

We estimate that around 20,000 people will benefit from projects completed in 2018. This brings the total to 290,000 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:** *Build It creates opportunities for young people and their communities through skills training, work experience and essential community building projects.*

Our approach to achieving this is based on our belief that:

- **Empowering** people and communities unlocks their potential.
- An **entrepreneurial approach** generates economic activity and employment that contributes to a reduction of poverty.
- Sustainable development demands practices, including building, that minimise any negative impact on the **environment**.

Our core activity is construction skills training for men and women under 35 years old living in poverty. This is delivered through on-the-job training at community building projects and since 2017, through Fast Track training at our Centre for Excellence in Lusaka. Our livelihoods-based approach includes follow up support to our 'graduates' to help them establish themselves in the job market. Over 30% of trainees are female.



### Public Benefit

Our projects directly benefit low-income communities and families through the provision of schools, health clinics, affordable houses and clean water/sanitation facilities. We further benefit 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.*
- b. **Promoting sustainable building materials, design and construction;** *this is important because it promotes a sustainable use of raw materials and improves the quality and affordability of community facilities.*
- c. **Participation of local communities;** *we do this so that they retain ownership of their 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.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

Build It International (BII) 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 BII 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.

BII 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 BII and, as a result of this, its results are consolidated into those of BII.

Our Finance and Audit committee meets ahead of every board meeting and on an *ad hoc* basis as required.

Annual Individual Trustee reviews are undertaken by the Chair. A UK Trustee skills audit was completed in order to produce the specification for the recruitment of further trustees in 2019.

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

A Nomination and Remuneration Committee was established in March 2018 to consider CEO 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.

We continue to enjoy the input of our advisors and volunteers on an individual basis and through our Technical Advisory Group. A special mention should be made of Sara Moslemi Zadeh, Chris James and Ged Kennedy whose contributions have been substantial. We are grateful for further technical assistance from our corporate partners BGL, BuroHappold engineers and A+ Urban Technics.

## **REVIEW OF ACTIVITIES AND PERFORMANCE AGAINST STRATEGIC OBJECTIVES**

2018 was the second year of our new strategy and good progress was made towards our five year objectives:

### **Objective 1: Support at least 1,460 men and women through our Training Into Work programme**

In 2018 we delivered over 10,000 person/days training to 166 men and women in the following skills:

- Basic building skills (at Build It managed construction projects)
- Bricklaying
- Painting
- Rough carpentry

Of these, 121 took the national trades test in bricklaying with 96% passing. The remaining trainees received a course completion certificate in painting or carpentry.

This brings us to a total of 326 trained towards our target of 1,460 for the period 2017 to 2021.

Our Centre for Excellence, is enabling us to significantly increase the number of young people we train. After life skills and technical training at the Centre, trainees spend three months on a paid work placement with a local employer. In 2018 we worked directly with 13 companies and continued to engage a further 14.

During the year, we also:

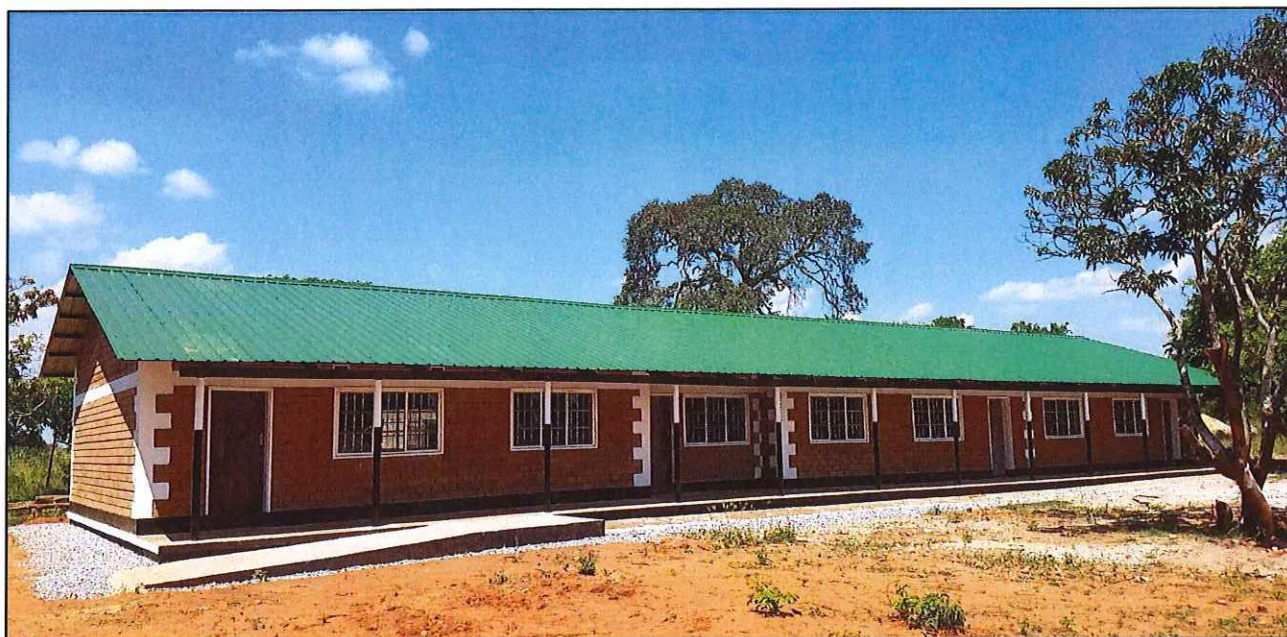
- reviewed and updated all existing courses.
- designed a new course in Plastering and Rendering to be piloted in 2019.
- Conducted Health and Safety awareness courses for our staff and partner employers.
- Assisted 73 'graduates' to secure employment post training.
- Overhauled our trainee appraisal and record keeping procedures.

### **Objective 2: Deliver 15+ community-led building projects to improve access to education and health services for 150,000 people**

In 2018 we delivered the projects listed in the table below (for locations please visit the project map on our website). They comprise 10 classrooms or equivalents that will benefit an estimated 20,000 people. This brings to 42,000 the total against our current strategic target.

| <b>Project</b>  |
|---|
| <b>Kamaila School, Chibombo Province:</b> Three new classrooms for this school (grades 1-12) as well as a new toilet block.                     |
| <b>Machaya Community School, Chibombo Province:</b> Three new classrooms and a toilet block, as well as a pump to provide safe water.           |
| <b>Centre for Excellence, Lusaka.</b><br>Completion of our multi-function hall, fourth learning plaza and a welfare area at our training centre |





Machaya Community School, 2019

**Objective 3: Share our experience to support provision and uptake of improved skills training beyond our programme**

We worked with 27 local construction companies to encourage them to support our Training into Work programme. Thirteen took on trainee work placements and 23 affiliate contractor representatives participated in Health and Safety training.

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

Scoping work to take place in 2019.

**Objective 5: Promote the uptake of appropriate sustainable building design and materials**

We continue to develop our sustainable design guidelines and reviewed our Details Reference Book with support from our Technical Advisory Group. Our community school designs follow these guidelines and serve as powerful examples of the use of stabilised soil blocks (rather than concrete blocks) and passive cooling. At the Centre for Excellence, the multi-function hall serves to demonstrate an innovative approach to roof design and sustainably managed hardwood. All buildings at the Centre will be included in information boards.

**Objective 6: Raising Funds**

We raised £1,358,179 including gifts in kind – a record year for Build It. Our sincere thanks to all our individual supporters, corporate partners and grant-making trusts and foundations.

Build It is a member of the Fundraising Regulator which sets and maintains the standards for charitable fundraising. The Trustees are satisfied that during 2018 the charity complied with the Code of Fundraising Practice which ensures that fundraising is 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.

Build It values its supporters who rightly expect high standards of transparency and honesty in our fundraising and communications, and our staff take responsibility to ensure that our fundraising is delivered to a high standard. Our fundraising is based on building quality relationships with our supporters without the need for intrusion or undue pressure, and protecting 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.

At all times we treat our supporters fairly, respecting their wishes and preferences whilst empowering them to make a difference to young people in Zambia.

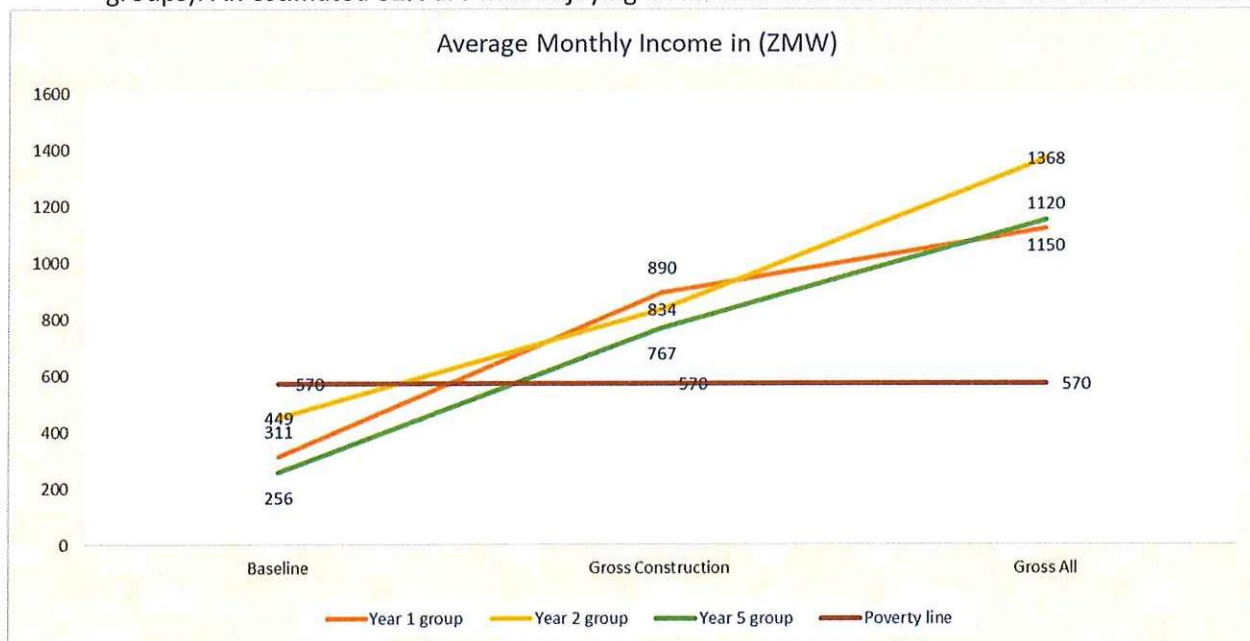
In 2018 the Fundraising Regulator received no formal complaints regarding Build It International's fundraising.

### Monitoring and Evaluation

In 2018 we completed a review of our monitoring and evaluation framework. This included updating the methodology for our annual impact survey exercise. A new independent consultant was appointed after a competitive tender and our seventh independent annual impact survey was completed in April 2019. Some 175 graduates were interviewed from groups that completed their training one, two and five years ago. The study also went back to seven community schools to assess their impact.

A full report will be published in June 2019 with a summary posted on our website (available on request). However, we are able to share the following highlights:

- Overall, 83% of graduates were active in construction.
- On average 61% were working more than 10 days/month in construction.
- Graduates from urban areas are more active than in rural areas and men generally more active than women.
- On average, 71% of graduates are earning above the official poverty line (USD1.90/day) compared with just 10% before they completed our training programme. This means that they are able to meet their families basic needs such as shelter, three meals a day and basic medical expenses.
- The graph below illustrates the dramatic increase in graduates average incomes post training (for all groups). An estimated 81% are now enjoying an income of at least 50% over their baseline incomes.



Whilst increased incomes are important to monitor, there are other factors that can affect poverty. We use the respected Progress out of Poverty (PPI)<sup>1</sup> indicator, adapted for Zambia, to estimate poverty levels. The table below shows the significant improvements made across a number of categories. In short, this means

<sup>1</sup> [www.povertyindex.org/](http://www.povertyindex.org/)

that our graduates are steadily working their way out of poverty and increasingly able to provide for their families.

**Percentage of Trainees Living in Poverty  
Comparison of before training (baseline) and at April 2019 (endline)**

| all trainees        | Male  | Female | Rural | Urban | Overall |
|---------------------|-------|--------|-------|-------|---------|
| at baseline         | 76.4% | 74.5%  | 75%   | 69.9% | 76%     |
| at survey (endline) | 43.7% | 55.5%  | 64.8% | 41.9% | 47%     |

Overall, the number of training beneficiaries living in poverty reduced from 76% to 47%.

The 2019 Impact Study also reports that in all seven completed school projects visited, there has been improved access, retention and progress of pupils. The number enrolled has increased by 52% since handover and the total number of teachers stands at 98 compared with 76 on handover. Many of these additional teachers are trained rather than volunteers. The survey also shows improved retention rates, especially among girls, and better grade 7 pass rates.

The report concludes that our investment has had a broader impact on the community. It cited many examples of community members taking ownership of the buildings, greater parental understanding of the importance of education and the use of facilities for other activities including important community gatherings.

**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), time with senior staff at the Shrewsbury office and a visit to see our work in Zambia after a minimum of one year of membership. Several trustees have not claimed all the expenses to which they are entitled including travel to Zambia.

Four meetings were held in 2018 (attendance):

|                     |                       |                      |
|---------------------|-----------------------|----------------------|
| Ronnie Fleming (4)  | Liz Elston Mayhew (4) | John Nutt (4)        |
| Andrew Sentence (2) | Rueben Lifuka (1)     | Graham Wickenden (4) |
| Lauren Miller (2)   | Abigail Gammie (2)    |                      |

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. We are confident that we are compliant with many aspects of the Code with an action plan in preparation to implement remaining items.

In 2018 Build It employed Affinity Resolutions to advise on compliance with GDPR and to act as the charity's Data Protection officer for an initial 12 months period. All required policies and procedures are now in place and training has been held for staff and trustees.

**Key Objectives for 2019**

- 260 trainees completing courses in bricklaying, painting, carpentry and plastering.
- Design of one new basic skills training course and expansion of Foreman workshops.
- Registration as a training institution with NOCN (National Open Colleges Network).
- Delivery of Year 1 training project in partnership with UP Zambia in Southern Province focused on young adults at Katambora Reformatory Institute.
- Three community school projects: Naluyanda, Mukuyo and Chitukuko Phase 2.
- Centre for Excellence; new Country Office, storage facility pathways, drainage and landscaping.



## **REVIEW OF FINANCIAL POSITION**

**Income** – total for the 12 months to 31<sup>st</sup> December 2018 was £1,358,179.

**Expenditure** - £1,024,359 excluding capital expenditure at the Centre for Excellence for the 12 months to 31 December 2018.

- Raising funds £212,945 or 21% (22% in 2017).
- Charitable expenditure excluding capital was 79%.
- A further £80,111 of capital expenditure was incurred on land and buildings at the Centre for Excellence, Lusaka. When this increase in our capacity and resources to deliver training in Zambia is included charitable expenditure rises to 81% and raising funds drops to 19%.
- Value of our unrestricted reserves, excluding fixed assets, was £448,010.

There is a surplus in the Statement of Financial Activities (SoFA) in 2018 of £333,820. SoFa does not include expenditure of a capital nature (Centre for Excellence construction and vehicle purchases) which are over £100k. 2018 is the first year since 2014 that Build It has achieved a surplus after capital expenditure. This is partly due to the timing of income which was significant in the last few months of 2018 and which will contribute to 2019 activities. There is also a need to complete expenditure on 2018 projects in 2019.

### **Funds held at 31 December 2018**

- Restricted funds of £548,843 including £347,626 relating to Centre for Excellence fixed assets.
- Unrestricted funds £485,921 including £37,911 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.

At the board meeting in March 2019, Trustees considered that the highest risk that the charity currently faces in achieving its strategic objectives is a major breach of our cybersecurity protection. Accordingly, a concerted effort has been made in the first quarter of 2019 to ensure we are compliant with the guidelines for small charities from the National Cyber Security Centre.

Build It International is mid-way through its 5 year strategic plan with ambitious goals to double our investment in Zambia by 2021. Continued growth is required to fund planned activities in 2019 and beyond. To manage this risk we are currently investing in additional staff in the fundraising team to support the organisational delivery plan, and considering plans to expand membership of the SMT.

### **Investment Policy**

At present, the Trustees do not consider that our current investment policy needs to be changed. This position is regularly reviewed 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. Cash surplus to short-term needs are held with FSA regulated interest bearing accounts.



### **Grant Making Policy**

The majority of our projects this year are 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. 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.

### **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 not exceed an upper limit of four months average budgeted total expenditure.

At the end of 2018 the value of our unrestricted reserves, excluding fixed assets, was £448,010. This is £37k above the upper limit due to exceptional unrestricted income in 2018, and is of a temporary nature. It is within 2019 reserves policy values, and due largely to seasonal variations unrestricted reserves as at Report and Accounts signing date have fallen to £330,000, broadly in line with expectations.

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.

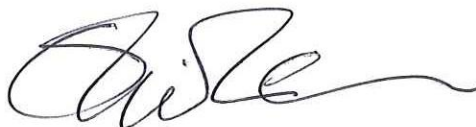
### **SMALL COMPANY PROVISIONS**

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 on and signed on its behalf.



**Ronald Fleming**  
Chair of Trustees



**Graham Wickenden**  
Treasurer



## Opinion

We have audited the financial statements of Build It International (the parent 'charitable company') and its subsidiary undertakings (the group) for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the 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 2018 and of the group's incoming resources and application of resources, including its 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 and the Charities Act 2011.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements 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

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

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

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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

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

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

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

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11 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 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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.



Elizabeth Irvine

Senior Statutory Auditor

For and on behalf of WMT  
Chartered Accountants and Statutory Auditor  
Verulam Point  
Station Way  
St Albans  
Hertfordshire  
AL1 5HE

Date: 28th June 2019



**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT**

|   |       | Unrestricted<br>funds | Restricted<br>income<br>funds | Total<br>2018    | Total<br>2017    |
|---|-------|-----------------------|-------------------------------|------------------|------------------|
|   | Notes | £                     | £                             | £                | £                |
| <b>INCOME FROM:</b>   |       |                       |                               |                  |                  |
| Donations   | 3     | 661,657               | 667,205                       | 1,328,862        | 1,016,103        |
| Other trading activities  | 3     | 19,750                | -                             | 19,750           | -                |
| Investment income – interest receivable                           |       | 2,326                 | 637                           | 2,963            | 3,425            |
| Profit on sale of assets  |       | 6,604                 | -                             | 6,604            | -                |
| <b>Total</b>  |       | <b>690,337</b>        | <b>667,842</b>                | <b>1,358,179</b> | <b>1,019,528</b> |
| <b>EXPENDITURE ON:</b>  |       |                       |                               |                  |                  |
| Raising funds   |       | 180,177               | 32,768                        | 212,945          | 219,454          |
| Charitable activities - programme activities in Zambia            |       | 63,699                | 747,715                       | 811,414          | 754,480          |
| <b>Total</b>  | 8     | <b>243,876</b>        | <b>780,483</b>                | <b>1,024,359</b> | <b>973,934</b>   |
| <b>NET INCOME/(EXPENDITURE)<br/>FOR THE YEAR BEFORE TRANSFERS</b> | 4     | <b>446,4616</b>       | <b>(112,641)</b>              | <b>333,820</b>   | <b>45,594</b>    |
| Transfers between funds   | 15    | (244,371)             | 244,371                       | -                | -                |
| <b>NET MOVEMENT IN FUNDS</b>                                      | 4     | <b>202,090</b>        | <b>131,730</b>                | <b>333,820</b>   | <b>45,594</b>    |
| <b>RECONCILIATION OF FUNDS:</b>                                   |       |                       |                               |                  |                  |
| Total funds brought forward at 1 January 2018                     |       | 283,831               | 417,113                       | 700,944          | 655,350          |
| <b>Total funds carried forward at 31 December 2018</b>            | 16    | <b>485,921</b>        | <b>548,843</b>                | <b>1,034,764</b> | <b>700,944</b>   |

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



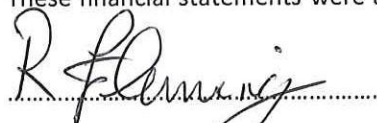
**BUILD IT INTERNATIONAL**  
**BALANCE SHEETS**  
**ANNUAL ACCOUNTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2018**

|   |       | Group                    | BII UK                   | Group                    | BII UK                   |
|---|-------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | Notes | 31 December<br>2018<br>£ | 31 December<br>2018<br>£ | 31 December<br>2017<br>£ | 31 December<br>2017<br>£ |
| <b>FIXED ASSETS</b>                                   |       |                          |                          |                          |                          |
| Tangible assets                                       | 10    | 385,535                  | -                        | 312,845                  | -                        |
| <b>Total fixed assets</b>                             |       | <b>385,535</b>           | <b>-</b>                 | <b>312,845</b>           | <b>-</b>                 |
| <b>CURRENT ASSETS</b>                                 |       |                          |                          |                          |                          |
| Debtors   | 11    | 61,297                   | 51,320                   | 24,207                   | 17,982                   |
| Cash at bank and in hand (including advances)         |       | 681,217                  | 627,436                  | 423,441                  | 359,627                  |
| <b>Total current assets</b>                           |       | <b>742,514</b>           | <b>678,756</b>           | <b>447,648</b>           | <b>377,609</b>           |
| <b>CREDITORS:</b> amounts falling due within one year | 13    | (93,285)                 | (65,714)                 | (59,549)                 | (29,279)                 |
| <b>Net current assets</b>                             |       | <b>649,229</b>           | <b>613,042</b>           | <b>388,099</b>           | <b>348,330</b>           |
| <b>Net Assets</b>                                     |       | <b>1,034,764</b>         | <b>613,042</b>           | <b>700,944</b>           | <b>348,330</b>           |
| <b>Funds of the Charity</b>                           |       |                          |                          |                          |                          |
| Unrestricted funds                                    |       | 485,921                  | 485,921                  | 283,831                  | 283,831                  |
| Restricted income funds                               | 15    | 548,843                  | 127,121                  | 417,113                  | 64,499                   |
| <b>Total funds</b>                                    |       | <b>1,034,764</b>         | <b>613,042</b>           | <b>700,944</b>           | <b>348,330</b>           |

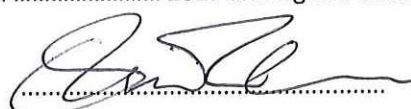
These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with the FRS102 SORP.

Under the Companies Act 2006, s454, on a voluntary basis, the trustees can amend the financial statements if they subsequently prove to be defective.

These financial statements were approved by the Board of Directors on 19th June 2019 and signed on its behalf:



Ronald (Ronnie) Fleming  
 Chair of Trustees



Graham Wickenden  
 Treasurer

Company registration no. 05495358

Charity registration no. 1115989

**BUILD IT INTERNATIONAL**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



|   | Note | 2018      | 2017      |
|---|------|-----------|-----------|
| <b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |      |           |           |
| <b>Operating cash flows</b>                                     |      |           |           |
| Operating surplus   |      | 333,820   | 45,594    |
| Adjustments for items not affecting cash flows:                 |      |           |           |
| Depreciation on equipment                                       |      | 35,397    | 35,655    |
| (Gain)/ Loss on sale of assets                                  |      | (6,604)   | 4,285     |
| Additional depreciation on equipment                            |      | -         | 2,715     |
|   |      |           |           |
| Net operating cash flows before reinvestment in working capital |      | 362,613   | 88,249    |
| (Increase)/Reduction in accounts receivables                    |      | (37,090)  | 49,131    |
| Increase/(Reduction) in accounts payables                       |      | 33,736    | (13,868)  |
|   |      |           |           |
| Net cash flows from operating activities                        |      | 359,259   | 123,512   |
| <b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |      |           |           |
| Purchase of land & buildings                                    |      | (80,111)  | (85,405)  |
| Purchase of equipment   |      | (27,976)  | (28,982)  |
| Purchase of land, buildings & equipment                         |      | (108,088) | (114,387) |
| Proceeds from sale of assets                                    |      | 6,604     | 6,000     |
|   |      |           |           |
| Investment  | 12   | -         | 76,947    |
|   |      |           |           |
| Increase/(Reduction) cash and cash equivalents                  |      | 257,775   | 92,072    |
| Cash and cash equivalents at the beginning of the year          |      | 423,442   | 331,370   |
|   |      |           |           |
| Cash and cash equivalents at the end of the year                |      | 681,217   | 423,442   |



## **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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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).

### **(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.

### **(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 actual outcomes could differ from those estimates. There are no judgements made that have a significant effect on the amounts recognized 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 of value to the organisation.

Fundraising events participation fees are recognized 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 by the charity 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.

**(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 include 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. Assets 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   |

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) Investments**

Investments comprise cash held in UK interest bearing accounts covered by the Financial Services Compensation Scheme with a notice period of between 91 and 180 days.

**(n) 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 account.

**(o) 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 amount.

**(p) 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.

**(q) 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 has never had a defined benefit pension scheme.

**(r) Settlement payments**

Redundancy and settlement payments are recognized 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.

**(s) 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 transaction. All differences are taken to the SOFA.

**(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.

**3. INCOME FROM DONATIONS**

|  | <b>2018</b>      | <b>2017</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Individuals  | 391,588          | 219,545          |
| Grants from foundations and trusts and other organizations | 937,274          | 796,558          |
|  | <u>1,328,862</u> | <u>1,016,103</u> |

Grants from foundations and trusts and other organisations includes donations of services and materials totalling £3,211 (2017: £20,147). This includes £1,187 (2017: £2,500) for concept design support for Centre for Excellence, £905 (2017:£635) for provision of meeting facilities, £806 (2017:£909) materials, £313 (2017: Nil) for professional services.

Other trading activities comprises payments for participating in fundraising events.

**4. MOVEMENT IN FUNDS**

|   | <b>2018</b>  | <b>2017</b>   |
|---|--------------|---------------|
|   | <b>£</b>     | <b>£</b>      |
| Net movement in funds is stated after charging:                           |              |               |
| Depreciation of tangible assets   | 35,397       | 35,655        |
| UK Auditors remuneration  | 7,800        | 7,200         |
| The auditors were paid nil (2017: £nil) in respect of non- audit services |              |               |
| Operating lease rentals - land and buildings                              | 9,667        | 9,892         |
| Recognised exchange differences   | <u>6,461</u> | <u>10,647</u> |



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

|                       | <b>2018</b>    | <b>2017</b>    |
|-----------------------|----------------|----------------|
|                       | <b>£</b>       | <b>£</b>       |
| Wages and salaries    | 444,611        | 435,098        |
| Social security costs | 25,819         | 24,843         |
| Other pension costs   | 18,632         | 19,236         |
|                       | <b>489,062</b> | <b>479,177</b> |

| Direct employees (i.e. excluding contract workers) | As at 31st December 2018 |           |       | As at 31st December 2017 |           |       |
|--|--------------------------|-----------|-------|--------------------------|-----------|-------|
|  | Part-time                | Full-time | Total | Part-time                | Full-time | Total |
| UK-based staff                                     | 3                        | 5         | 8     | 3                        | 3         | 6     |
| Zambia-based staff                                 | -                        | 24        | 24    | -                        | 19        | 19    |
| Group total  | 3                        | 29        | 32    | 3                        | 22        | 25    |

Average number of employees (full-time and part-time) in the year of 27.1 (2017: 22.9).

No employee earned in excess of £60,000 (in a 12 month period) including pension contributions (2017: none).

The cost of Key Management Personnel is £139,990 (incl. Employer National Insurance) for three employees (2017: £181,383 for four employees). Salaries are set by the Chief Executive in consultation with the Finance and Audit Committee as part of the annual budgeting process.

Holiday Pay outstanding at the end year is £8,614 (2017: £7,534).

Whilst modest in quantity Build It International greatly values the expertise and voluntary time given by a number of individuals during 2018 and prior periods.

**6. TRUSTEE REIMBURSED EXPENSES**

A total of £2,481 (2017: £1,896) was incurred related to the expenses of four trustees. This covered the cost of one working visit to Zambia where the majority of our work is located, attending meetings of the Trustees and high value fund raising activities.

## **7. TRUSTEE DONATIONS AND TRUSTEE REMUNERATION**

A total of £41,500 was donated by Trustees and Related Parties (2017: £25,535).

No trustees received remuneration with regard to being a Trustee in the year 2018 (2017: £Nil).

## **8. ALLOCATION OF RESOURCES EXPENDED**

The charity allocates support costs having analysed the principal areas of cost, and 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:

| <b>2018</b>              | <b>Direct costs</b> | <b>Support costs</b>        |     | <b>Total</b>     |              |
|--------------------------|---------------------|-----------------------------|-----|------------------|--------------|
|                          |                     | <b>(Including salaries)</b> |     | <b>2018</b>      | <b>2018</b>  |
|                          | <b>£</b>            | <b>£</b>                    |     | <b>£</b>         |              |
| Cost of generating funds | 148,607             | 64,338                      | 35% | 212,945          | 20.8%        |
| Charitable activities    | 691,930             | 119,484                     | 65% | 811,414          | <b>79.2%</b> |
|                          | <u>840,537</u>      | <u>183,822</u>              |     | <u>1,024,359</u> |              |

The above 2018 expenditure and percentages do not include £80,111 of capital expenditure on Centre for Excellence. When this is added Charitable Activities are 80.7% of expenditure including Centre for Excellence.

| <b>2017</b>              | <b>Direct costs</b> | <b>Support costs</b>        |     | <b>Total</b>   |              |
|--------------------------|---------------------|-----------------------------|-----|----------------|--------------|
|                          |                     | <b>(Including salaries)</b> |     | <b>2017</b>    | <b>2017</b>  |
|                          | <b>£</b>            | <b>£</b>                    |     | <b>£</b>       |              |
| Cost of generating funds | 159,183             | 60,271                      | 35% | 219,454        | 22.5%        |
| Charitable activities    | 642,548             | 111,932                     | 65% | 754,480        | <b>77.5%</b> |
|                          | <u>801,731</u>      | <u>172,203</u>              |     | <u>973,394</u> |              |

The above 2017 expenditure and percentages do not include £85,405 of capital expenditure on Centre for Excellence. When this is added Charitable Activities are 79.3% of expenditure including Centre for Excellence.



## ANALYSIS OF SUPPORT COSTS

|   | 2018           | 2017           |
|---|----------------|----------------|
| UK Staff & Contractors (excluding Fundraising)        | 126,702        | 119,818        |
| UK Support costs (including UK office and insurances) | 40,831         | 37,867         |
| UK Audit Fees   | 7,800          | 7,200          |
| Costs relating to the governance of the charity       | 8,489          | 7,318          |
| <b>Total Support Costs</b>                            | <b>183,822</b> | <b>172,203</b> |

## 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 UK charitable company because the charity has taken advantage of the exemptions in S408 of the Companies Act 2006. The charity only net movement in funds for the year amounted to £264,713 surplus (2017: £80,520 deficit).

### 10 a). FIXED ASSETS - GROUP

|   | Group<br>Land &<br>buildings<br>£ | Group<br>Office<br>equipment<br>£ | Group<br>Motor<br>Vehicles<br>£ | Group<br>Total<br>£ |
|---|-----------------------------------|-----------------------------------|---------------------------------|---------------------|
| Costs at 1 January 2018                   | 278,449                           | 17,098                            | 121,618                         | 417,165             |
| Additions                                 | 80,111                            | 1,212                             | 26,764                          | 108,088             |
| Disposals                                 | -                                 | -                                 | (37,531)                        | (37,531)            |
| <b>At 31 December 2018</b>                | <b>358,560</b>                    | <b>18,310</b>                     | <b>110,850</b>                  | <b>487,721</b>      |
| Depreciation at 1 January 2018            | 4,675                             | 15,372                            | 84,273                          | 104,320             |
| Depreciation charge for year              | 6,260                             | 1,424                             | 27,713                          | 35,397              |
| Disposals                                 | -                                 | -                                 | (37,531)                        | (37,531)            |
| <b>At 31 December 2018</b>                | <b>10,935</b>                     | <b>16,796</b>                     | <b>74,455</b>                   | <b>102,186</b>      |
| <b>Net book value at 31 December 2018</b> | <b>347,626</b>                    | <b>1,514</b>                      | <b>36,396</b>                   | <b>385,535</b>      |
| Net book value at 31 December 2017        | 273,774                           | 1,726                             | 37,345                          | 312,845             |

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

Buildings 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 2018 are all in use apart from the Multi-Function Hall.

At 31 December 2018 there are capital commitments relating to Centre for Excellence of £9,364 (2017: £16,248). Build IT UK - £nil (2017: £nil).

## 10 b). FIXED ASSETS – CHARITABLE COMPANY

All fixed assets are held in Zambia and therefore there are no fixed assets in the Charitable company.

## 11. DEBTORS

|                                | <b>Group<br/>2018<br/>£</b> | <b>BII UK<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>BII UK<br/>2017<br/>£</b> |
|--------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| Gift Aid                       | 4,403                       | 4,403                        | 5,384                       | 5,384                        |
| Sundry Debtors and Prepayments | 56,894                      | 46,917                       | 18,823                      | 12,598                       |
|                                | <u>61,297</u>               | <u>51,320</u>                | <u>24,207</u>               | <u>17,982</u>                |

## 12. INVESTMENT – GROUP & COMPANY

There are no investments held at 31 December 2018 (Group and UK). (2017: Nil)

## 13. CREDITORS (amount falling due within one year)

|                                   | <b>Group<br/>2018<br/>£</b> | <b>BII UK<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>BII UK<br/>2017<br/>£</b> |
|-----------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| Accrued charges - UK audit        | 7,800                       | 7,800                        | 7,200                       | 7,200                        |
| Sundry accruals & deferred income | 85,485                      | 57,914                       | 52,349                      | 22,079                       |
|                                   | <u>93,285</u>               | <u>65,714</u>                | <u>59,549</u>               | <u>29,279</u>                |

Deferred income of £40,500 (2017 nil) relates to income received in advance of the period to which the grant relates.

## 14. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2017 the charity had commitments of £38,732 (2017: £13,523) under non-cancellable operating leases. This relates to a lease on Shrewsbury office premises. Of this £10,630 (2017: £9,865) relates to a period of less than one year and £28,102 (2017: £3,658) relates to a period of one to five years. Lease is BII UK.



**15. ANALYSIS OF RESTRICTED FUNDS GROUP**

|   | Balance<br>1.1.2018 | Incoming<br>resources | Expendi-<br>ture | Transfers<br>from<br>Restricted<br>funds | Transfers<br>from<br>unrestricted | Balance<br>31.12.18 | Cumulative<br>capital<br>purchases |
|---|---------------------|-----------------------|------------------|--|-----------------------------------|---------------------|------------------------------------|
|   | £                   | £                     | £                | £  | £                                 | £                   |                                    |
| <b>Training to Work</b>                                       |                     |                       |                  |  |                                   |                     |                                    |
| Training to Work including Centre for Excellence              | 301,378             | 373,283               | 285,486          | -  | 100,000                           | 489,175             | 347,626                            |
| <b><u>Community Buildings with Training &amp; Support</u></b> |                     |                       |                  |  |                                   |                     |                                    |
| Other Community Schools (Zambia)                              | 101,870             | 17,547                | 56,981           | (42,000)                                 | -                                 | 20,436              |                                    |
| Bissell Community School (excl kitchen)                       | 11,919              | 30,375                | 37,598           | -  | -                                 | 4,696               |                                    |
| Kamaila Community School                                      | -                   | 133,417               | 130,336          | -  | -                                 | 3,081               |                                    |
| Machaya Community School                                      | -                   | 112,434               | 123,563          | 42,000                                   | -                                 | 30,870              |                                    |
| <b><u>Other Projects</u></b>                                  |                     |                       |                  |  |                                   |                     |                                    |
| Programme Support & Development Costs                         | 1,362               | 786                   | 146,519          | -  | 144,371                           | -                   | -                                  |
| Other Projects  | 584                 | -                     | -                | -  | -                                 | 584                 |                                    |
| <b>Total</b>  | <b>417,113</b>      | <b>667,842</b>        | <b>780,483</b>   | <b>-</b>                                 | <b>244,371</b>                    | <b>548,843</b>      | <b>347,626</b>                     |

|   | Balance<br>1.1.2017 | Incoming<br>resources | Expendi-<br>ture | Transfers<br>from<br>Restricted<br>funds | Transfers<br>from<br>unrestricted | Balance<br>31.12.17 | Cumulative<br>capital<br>purchases |
|---|---------------------|-----------------------|------------------|--|-----------------------------------|---------------------|------------------------------------|
|   | £                   | £                     | £                | £  | £                                 | £                   |                                    |
| <b>Training to Work</b>                                       |                     |                       |                  |  |                                   |                     |                                    |
| Training to Work including Centre for Excellence              | 277,136             | 135,587               | 232,363          | -  | 121,018                           | 301,378             | 273,774                            |
| <b><u>Community Buildings with Training &amp; Support</u></b> |                     |                       |                  |  |                                   |                     |                                    |
| Community Schools (Zambia) - summary                          | 60,523              | 336,522               | 282,692          | (564)                                    | -                                 | 113,789             |                                    |
| <b><u>Other Projects</u></b>                                  |                     |                       |                  |  |                                   |                     |                                    |
| Programme Support & Development Costs                         | -                   | 47,546                | 182,121          | -  | 135,937                           | 1,362               |                                    |
| Other Projects  | 2,611               | 849                   | 3,440            | 564                                      | -                                 | 584                 |                                    |
| <b>Total</b>  | <b>340,270</b>      | <b>520,504</b>        | <b>700,616</b>   | <b>-</b>                                 | <b>256,955</b>                    | <b>417,113</b>      | <b>273,774</b>                     |

## 15. ANALYSIS OF RESTRICTED FUNDS GROUP (continued)

Fundraising 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.

Other projects include managing donor support for training a teacher at a community school.

Income for Centre for Excellence is for both capital and annual expenditure, and the cumulative capital expenditure (which is additional to that in the Expenditure column) is shown above to further transparency.

The restricted funds in the UK charity relate to funds not yet transferred to Zambia and relate to various projects noted above.

### Fund transfers

1. Fundraising for community schools is where possible to a general fund. Insufficient funding has been received for Machaya school making a transfer from Community Schools Fund to cover estimated costs to completion of this school.
2. Programme support and development costs: as in previous years a transfer from unrestricted funds is necessary to cover a deficit here.
3. A transfer of £100,000 has been made from unrestricted funds to training to Work and Centre for Excellence restricted fund. There are a number of reasons for this:
  - a. CfE works started in 2018 (including Multi-Function Hall) will incur costs to complete in 2019.
  - b. Providing greater funding certainty to 2019 activities enabling operational, cost and management efficiencies.
  - c. Supports strategic objectives which have the support of 2018 donors.

## 16. ANALYSIS OF FUNDS

| Group               | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Balance<br>31.12.2018<br>£ |
|---------------------|----------------------------|--------------------------|----------------------------|
| Fixed Assets        | 37,909                     | 347,626                  | 385,535                    |
| Current Assets      | 473,357                    | 269,157                  | 742,514                    |
| Current Liabilities | (25,345)                   | (67,940)                 | (93,285)                   |
| Total               | 485,921                    | 548,843                  | 1,034,764                  |



**16. ANALYSIS OF FUNDS (continued)**

| Group               | Unrestricted Funds<br>£ | Restricted Funds<br>£ | Balance<br>31.12.2017<br>£ |
|---------------------|-------------------------|-----------------------|----------------------------|
| Fixed Assets        | 39,071                  | 273,774               | 312,845                    |
| Current Assets      | 274,039                 | 173,609               | 447,648                    |
| Current Liabilities | (29,279)                | (30,270)              | (59,549)                   |
| Total               | 283,831                 | 417,113               | 700,944                    |

Unused restricted funds are lower than shown above due to the construction of the Centre of Excellence. When these assets are deducted total Restricted Funds are £260,935 (2017: £143,339).

**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 2018 the charity made 3 grants £15,414 (2017: £nil). These grants were made to support improved facilities at Community Schools where Build It has constructed school buildings, and are to facilitate greater improvements in community and educational attainment.

All other projects are directly managed by Build It International.

**19. FINANCIAL INSTRUMENTS**

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| Financial assets that are debt instruments measured at amortised cost |           |           |
| Debtors -   |           |           |
| - Sundry debtors - interest   | 446       | 195       |
| - Accrual income  | 19,294    | 4,166     |
|   | 19,740    | 4,361     |
| Financial liabilities measured at amortised cost                      |           |           |
| Creditors -   |           |           |
| - Sundry accruals UK  | 55,334    | 10,453    |
| - Sundry accruals Zambia  | 23,577    | 27,091    |
| - Sundry accruals holiday pay   | 8,614     | 7,534     |
|   | 87,525    | 45,078    |

**20. STATEMENT OF FINANCIAL ACTIVITIES - 2017**

|  | Unrestricted<br>Funds | Restricted<br>Income<br>Funds | Total<br>2017    |
|--|-----------------------|-------------------------------|------------------|
| <b>INCOME FROM:</b>  |                       |                               |                  |
| Donations  | 495,599               | 520,504                       | 1,016,103        |
| Investments  | 3,425                 | -                             | 3,425            |
| <b>Total</b>   | <b>499,024</b>        | <b>520,504</b>                | <b>1,019,528</b> |
| <b>EXPENDITURE ON:</b>   |                       |                               |                  |
| Raising funds  | 193,843               | 25,611                        | 219,454          |
| Charitable activities – programme activities in Zambia         | 79,475                | 675,005                       | 754,480          |
| <b>Total</b>   | <b>273,318</b>        | <b>700,616</b>                | <b>973,934</b>   |
| <b>NET INCOME/ (EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS</b> | <b>225,706</b>        | <b>(180,112)</b>              | <b>45,594</b>    |
| Transfers between funds  | (256,955)             | 256,955                       | -                |
| <b>NET MOVEMENT IN FUNDS</b>                                   | <b>(31,249)</b>       | <b>76,843</b>                 | <b>45,594</b>    |
| <b>RECONCILIATION OF FUNDS</b>                                 |                       |                               |                  |
| <b>Total funds brought forward at 1 January 2017</b>           | <b>315,080</b>        | <b>340,270</b>                | <b>655,350</b>   |
| <b>Total funds carried forward at 31 December 2017</b>         | <b>283,831</b>        | <b>417,113</b>                | <b>700,944</b>   |

**21. DETAILS OF SUBSIDIARY UNDERTAKINGS**

Build It International operates in Zambia through BII 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 BII Zambia Limited 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 2018 for BII Zambia Limited is ZMW 5,756,026 (2017: ZMW 4,735,420). In the twelve months ended 31 December 2018 it had an income of ZMW 8,802,497 (2017: ZMW 7,902,058); expenditure of ZMW 8,791,636 (2017: ZMW 7,180,785); and a surplus of ZMW 10,861 (2017: ZMW 721,273). Direct Income for BII Zambia Limited includes gifts in kind, local cash contributions to projects and bank deposit interest.