

**Charity Registration Numbers: 1104903 (England & Wales)**

**Company Registration Number: 05114575**

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**TOOLS WITH A MISSION  
(A Company Limited by Guarantee)**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**ENSORS ACCOUNTANTS LLP**

Cardinal House  
46 St Nicholas Street  
Ipswich  
IP1 1TT

# TOOLS WITH A MISSION

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# TOOLS WITH A MISSION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Legal structure**

The Charity is a company limited by guarantee incorporated in England and Wales.

### **Trustees/Directors**

Mr A Bowdler  
Mr S Danks  
Mr J Woodall (Resigned 13 June 2020)  
Mr T Elliot  
Mr D Ginns  
Mr W Dewhurst (Resigned 13 June 2020)  
Mr K Holburn  
Rev C Mukanga  
Mr B Orchard (Company Secretary)  
Mrs P Parker (Appointed 15 February 2020)

### **CEO**

Mr M Griffin

### **Company registration number**

05114575

### **Charity registration number**

1104903 (England & Wales)

### **Registered office**

Unit 2 Bailey Close  
Hadleigh Road Industrial Estate  
Ipswich  
Suffolk  
IP2 0UD

### **Independent Auditor**

Helen Rumsey FCA  
Ensors Accountants LLP  
Cardinal House  
46 St Nicholas Street  
Ipswich  
Suffolk  
IP1 1TT

### **Bankers**

Barclays  
1 Princes Street  
Ipswich  
Suffolk  
IP1 1PB

# TOOLS WITH A MISSION

## THE REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 OCTOBER 2020

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The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2020. These have been prepared in accordance with the provisions of the Charities SORP (FRS 102) (effective 1 January 2019) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. When setting objectives, developing strategies and undertaking activities, the Trustees have given careful consideration to the guidance on public benefit provided by the Charity Commission for England and Wales.

The information on page 1 forms part of this report.

Throughout this report, the term "Trustees" is used to denote the directors of the company.

#### **1. Objectives**

##### **1.1 Aims and objectives of the charity**

The principal activity of Tools with a Mission (TWAM) is to give practical expression to the Christian faith by the provision of tools and equipment to community-based projects, training workshops and trainees. The Charity collects donated tools, refurbishes them into trade kits and sends them to the developing world for livelihood creation. In this way, it aims to alleviate poverty within communities affected by lack of education and employment. We work with churches, community groups and NGO's to develop skills training centres providing vulnerable people of all ages with practical skills that lead to employment and the alleviation of the effects of poverty.

##### **1.2 Plans for the future**

During 2020 the CEO and Board of Trustees began the implementation of the 2020-2025 Strategic Plan. Despite the challenges of working within a global pandemic all the key objectives for 2020 were completed. 2021 will see TWAM prepare for the closure of the current Coventry Refurbishment Centre in order to expand the work by opening a considerably larger Refurbishment Centre in Coventry capable of refurbishing all tools and assembling all tool kits. The new Centre will be at least equal in size to Ipswich and its output will be the same (capable of dispatching up to eighteen 20ft containers per year).

2021 will also see preparation for the opening of a Training and Distribution Centre in Kabwe, Zambia. The site has been identified but surveys, feasibility studies and cost analysis need to be carried out.

TWAM will begin a major recruitment drive into the North of England for tools, volunteers and donors. This will be a two year (2021-2022) strategic thrust and include the placing of TWAM's fifth van in the North of England.

Country Leaders have been appointed in Zambia and Uganda, and 2021 will see the in-country teams of volunteer Regional Development Managers, begin to process and approve/reject tool applications. This will be done in conjunction with the adoption of a new mobile phone web-app to be launched across Africa. This will be linked to an app the in-country team will use with newly supplied IT hardware. This will be a significant step forward for TWAM and an important transfer of decision making from the UK to our in-country teams.

The Strategic Plan is ambitious but realistic, in the 2019-2020 report the Trustees stated:

'We are confident that with the support of staff, volunteers, donors and most importantly our God, we will see TWAM fulfil the objectives of the plan.'

We believe our confidence and trust have been honoured, as during these most challenging times the Lord has been faithful to us, in enabling so much to be achieved.

Our sole intention is to increase the impact of our tools across Africa and see lives transformed by skills training and livelihood creation.

In reviewing these aims and objectives, the Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit.



# TOOLS WITH A MISSION

## THE REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 OCTOBER 2020

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#### **2 Governance and Finance**

The Charity is constituted as a Company Limited by Guarantee and is administered by the Trustees under the terms and conditions of its Memorandum and Articles of Association. It is registered with the Charity Commission for England and Wales and with Companies House.

##### **2.1 Governance**

The Charity is administered by the Trustees at their regular meetings. Prior to the pandemic these were held quarterly, but since March have been held monthly via Zoom. The Trustees expect monthly meetings via Zoom to continue for the foreseeable future. Personnel with specialist knowledge are recruited to or consulted by the Board, as the need arises, to ensure the smooth running and development of the Charity. New Trustees (and those standing for re-election on a three yearly basis) are elected by the members of the Charity at its AGM. The Secretary maintains an accurate and up to date register of members.

The Chief Executive Officer, who is appointed by the Trustees and is directly responsible to the Chairperson, manages the day to day affairs of the Charity. The Treasurer has the responsibility of overseeing the finances of the Charity.

##### **2.2 Finance**

The accounts for the year ended 31 October 2020 show net incoming resources for the year of £95,927 (2019: £42,795). Total fund balances amounted to £621,236 (2019: £525,309).

The Financial Reserve has been increased during the year to £100,000 (2019: £50,000) total funds on hand at any one time. This is considered to adequately cover all running costs for a period of six months. As at 31 October 2019 the total CCLA investment of £50,000 was valued at £57,715. On the 16 April 2020 £40,000 of the investment was sold. As at the 30 October 2020 the remaining £10,000 invested is valued at £18,376.

During 2019-2020 TWAM registered for VAT and as a result of our first backdated VAT claim, received a refund from HMRC of £52,000.

##### **2.3 TWAM Policies**

During the year, the Board agreed a schedule whereby policies are subject to regular review. Such policies include those relating to overall Financial Controls, Discrimination, Social Media, Health and Safety, Safeguarding, Data Protection and Complaints and Grievances. TWAM has engaged Citation to review its Human Resources policies and to provide legal and personnel advice when required.

The Charity has prepared a Risk Register to identify risks and to enable an assessment of the likelihood of their occurrence and their potential impact. The Trustees have spent considerable time during 2020 reviewing and updating the Risk Assessment Register. This and the accompanying Disaster Management plan are regularly monitored and reviewed by the Board.

#### **3. Operations**

##### **3.1 Staff**

TWAM has six paid staff in the UK: a Chief Executive Officer (CEO), a Head of Fundraising and Communication, an Office Manager, a Volunteer Coordinator, a Refurbishment Centre Manager and a Refurbishment Centre Apprentice. The Charity's Finance Manager is paid on a consultancy basis. All other staff associated with the Charity, including the Trustees, are volunteers.

The Trustees have agreed the appointment of a Corporates and Trusts Officer and a Refurbishment Centre Manager for the Coventry Refurbishment Centre in 2021, both in line with the growth of the charity outlined in the Five Year Strategic Plan.

# TOOLS WITH A MISSION

## THE REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 OCTOBER 2020

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We are constantly aware of the need for training for our staff, paid and unpaid, with much of it provided on the job, alongside those currently engaged in the task. Some specialist training is carried out by outside training providers. Training requirements are identified by the Management Team under the leadership of the CEO, Mike Griffin, which then ensures that the appropriate action is taken.

Senior Management remuneration is agreed as part of the annual pay review by the Board of Trustees. Their decision is based on the recommendation of the Chair of the Board and on the review of the performance and meeting of measurable objectives set in the annual appraisal. A periodic review of data sources such as Charity Jobs supports this decision-making process.

#### 3.2 Transport

Containers begin their journey to Africa from the Ipswich Refurbishment Centre and Head Office. The distribution of shipments, once they reach their destination is supervised by our in-country partners.

TWAM operates a fleet of four vans based in Ipswich, Coventry, Kent and Surrey. All are staffed by volunteer drivers who carry out collections of donated tools and equipment. TWAM plans to increase the fleet to five vans in 2021 in line with the Five Year Strategic Plan and thanks to the generosity of our supporters and the offer of a grant, the funds for this purchase are already available.

#### 3.3 Co-operation with other organisations

We consider it vital to cooperate with other organisations and to support people with learning difficulties and the long term unemployed through provision of volunteering opportunities.

A recent development of our work has come through the establishment of a small number of centres which, whilst remaining legally and financially independent of TWAM are directing their activities towards the collection and refurbishment of tools and equipment which are then passed on to TWAM for shipping overseas.

TWAM is also in discussion with two UK based charities, one supplying IT equipment and the other educational books. It is hoped that they will provide equipment to applicants TWAM can no longer supply following the decision to stop sending books and reduce the number of computers we send to each group to a maximum of two. Discussions are also ongoing with both charities concerning their long term involvement in the Zambia Training and Distribution Centre.

#### 3.4 Fundraising Activities

Tools with a Mission relies predominantly on individual donor and church support. Our fundraising activities reflect this with our magazine TWAM News sent quarterly to approximately 4,000 people and groups. In addition, we make 3 appeals per year, usually to support specific financial needs within the charity. We also advertise in magazines targeted at our demographic and in 2019-20 these were Saga Magazine and The Guardian.

We do a legacy appeal annually and receive many 'in-memory' gifts. Alternative gifts are available all year and prove very popular at Christmas, and a range of leaflets promotes our work across the UK.

With the appointment of our first Head of Fundraising and Communication we expect Grant and Corporation funding to grow and become a major source of income. Many Trusts closed applications from new charities during the pandemic, but TWAM was still able to secure a grant towards the purchase of a Northern van.

Online and social media is an increasingly important communication tool and we send a supporter e-news monthly to approx. 2300 people, up from 1500 in 2019. Our social media presence has seen significant development with the appointment of our Head of Fundraising and Communication.

Our complaints procedure is available on our website and during 2019-20 we received no complaints. We practice inspirational fundraising, seeking support through the recognition of the value for money, environmental responsibility and sustainability of the projects we support. We are compliant with the requirements of the General Data Protection Requirements and individuals can opt out from receiving fundraising communications from us.

# TOOLS WITH A MISSION

## THE REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 OCTOBER 2020

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#### 3.5 Patrons

Our Patrons are Delia Smith and Tommy Walsh. We are most grateful to them all for their support.

#### 4. Principal Risks and Uncertainties

As a charity which derives the most significant part of its income from donations by the general public, the Board can never be certain about the level of income to be received and has therefore to manage expenses and overhead costs accordingly. To guard against an unforeseen shortfall in income, the charity maintains a reserve of £100,000 (up from £50,000 in 2019) which the Board has judged adequate for the purpose.

The Board recognises that in sending tools overseas, it cannot have direct control over their distribution to applicants. To mitigate this risk, the charity works with local partner organisations or NGOs in each country, who oversee distribution on its behalf. The risk is further reduced through regular visits to recipients and partners by Board members, staff and volunteers from the UK.

The charity is heavily dependent upon the willingness and continued availability of volunteers to support its work. Accordingly, the ongoing availability and anticipated future need for volunteers is closely monitored to ensure sufficient numbers are available to permit its objectives to be realised.

#### 5. Review of the Year

The commitment of our wonderful paid and unpaid staff throughout the UK remains our greatest asset and we are most grateful to them for undertaking the multitude of tasks needed to prepare a container ready for shipment and to comply with the ever increasing compliance requirements being imposed upon us. Without them, a charity of our size could not operate.

The period 2019-2020 saw a completely unforeseen event in the global pandemic which stopped all TWAM operations for 4 months (April-July). Half the staff were furloughed for 3 months, returning in July to prepare TWAM for Covid Secure compliance and a full restart of operations in August. Following an immense amount of work and communication with volunteers we were able to open Ipswich, Coventry and Halstead Refurbishment Centres and return all our vans to full operations. All the independent centres that were able to do so, followed TWAM's lead and reopened. The result is that during the 2019-20 accounting period 12 out of the planned 18 containers were dispatched. This was a remarkable achievement and a credit to all the volunteers and staff, and especially the Volunteer Tool Collectors who continued to collect wherever restrictions allowed.

TWAM ran a volunteer recruitment campaign as the UK came out of the first lockdown and from August many volunteers were recruited for our centres, van teams and office. For example, the office alone recruited six high quality volunteers during 2020. The addition of extra volunteers has seen the Coventry Refurbishment Centre opening an extra day a week from January 2021.

The Five Year Strategic Plan saw the closure of the Cowdenbeath Refurbishment Centre in August and the closure of the Penarth Refurbishment Centre in January 2021. Penarth plans to reopen as an independent centre in the summer of 2021. Kenilworth Refurbishment Centre also closed in October 2020 and discussions on its reopening as an independent centre are ongoing. Our centres are supported by a dedicated team of over 240 local volunteer tool collectors.

The closure of Cowdenbeath, our only Scottish Centre and the standing down of all the Scottish collectors also saw the deregistration of our Scottish Charity.

TWAM continues to be supported by a growing number of independent workshops whose contribution of high-quality refurbished tools is a significant asset to our operations.

As a result, the number of 20ft containers shipped was Tanzania (1), Uganda (3) and Zambia (8). Projects vary considerably and include community livelihood creation projects such as marginalised women's groups, vocational training centres, orphanages, schools, churches and a huge variety of faith and non-faith based organisations.

# TOOLS WITH A MISSION

## THE REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 OCTOBER 2020

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We sent out carpentry kits, carpentry workshop kits, builders' kits, electricians' kits, ground-workers' kits, agricultural kits, mechanics' kits, garage workshop kits and plumbers' kits. We also sent out sewing and knitting machines with accompanying haberdashery kits together with a range of educational books, computers and items of IT equipment. When available industrial tools, ranging from lathes to industrial sewing machines were also shipped.

The AGM was held in June via Zoom. Those who could not attend were offered a postal vote. We conducted all the formal business.

Despite the pandemic TWAM has had a successful year, which is tangible evidence of the continuing generosity of our supporters. The financial statements show a surplus of £95,927 for the year, which is truly remarkable in the current climate.

The Trustees have agreed to a full audit and are pleased that Ensors have found our accounts to be in good order.

#### **6. Conclusion**

2019-2020 has seen completely unprecedented events and economic decline. But in this period, TWAM has fulfilled and exceeded the objectives of the Five Year Strategic Plan, seen a significant increase in volunteers, it's best ever financial year and still be able to send 12 containers to Africa. The board wishes to recognise the work of the CEO, staff and volunteers in achieving this. They would also like to acknowledge the faithfulness of God in leading TWAM so clearly through this period of such great challenge.

This report shows that notwithstanding the level of uncertainty across society and the rising demands placed upon its operations, TWAM has at its heart an enormous group of loyal people, who are all prepared to get involved. We are deeply grateful to them all for without such a level of enthusiasm and support, TWAM would not exist.

#### **7. Statement as to disclosure to our auditors**

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Charity's auditor is unaware; and
- the Trustees, having made enquiries of fellow trustees and the Charity's auditor that they ought to have individually made, have each taken all steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **ON BEHALF OF THE BOARD**



Mr S Danks  
Trustee and Chairman

# **TOOLS WITH A MISSION**

## **STATEMENT OF TRUSTEE RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 OCTOBER 2020***

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The Trustees, who are also the directors of Tools with a Mission for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

# TOOLS WITH A MISSION

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF TOOLS WITH A MISSION

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#### Opinion

We have audited the financial statements of Tools with a Mission (the "Charitable Company") for the year ended 31 October 2020, which comprise the Statement of Financial Activities, the Balance Sheet and the 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 the 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 charitable company's affairs as at 31 October 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 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 entity'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.



# TOOLS WITH A MISSION

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF TOOLS WITH A MISSION

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

In our opinion, based on the work undertaken in the course of our 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 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the Trustees' report.

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

- adequate and proper accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the 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**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### **Use of our report**

This report is made solely to the 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 and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

# TOOLS WITH A MISSION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TOOLS WITH A MISSION

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*H Rumsey*

**Helen Rumsey FCA (Senior Statutory Auditor)**

For and on behalf of Ensors Accountants LLP  
Cardinal House  
46 St Nicholas Street  
Ipswich  
IP1 1TT

Dated: 27.05.21



# TOOLS WITH A MISSION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2020

		Unrestricted funds	Restricted funds	Total 2020	Total 2019
	Notes	£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	3	341,201	65,671	406,872	314,381
Charitable activities	4	76,097	57,454	133,551	191,209
Investments	5	266	-	266	203
Other income	6	53,641	12,511	66,152	-
<b>Total income and endowments</b>		<u>471,205</u>	<u>135,636</u>	<u>606,841</u>	<u>505,793</u>
<b>Expenditure on:</b>					
Raising funds	7	39,628	-	39,628	32,150
Charitable activities	8	375,320	96,627	471,947	437,531
<b>Total resources expended</b>		<u>414,948</u>	<u>96,627</u>	<u>511,575</u>	<u>469,681</u>
Net gains on investments	9	661	-	661	6,683
<b>Net incoming/(outgoing) resources before transfers</b>		<u>56,918</u>	<u>39,009</u>	<u>95,927</u>	<u>42,795</u>
Transfers between funds		-	-	-	-
<b>Net incoming/(outgoing) resources</b>		<u>56,918</u>	<u>39,009</u>	<u>95,927</u>	<u>42,795</u>
Fund balances at 1 November 2019		<u>499,253</u>	<u>26,056</u>	<u>525,309</u>	<u>482,514</u>
<b>Fund balances at 31 October 2020</b>		<u>556,171</u>	<u>65,065</u>	<u>621,236</u>	<u>525,309</u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 14 to 25 form part of these financial statements.

# TOOLS WITH A MISSION

## BALANCE SHEET

AS AT 31 OCTOBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		274,856		286,106
Investments	14		18,376		57,715
			<u>293,232</u>		<u>343,821</u>
<b>Current assets</b>					
Debtors	15	27,367		24,345	
Cash at bank and in hand		403,094		240,085	
		<u>430,461</u>		<u>264,430</u>	
<b>Creditors: amounts falling due within one year</b>	16	(102,457)		(82,942)	
Net current assets			328,004		181,488
<b>Total assets less current liabilities</b>			<u>621,236</u>		<u>525,309</u>
<b>Income funds</b>					
Restricted funds	18		65,065		26,056
Unrestricted funds	18		556,171		499,253
			<u>621,236</u>		<u>525,309</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by Board of Trustees on 19/4/2021 and were signed on its behalf by:



**Mr S Danks**  
Trustee and Chairman

The notes on pages 14 to 25 form part of these financial statements.

Company Registration No. 05114575

# TOOLS WITH A MISSION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24		139,906		49,866
<b>Investing activities</b>					
Purchase of tangible fixed assets		(17,163)		(29,998)	
Disposal/(Purchase) of investments		40,000		(25,000)	
Interest received		266		203	
			23,103		(54,795)
<b>Net increase in cash and cash equivalents</b>					
			163,009		(4,929)
Cash and cash equivalents at the beginning of the year			240,085		245,014
Cash and cash equivalents at the end of the year			403,094		240,085

# TOOLS WITH A MISSION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

### 1 Accounting policies

#### Charity information

Tools with a Mission is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 2 Bailey Close, Hadleigh Road Industrial Estate, Ipswich, Suffolk, IP2 0UD.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, the Companies Act 2006 and "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)".

These accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial investments at fair value.

The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

#### 1.2 Going concern

In approving the accounts for the year ended 31 October 2020, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future, notwithstanding the Covid 19 emergency.

The Trustees believe that Tools with a Mission is in a strong position to weather the Coronavirus pandemic. The financial statements for the year show the charity to be financially sound. This solvency allows creditors to continue to be paid, whilst a low level of debtors, a continuing level of donations and high cash balances give the charity strong liquidity. Measures are in place to ensure TWAM remains financially viable throughout this crisis. These include enhanced monitoring of the budget and cashflow.

Accordingly, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions imposed by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt, or if the charity has been notified of an impending distribution, the amount is known and receipt is expected. If the amount is not known the legacy is treated as a contingent asset.

Income from charitable activities is recognised on despatch of goods.

# TOOLS WITH A MISSION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

### 1 Accounting policies (Continued)

#### 1.5 Resources expended

Expenditure exclusive of VAT is recognised on an accruals basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Fixed assets are capitalised where initial cost exceeds £1,000.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	50 years
Fixtures, fittings & equipment	5 years
Motor vehicles & plant	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Foreign currency

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 Statement of Financial Activities.

# TOOLS WITH A MISSION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

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### 1 Accounting policies (Continued)

#### 1.10 Pensions

The charity pays into a defined contribution pension scheme. The contributions payable are charged to the Statement of Financial Activities in the year that they are payable.

#### 1.11 Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

#### 1.12 Taxation

The charity is exempt from corporation tax on charitable activities.

#### 1.13 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.14 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

# TOOLS WITH A MISSION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and gifts	261,854	65,671	327,525	304,881
Legacies receivable	79,347	-	79,347	9,500
	<u>341,201</u>	<u>65,671</u>	<u>406,872</u>	<u>314,381</u>
<b>For the year ended 31 October 2019</b>	306,751	7,630		314,381

### 4 Charitable activities

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Sales within charitable activities	<u>76,097</u>	<u>57,454</u>	<u>133,551</u>	<u>191,209</u>
<b>For the year ended 31 October 2019</b>	85,367	105,842		191,209

### 5 Investments

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Interest receivable	<u>266</u>	<u>-</u>	<u>266</u>	<u>203</u>
<b>For the year ended 31 October 2019</b>	203	-		203

# TOOLS WITH A MISSION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

### 6 Other income

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
COVID-19 grant	10,000	-	10,000	-
Babcock grant	500	-	500	-
VAT refund	43,141	-	43,141	-
Furlough grant	-	12,511	12,511	-
	<u>53,641</u>	<u>12,511</u>	<u>66,152</u>	<u>-</u>
<b>For the year ended 31 October 2019</b>	-	-	-	-

The Covid-19 grant represents a government grant issued by Suffolk County Council for charities during the Coronavirus pandemic. The Babcock apprentice grant represents a "thank you" donation for taking on an apprentice. VAT refund represents a HMRC repayment related to unclaimed VAT inputs dating back to 2007. A refund of 52,717 was received, however 9,576 of this related to the 2019/20 period, leaving the 43,141 relating to pre 1 November 2019 and classified as exceptional income. Furlough grant represents a government grant issued during the Coronavirus pandemic in order to cover 80% of wages for nominated furloughed employees.

### 7 Raising funds

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Publicity and fund raising	21,349	-	21,349	26,656
Regular mailings	18,279	-	18,279	5,494
	<u>39,628</u>	<u>-</u>	<u>39,628</u>	<u>32,150</u>
<b>For the year ended 31 October 2019</b>	32,150	-		32,150



# TOOLS WITH A MISSION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

8	Charitable activities	Unrestricted funds	Restricted funds	Total 2020	Total 2019
		£	£	£	£
	Staff costs (see note 11)	146,640	23,011	169,651	111,490
	Rent and rates	32,254	-	32,254	30,110
	Insurance	2,950	-	2,950	3,572
	Light and heat	11,533	-	11,533	10,890
	Postage and telephone	16,406	-	16,406	8,270
	Printing and stationery	4,036	-	4,036	4,930
	Sundries	2,674	-	2,674	4,613
	Tools, haberdashery purchases & refurbishment	30,098	-	30,098	24,615
	Carriage and packaging	4,004	-	4,004	7,567
	Vehicle fuel and servicing	25,872	-	25,872	42,134
	Premises repairs and renewals	5,695	-	5,695	5,791
	Cleaning and trade refuse	3,829	-	3,829	6,564
	Scholar packs	-	17	17	370
	Overseas freight	10,192	57,454	67,646	110,997
	Travelling	5,422	-	5,422	5,895
	Legal and professional charges	18,025	-	18,025	7,656
	Audit and accountancy fees	9,650	-	9,650	6,168
	Health and safety	8,403	-	8,403	3,897
	Depreciation	12,268	16,145	28,413	25,642
	Bank charges	3,460	-	3,460	2,696
	In country development costs	21,909	-	21,909	13,664
		<u>375,320</u>	<u>96,627</u>	<u>471,947</u>	<u>437,531</u>
	<b>For the year ended 31 October 2019</b>	<b>318,297</b>	<b>119,234</b>		<b>437,531</b>
9	Net gains on investments	Unrestricted funds	Restricted funds	Total 2020	Total 2019
		£	£	£	£
	Gain on listed investments	<u>661</u>	<u>-</u>	<u>661</u>	<u>6,683</u>
	<b>For the year ended 31 October 2019</b>	<b>6,683</b>	<b>-</b>		<b>6,683</b>

## TOOLS WITH A MISSION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

10	Net incoming/(outgoing) resources	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
	<b>This is stated after charging:</b>				
	Depreciation	12,672	16,145	28,817	25,642
	Fees payable to the Charity's auditors for the audit of the Charity's financial statements	5,200	-	5,200	5,000
11	<b>Staff costs</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
	Wages and salaries	126,475	21,135	147,610	100,654
	Social security costs	9,087	1,034	10,121	6,178
	Pension costs	8,801	842	9,643	4,648
	Staff recruitment costs	-	-	-	10
	Staff training	2,277	-	2,277	-
		<u>146,640</u>	<u>23,011</u>	<u>169,651</u>	<u>111,490</u>

The average number of staff during the year was 6 (2019: 4). No employees have emoluments over £60,000.

The remuneration of key management personnel was £53,379 (2019: £47,668).

#### 12 Trustees' emoluments

Trustees received no remuneration during 2020 or 2019. There were payments made to one (2019: three) Trustees during the year for reimbursement of out of pocket expenses of £782 (2019: £4,942).

Premiums of £nil (2019: £nil) have been paid in respect of Trustee Indemnity Insurance.

## TOOLS WITH A MISSION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

#### 13 Tangible fixed assets

	Land and buildings	Motor vehicles & plant	Fixtures, fittings & equipment	Total
Cost	£	£	£	£
At 1 November 2019	331,111	63,074	45,654	439,839
Additions		15,628	1,535	17,163
At 31 October 2020	331,111	78,702	47,189	457,002
<b>Depreciation and impairment</b>				
At 1 November 2019	81,828	51,380	20,526	153,734
Depreciation charged in the year	6,622	14,814	6,976	28,412
At 31 October 2020	88,450	66,194	27,502	182,146
<b>Carrying amount</b>				
At 31 October 2020	242,661	12,508	19,687	274,856
At 31 October 2019	249,283	11,694	25,129	286,106

14 Investments	2020	2019
	£	£
CCLA Pooled Investment Funds	18,376	57,715
		£
<b>Value as at 1 November 2019</b>		57,715
Disposals		(40,000)
Change in market value		661
<b>Value as at 31 October 2020</b>		18,376
<b>Historical cost</b>		10,000

## TOOLS WITH A MISSION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

#### 15 Debtors: amounts falling due within one year

	2020	2019
	£	£
Gift aid	7,464	7,792
Prepayments and accrued income	19,903	16,553
	<u>27,367</u>	<u>24,345</u>

#### 16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Taxation and social security	3,351	2,244
Other creditors	7,584	1,744
Accruals	12,547	12,857
Deferred freight income	78,975	66,097
	<u>102,457</u>	<u>82,942</u>

#### 17 Deferred Income

	Balance at 1 Nov 2019 £	Released to income £	Deposits received £	Balance at 31 Oct 2020 £
Charitable activities	<u>66,096</u>	<u>(57,454)</u>	<u>70,333</u>	<u>78,975</u>

Income received for the shipment of goods to Africa deferred and recognised in the period to which it relates.

# TOOLS WITH A MISSION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

### 18 Movement in funds

	At 1 November 2019	Incoming resources	Outgoing resources	Transfers	At 31 October 2020
<b>Unrestricted funds</b>					
General fund	499,253	471,866	(414,948)	-	556,171
<b>Restricted funds</b>					
Overseas freight	-	57,454	(57,454)	-	-
Van appeal	20,230	29,876	(14,814)	-	35,292
Boiler	5,330	-	(1,331)	-	3,999
Scholarship packs	496	557	(17)	-	1,036
Furlough income	-	12,511	(12,511)	-	-
Sheldon appeal	-	35,238	(10,500)	-	24,738
	26,056	135,636	(96,627)	-	65,065
<b>Total funds</b>	525,309	607,502	(511,575)	-	621,236

	At 1 November 2018	Incoming resources	Outgoing resources	Transfers	At 31 October 2019
<b>Unrestricted funds</b>					
General fund	450,696	399,004	(350,447)	-	499,253
<b>Restricted funds</b>					
Overseas freight	-	105,843	(105,843)	-	-
Van appeal	31,818	100	(11,688)	-	20,230
Boiler	-	6,663	(1,333)	-	5,330
Scholarship packs	-	866	(370)	-	496
	31,818	113,472	(119,234)	-	26,056
<b>Total Funds</b>	482,514	512,476	(469,681)	-	525,309

The overseas freight fund is money that has been paid by recipients and third party charities towards the cost of shipment of tools overseas.

The van appeal fund represents funds raised in order to replace a number of the charity's fleet of vans. Three new vans were purchased during 2016, with one more purchased in 2020. The intention is to increase the fleet to five in 2021. The remainder of the funds will contribute towards the depreciation running and maintenance costs of the new vans.

The scholarship packs fund is used to fund the purchase and shipping of educational materials to schools.

The boiler fund is used to fund the purchase and running costs of a new boiler.

# TOOLS WITH A MISSION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

### Movement in Funds (continued)

Furlough income represents governments grants issued in order to cover 80% of elected employees wages during the Coronavirus pandemic.

Sheldon appeal is used to cover the costs of the new full time warehouse employee.

### 19 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Fund balances at 31 October 2020 are represented by:			
Tangible fixed assets	258,351	16,505	274,856
Fixed asset investments	18,376	-	18,376
Current assets/(liabilities)	279,445	48,559	328,004
	<u>556,172</u>	<u>65,064</u>	<u>621,236</u>
Fund balances at 31 October 2019 are represented by:			
Tangible assets	269,082	17,024	286,106
Fixed asset investments	57,715	-	57,715
Current assets/(liabilities)	172,456	9,032	181,488
	<u>499,253</u>	<u>26,056</u>	<u>525,309</u>

### 20 Related party transactions

Donations received from Trustees and their immediate family members totalled £1,357 in 2020 (2019: £4,471).

### 21 Commitments

At the reporting date the charity has commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	6,750	11,805
Between two and five years	-	-
	<u>6,750</u>	<u>11,805</u>

At the reporting date the charity had capital commitments totalling £nil (2019: £nil).

### 22 Guarantee

The charity is a company limited by guarantee; in the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

## TOOLS WITH A MISSION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

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#### 23 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

#### 24 Cash generated from operations

	2020	2019
	£	£
Surplus/(Deficit) for the year	95,927	42,796
<u>Adjustments for:</u>		
Investment income recognised in statement of financial activities	(266)	(203)
Fair value gains and (losses) on investments	(661)	(6,683)
Depreciation and impairment of tangible fixed assets	28,412	25,642
<u>Movements in working capital:</u>		
(Increase) / decrease in debtors	(3,021)	(4,540)
Increase / (decrease) in creditors	19,515	(7,146)
<b>Cash generated from operations</b>	<b>139,906</b>	<b>49,866</b>