



Report of the Directors and Financial Statements
For the year ended 31st December 2020

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Company Information

Patrons:	Archbishop Desmond Tutu
Directors:	Mr S Hitchmough - Chair (resigned 11 th November 2020) Mr J P N Payne (resigned 11 th November 2020) Ms S Erb Ms L Hansford – Treasurer Provisional Chair (from 11 th November 2020) Ms J Scott Ms M Tarrant (Elected 9 th October 2020)
Chief Executive Officer:	Ms S L Ingleby
Registered Office:	Netley Marsh Workshop Netley Marsh Southampton Hampshire SO40 7GY
Registered Number:	01487630 (England and Wales)
Charity Number:	280437
Senior Statutory Auditor:	Christopher David Osmond
Accountants and auditors:	Stone Osmond Limited Accountants and Registered Auditors 75 Bournemouth Road Chandlers Ford Eastleigh Hampshire SO53 3AP
Principal Bankers:	HSBC – Totton, Hampshire COIF – London CAF – West Malling, Kent
Website:	www.tfsr.org

The trustees are pleased to present their report outlining the Charity's activities and developments over the past year and to present the financial statements of the company for the year ended 31 December 2020.

GOVERNANCE

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

CHARITABLE OPERATIONS

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

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

DIRECTORS AND TRUSTEES

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

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

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

Our Programmes and Activities

Our five-year strategy **Africa Works**¹ will come to an end in 2021 but continues to shape our work and ensure we remain focussed on addressing underemployment and unemployment in Africa through the acquisition of vocational skills and targeted interventions; thus, contributing to sustainable and inclusive growth.

Mission Statement

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

United Nations Sustainable Development Goals²

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

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

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

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

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

Our Model

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

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

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

² For further information on the United Nations Sustainable Development Goals - http://www.undp.org/content/dam/undp/library/corporate/brochure/SDGs_Booklet_Web_En.pdf

Review of Activities and Performance

To preface this Annual Report the directors would like to recognise the unprecedented times we faced globally in 2020. Coronavirus continues to dominate lives across the globe and has impacted all aspects of our work in the UK and in our Africa Programme countries.

For our partners in Africa, the pandemic has been much more than a health crisis with significant impact on people's income, security, and prospects. Many of our new graduates and those who have gone before them have faced incredible challenges given many have not been able to work and have therefore faced significant reductions in income. Partners have reported increased hardship and poverty, unprecedented levels of unemployment and gender-based violence across the communities they work in.

We applaud the work done by our partners over the past year, adapting training to ensure this could be delivered safely and reaching out into their communities to support a range of COVID prevention activities. There is no doubt, the impact of COVID will be felt for many years to come, so we remain committed to supporting projects which will give people an opportunity to develop the skills they need to find work and build sustainable livelihoods.

Here in the UK our focus was on ensuring we were able to weather the storm and maintain operational activities. It was a year which required agility and flexibility to adapt to the changes and uncertainty we all faced. We would like to take this opportunity to thank our staff who showed great understanding and fortitude. From those who worked to maintain key operational activities throughout, to those on furlough who remained committed and ready to jump back into work when restrictions eased. Thanks also go to our loyal volunteers and supporters who continued to support our work from home.

Weathering the storm was eased by funders great and small who not only contributed funds for projects that we will bring back on track in 2021, but also those who recognised the need, and importance of unrestricted funds to maintain operations in a year that saw most of our income generating events cancelled. We were delighted by the response to our Radio 4 Appeal which far exceeded our fundraising target and has provided crucial funds to support our partner Sierra Leone in the coming year.

Looking ahead, in the coming year it is hoped positive progress can be made on the global vaccination programme and that this will drive us closer to a more normal way of living and working. 2021 will see us entering into the final year of our current strategy, so will use this coming year to review our achievements and successes against the goals and objectives we set ourselves and use the lesson learned over the past five year to shape a new strategy for 2022 and beyond.

Once again, our thanks go to our amazing team of partners, staff, volunteers and supporters who have shown just what can be achieved when we come together and work towards shared goals.

Africa Programme

Project Delivery

As we started 2020, the majority of our active projects were drawing to a close and the trainees had mostly completed their training. However, from March, once the pandemic began to take full effect in our programme countries and in the UK, delivery of projects was inevitably impacted, and for a number of projects it was not possible to start them as planned.

Vocational Training

Where training was ongoing, partners adapted delivery to ensure compliance with the guidance and restrictions in their respective countries. For some partners this meant reducing class sizes and holding more sessions, for others they moved the training from their centres and out into the community where they were able to attach trainees to small businesses. In all cases, partners prioritised the safety of the trainees and those delivering the training.

Vocational Training Participants							
Country	No. of projects	Projects starting in 2019 and ending in 2020					
Ghana	5	Total	174	Male	76	Female	98
Malawi	5	Total	334	Male	169	Female	165
Sierra Leone	4	Total	180	Male	58	Female	122
Uganda	0	Total	0	Male	0	Female	0
Zambia	5	Total	160	Male	72	Female	88
Total	19		848	Male	375	Female	473

Vocational Training Participants							
Country	No. of projects	Projects starting in 2020 and ending in 2021					
Ghana	1	Total	80	Male	20	Female	60
Malawi	1	Total	144	Male	78	Female	66
Sierra Leone	0	Total	0	Male	0	Female	0
Uganda	2	Total	140	Male	90	Female	50
Zambia	0	Total	0	Male	0	Female	0
Total	4		364	Male	188	Female	176

Commitment to completing training remained high, despite the challenges faced by trainees. For some trainees, breaks in the training during lockdowns meant that they chose to seek work instead to ensure they had an income to support themselves and their families. Others moved to other areas or had a change to their circumstances that meant they could no longer participate. Overall, there was a less than 10% drop out rate. In some cases, where training was suspended, trainees have been invited to re-join when new projects start.

In response to the situation and to support their communities, partners also undertook a number of COVID19 awareness and prevention activities including joining task forces to co-ordinate community responses, distribution of hand washing buckets, soap, and hand sanitisers, participating in local radio programmes explaining how to prevent the spread of COVID and much more.

Extended Projects

Alongside our vocational training projects, four extended projects were delivered during 2020. These projects aimed to augment the impact our vocational training programme through the delivery of additional activities which address issues affecting the trainees, their families and their communities.

Country	Ghana	Partner	NORSAAC		
Total participants	2,024	Male	958	Female	1066
<p>This project focussed on reducing early child marriage and teenage pregnancies through disbursement of awareness raising materials and activities in four communities in two districts in northern Ghana. This included developing a range of printed posters which were put up in schools and other vantage points in the communities. And weekly broadcasts by NORSAAC broadcast tell listeners more about safe sexual practices and the impact of early marriage and teenage pregnancies.</p> <p>NORSAAC also carried out in-school sessions in 10 schools reaching almost 1,000 students. These sessions provided the students with information on topics including menstrual health and hygiene and family planning and provided an opportunity to address misconceptions and strengthen understanding on these key areas. Sessions were also attended by teachers to who will now provide ongoing support and learning post-project.</p> <p>NORSAAC highlighted the value of this intervention and how an holistic approach to addressing community issues alongside delivering vocational training ensures significant short and long term impact.</p>					

Country	Ghana	Partner	TRAX		
Total participants	143	Male	42	Female	101
<p>In northern Ghana, many of the trainees who take part in the vocational training projects delivered by TRAX come from households who engage in agricultural activities as their main source of income and / or to feed their families. To enhance income and food security TRAX ran training to enable farmers to improve the quality of the soils they grow in using a technique called Bokashi.</p> <p>This is an organic low-cost method to improve soil fertility and in turn to increase the yield potential from crops. To ensure maximum impact from this intervention, TRAX identified 40 lead farmers (10 females and 30 males) who undertook a training programme on how to prepare and use Bokashi.</p>					

These participants then went on to share their training with other farmers in their communities and this resulted in a further 103 farmers (91 females and 12 males) being trained in this agronomic practice.

Feedback from TRAX on the impact of this intervention includes a trainee who has gone on to acquire further land as a result of increasing income from crops sold and one trainee also reported that improved yields meant that she had not needed to migrate to the south during the dry season as the Bokashi approach has enabled her to extend her cropping period. Removing reliance on chemical fertilisers also resulted in one trainee reporting that he had reduced the cost of production by 70% and achieved food security for his family.

Country	Zambia	Partner	KEVTC
Total pupils benefitting from improved toilet facilities			2,500
Number of pupils receiving re-usable sanitary pads			1,385

Alongside the delivery of a vocational training programme for 57 trainees, KEVTC extended their activities to support improvements to water and sanitation facilities at a local school. Tailoring trainees learned how to make re-usable sanitary pads, producing over 3,500 pads which were distributed at the school to female students.

Feedback from the tailors included one graduate who explained that not only had she learned how to make a range of clothing but had also enjoyed learning how to make the re-usable pads. From this she has gone on to educating young girls on how to use the pads correctly and to promote the importance of good menstrual hygiene practice.

To address issues with limited toilet facilities at the school, building and carpentry trainees honed their skills on site with a hands-on involvement in the construction of two pit latrine blocks. Being seen in their community and having their work on show resulted in trainees being able to get work and generate income, not only during their training, but also now they have graduated.

Country	Sierra Leone	Partner	Baptist Women's Union
Peer mentors trained		165	
School based sensitisation		178 participants	
Community sensitisation		2,320 participants	

In the first year of this project, alongside the delivery of a tailoring training programme for 100 trainees, BWU delivered a range of community sensitisation activities to improve knowledge and practice in key health and rights issues.

At the outset of the project, BWU undertook a household survey in the target communities, to assess the gaps in knowledge and topics amongst community members.

Based on the outcome of this survey broadcasts were made on two radio stations each month to address the thematic issues affecting the communities, including HIV/Aids, malaria, Ebola, human rights abuses, and female genital mutilation; aiming to improve knowledge, attitudes and practice when dealing with these.

To reinforce this work, Community Health Champions also used megaphones in their local areas to reinforce and spread information on these issues, and also incorporated health messages relating to COVID19 as this began to affect the communities.

To ensure sustainability, BWU trained 165 school age peer mentors who went on to support the school and community-based sensitisation training and who will provide ongoing support post-project.

Looking ahead

At this time, it is challenging to plan ahead in terms of projects in Africa, given there is still a high degree of uncertainty on any new waves and the rate of recovery from the COVID19 pandemic in each of our programme countries, and how this will impact on the ability of partners to safely deliver their projects. We will continue to work with partners to agree when best to continue or start new projects and remain responsive to the prevailing situation in each country and any restrictions in place.

As and when restrictions are lifted, we will visit programme countries to review projects and to reconnect in person with our partners. Until this is possible, we will continue to make use of online platforms which can be used to hold virtual meetings.

Provision of tools and equipment

At the beginning of 2020, we were able to send a shipment of training and start up kits to our projects in Sierra Leone. The lockdown in March meant that we then had to close our workshops and suspend activities and were only able to continue our refurbishing and packing activities sporadically during periods when lockdown restrictions were lifted.

We are most grateful to our volunteers who rose to the challenges this created and began refurbishing from home where they were able. This kept stocks up and enabled us to send a 40-foot container to Malawi before the end of the year.

Country	No. of tools	Replacement Value of tools *
Malawi	13,240	£89,881
Sierra Leone	2,117	£17,972
Non-partner organisations	343	£3,482
	15,700	£111,335

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

Looking ahead

In 2021 we will focus on getting our shipping schedule back on track and aligned to projects. Shipments are scheduled in for Ghana and Uganda, with the potential for additional shipments to be added once projects can resume safely and in full.

Our UK Programme

Working with Volunteers

The huge obstacles faced in 2020 have really brought home the dedication of our volunteers and highlighted just how essential their support and contributions are to the charity.

Volunteer numbers remained stable during the year, with our last survey showing a total of 640 volunteers across the UK – including 110 who are based at our Netley Marsh workshops. We have 35 UK volunteer groups supporting us across England, Wales and Scotland.

During the year, we were able to recognise volunteers reaching milestones in terms of the number of years they have supported the work of the charity. Certificates were awarded to 12 volunteers who reached their ten-year long service milestone, 12 received reached their 15-year milestone and 11 reached their 20-year milestone. A further 4 reached 25 years long service, 3 reached 35 years and 1 reached their 40-year milestone. Congratulations and thanks go out to all of these volunteers for this amazing commitment to our work. Their contribution alone represents 750 years of volunteering.

Our volunteers undertake a number of roles in support of Tools for Self Reliance, not only tool collection and refurbishment, but also undertaking invaluable fundraising and profile-raising activities in their local areas. Many groups also provide other services within their local communities, such as school placements, tool sharpening services, and helping with the maintenance of churches and other community buildings.

Volunteer activities*	Number of volunteers
Collecting	345
Tool sorting	281
Sewing machine and haberdashery sorting	44
Tool refurbishing	441
Sewing machine refurbishing	70
Tool selling - including eBay sellers)	204
Woodwork / kit box making	12
Group organiser/management	38
Group local publicity	12
Speaker	115
Events Attendee/Organiser	108
Local Rotary contact	6
Workshop/premises safety and maintenance	19
Administration support	6
Craft2Craft Group	6

*Some volunteers undertake more than one activity.

At the beginning of 2020 and prior to the first lockdown in March, volunteer groups had already sent 40 complete tool kits provided by 12 different groups and a number of other refurbished tools and sewing machines for our Malawi shipment. However, with approximately 53% of our volunteers aged 65-75, and 33% over 75, and many falling into one of the 'at risk' groups; the decision was taken in March to close the Netley Marsh workshop and advise groups to do the same. Further shutdowns during the year inevitably curtailed our volunteer's activities.

Aside from reducing the collection and refurbishment of tools and sewing machines, one of the other significant impacts was on the fundraising efforts of our volunteers. In the five years previous to 2020, groups had been increasingly successful with their fundraising efforts resulting in a 62% increase in income generated between 2015 - 2019. Plans were in place for a range of fundraising activities during 2020, aiming to top the total raised in 2019 of £57,880, however the majority of these had to be canceled.

Despite the restrictions on their activities our volunteers continued to support us in any way they could, whilst ensuring compliance with all COVID guidelines and restrictions. Volunteer fundraisers helped us to offset some of the significant fundraising losses by selling surplus tools online or at their own COVID-safe tool sales, or through other novel ways such as plant sales. By the end of the year, they had raised over £36,000 – a 37% drop from the previous year, but much less a shortfall than was originally anticipated.

This is a significant achievement given the difficulties faced through the year, and is testament to the volunteers' enthusiasm, hard work and willingness to give up their own time to support Tools for Self Reliance.

ESC Programme

As the opportunity to secure funds through the European Union's ESC Programme comes to an end, we were pleased to be successful with our final 2020/2021 application. These funds will support one-year placements for younger volunteers from Europe.

Only one of volunteers from the 2019-2020 round was able to complete their placement in full, the remaining volunteers had to cut short their placements to return home as the pandemic spread. As a result, we will be required to return a significant proportion of the grant received.

More than ever, we appreciate the work and commitment of all our volunteers and their years of support.

Our UK Programme

Fundraising

Responsibility for income generation lies primarily with the Fundraising Team. No fundraising activities are undertaken by external paid fundraisers or by any commercial participator. Tools for Self Reliance is registered with the Fundraising Regulator and has a robust Fundraising Policy in place, underpinned by an Ethical Giving Policy and Refusal and Acceptance of Donations Policy. During 2020 we received no complaints regarding our fundraising activities.

Tools for Self Reliance's work is funded through a mixture of grant income, donations and income generated from rents and events. During 2020 we raised £680,260 – including gifts in kind (£1,117,354 in 2019).

We are fortunate to receive support from a number of grant making trusts who have continued to invest in our work, including the Turing Foundation who are supporting a project training and empowering women in Sierra Leone.

At the beginning of 2020, plans were in place for a number of events and activities to mark and celebrate our 40th anniversary. Whilst our events were severely curtailed, we were still able to carry on with virtual activities, including Tea for Tools which exceeded our fundraising target for this event.

In June we took part in a Radio 4 Charity Appeal, presented by one of our volunteers, Janet Moody. The theme of the appeal was empowering women in Sierra Leone and there was an amazing response, with a total of £36,618 being raised. We are most grateful to all those who donated to this appeal and those who have opted to stay in touch with Tools for Self Reliance.

After a difficult and challenging year, our Thank You week in November was more important than ever. In recognition of support received, we took the opportunity to thank over 600 existing supporters who gave during the year and to contact new donors who supported our Radio 4 appeal.

Looking ahead

In the coming year our Fundraising Team will focus on:

- the implementation a new digital strategy to improve and more effectively assess our online communications.
- updating our donor management system to allow for more effective communication with supporters and improved data management.
- the implementation of a scaled-up supporter acquisition activity using newly developed materials and a range of new mechanisms such as magazine inserts, to reach a wider audience.

We appreciate the support we receive from individuals, faith based groups, companies, trusts and all other donors. Their donations and support have ensured we have been able to ride out the storm during 2020 and we have every confidence we can build on from this and make 2021 a year of recovery and progress.

Treasurer's Review of Financial Position

In exceptional times causing major disruption to all activities and income streams Tools for Self Reliance ended the year in a positive financial position, and able to resume programme activities as soon as feasible.

Operating funds were sustained by donor and Government support (Job Retention Scheme) when we were unable to undertake normal fundraising activities during lock downs and site closures.

As a contingency measure we also drew down a Bounce Back Loan of £50,000 which is now planned to be repaid in full before the initial interest free period expires in October 2020. (Disclosed as both current asset and liability in the Balance Sheet.)

Income

Income for the year from donations and grants was £511,031, reflecting a substantial decrease of £440,926 from the exceptional level of 2019.

Investment income from rentals was sustained in the year, but there was a 40% reduction in income from sales and events. This is offset in the reporting line "Other Trading Income" by £44,675 received from the COVID Job Retention Scheme resulting in a small increase over 2019.

Expenditure

Expenditure in total was £632,643, £285,960 less than 2019. Suspended work on the Africa Programmes accounts for £113,557 of this decrease. The remaining decrease relates to managed cost reductions including furloughed staff at 80% salaries, a frozen vacancy, and deferred fundraising activities.

Value of Tools

The value of tools shipped (donations in kind in Income) and costs of tools shipped (in expenditure) was £111,335 (2019 - £121,813).

Funds held at 31st December 2020

Total reserves amount to £952,781, including fixed assets of £452,307. The fixed assets are the Netley Marsh workshop site, workshop and investment property.

Restricted funds of £370,585 were slightly higher than 2019 by £16,042

Cash operating reserves increased by £24,312 to £129,889 at the end of the year, exceeding reserving policy of 3 months operating costs.

Statutory Policies

Risk Management

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

Reserves Policy

Our reserves policy is set to ensure that our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring that we do not retain income for longer than required. As such it is Tools for Self Reliance's policy to manage the Charity such that available cash reserves are held at a minimum level of between two- and three-months' core running costs. At the year-end we had unrestricted cash free reserves of £197,560 (2019 - £105,884), which meets this criterion.

Other Policies

General Data Protection Regulation (GDPR)

In 2020 we continued to ensure compliance with all relevant GDPR regulations and our own Fundraising Pledge. A Privacy Policy³ is in place and guidance has been provided to our volunteers.

Fundraising Regulator Code

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

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

Safeguarding

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

Compliance with the Governance Code

The Board continues to uphold the principles of this voluntary code of practice; and has an action plan in place to review activities to ensure ongoing compliance. All trustees / co-opted members and members of the senior management team are required to sign Eligibility Declarations and a Conflict of Interest Declaration.

³ Our Privacy Policy can be found on our website: <https://www.tfsr.org/wp-content/uploads/2018/05/2018-Privacy-Notice.pdf>

Statement of Director's Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Directors are required to:

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

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

Statement as to Disclosure of Information to Auditors

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

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

Signed



Ms L Hansford

Dated: 10th September 2021

Signed



Ms Susan Erb

Dated: 10th September 2021

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Use of our report

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

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



Date: 23rd September 2021

Statement of Financial Activities for the year ended 31st December 2020

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>	<u>2019 Total Funds</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
INCOME AND EXPENDITURE					
Incoming Resources	1				
Donations and grants	10	288,830	222,201	511,031	951,957
Investment income		60,223	-	60,223	59,034
Income from other trading activities	11	109,006	-	109,006	106,363
TOTAL INCOMING RESOURCES		<u>458,059</u>	<u>222,201</u>	<u>680,260</u>	<u>1,117,354</u>
Resources Expended					
Direct Charitable Expenditure	12	336,133	178,159	514,292	754,186
Expenditure on raising funds		118,351	-	118,351	164,417
TOTAL RESOURCES EXPENDED		<u>454,484</u>	<u>178,159</u>	<u>632,643</u>	<u>918,603</u>
Net Incoming/(Outgoing) resources before transfers	2	3,575	40,207	47,617	198,751
Transfers between funds		28,000	(28,000)	-	
Net Incoming/(outgoing) resources for the year		31,575	16,042	47,617	198,751
Gains/(Losses) on Investment		-	-	-	
BALANCES BROUGHT FORWARD					
AS AT 1 JANUARY 2020		<u>550,621</u>	<u>354,543</u>	<u>905,164</u>	<u>706,413</u>
BALANCES CARRIED FORWARD					
AS AT 31 DECEMBER 2020		<u>582,196</u>	<u>370,585</u>	<u>952,781</u>	<u>905,164</u>

The notes form part of these financial statements

Balance Sheet 31st December 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible assets	4	137,307	142,044
Investments	5	<u>315,000</u>	<u>315,000</u>
		452,307	451,044
CURRENT ASSETS			
Debtors	6	4,564	1,999
Bank balances and funds in hand		<u>568,145</u>	<u>460,427</u>
		572,709	462,426
CREDITORS			
Amounts falling due within one year	7	<u>68,855</u>	<u>10,016</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>503,854</u>	<u>452,410</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		956,161	909,454
CREDITORS			
Amounts falling due after more than one year	8	<u>3,380</u>	<u>4,290</u>
NET ASSETS		<u>952,781</u>	<u>905,164</u>
RESERVES	9		
Unrestricted reserves		322,513	290,938
Restricted reserves		370,585	354,543
Revaluation reserve		<u>259,683</u>	<u>259,683</u>
		<u>952,781</u>	<u>905,164</u>

The notes form part of these financial statements

Balance Sheet 31st December 2020

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

ON BEHALF OF THE BOARD



Ms L Hansford

Board Chairperson



Ms Susan Erb

Board Member

Approved by the Board on 10th September 2021

The notes form part of these financial statements

Notes to the Financial Statements for the year ended 31st December 2020

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

Donated Tools

Donated tools are valued at replacement value less 50%.

INCOMING RESOURCES

Grants and donations

Income from grants and donations is included in the Statement of Financial Activities when these are receivable except as follows: -

- When donors specify that grants and donations given to the Charity must be used in future accounting periods, the income is deferred until these periods.
- When donors impose conditions, which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular purposes which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.
- Legacies are accounted for on receipt.

Income from other trading activities

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

The notes form part of these financial statements

RESOURCES EXPENDED

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff upon those activities.

Fund Accounting

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

Tangible fixed assets

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

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

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the income and expenditure account.

The assets of the scheme are held separately from those of the Charity by The Pensions Trust. The employer's contribution made to the scheme during the year were £26,133 (2020 - £26,871).

These notes form part of the financial statements

Investment properties

In accordance with the SORP some of the Charity's property is held for long-term investment and is included in the balance sheet at its open market value. The surplus on revaluation is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment property. This represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may have a true and fair view because current values and changes in these are of a prime importance rather than the calculation of systematic annual depreciation.

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

2. NET INCOMING / (OUTGOING) RESOURCES FOR YEAR

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

	<u>2020</u>	<u>2019</u>
Depreciation – owned assets	4,737	4,737
Audit fee	3,000	3,000
Non audit fee	1,750	1,750
Pension costs	<u>26,133</u>	<u>26,871</u>
Directors' emoluments and other benefits etc. (see note 15)	<u>81</u>	<u>162</u>

3. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2020 or for the year to 31st December 2019 due to its charitable status.

These notes form part of the financial statements

4. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u>	<u>Improvements to Property</u>	<u>Plant and Machinery</u>	<u>Computer Equipment</u>	<u>Total</u>
	£	£	£	£	£
COST					
At 1 January 2020	106,091	130,813	51,071	24,745	312,720
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2020	<u>106,091</u>	<u>130,813</u>	<u>51,071</u>	<u>24,745</u>	<u>312,720</u>
DEPRECIATION:					
At 1 January 2020	45,249	49,611	51,071	24,745	170,676
Charge for year	2,121	2,616	-	-	4,737
Eliminated on disposals	-	-	-	-	-
At 31 December 2020	<u>47,370</u>	<u>52,227</u>	<u>51,071</u>	<u>24,745</u>	<u>175,413</u>
NET BOOK VALUE:					
At 31 December 2020	<u>58,721</u>	<u>78,586</u>	<u>-</u>	<u>-</u>	<u>137,307</u>
At 31 December 2019	<u>60,842</u>	<u>81,202</u>	<u>-</u>	<u>-</u>	<u>142,044</u>

5. FIXED ASSET INVESTMENTS

	<u>2020 £</u>	<u>2019 £</u>
Netley Marsh rented units	<u>315,000</u>	<u>315,000</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2020</u>	<u>2019</u>
	£	£
Other debtors – VAT	<u>4,564</u>	<u>1,999</u>
	<u>4,564</u>	<u>1,999</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2020 £</u>	<u>2019 £</u>
Trade creditors	9,584	2,016
Taxation and Social Security	1,335	
Pension Contributions	3,336	3,250
Accruals	4,600	4,750
Loans	50,000	
	<u>68,855</u>	<u>10,016</u>

These notes form part of the financial statements

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

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Loans repayable by instalments:		
Loans - one to two years	-	-
Pension contributions	<u>3,380</u>	<u>4,290</u>
	<u>3,380</u>	<u>4,290</u>

9. RESERVES

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Unrestricted Funds:		
At 1 January 2020	290,938	298,080
Net incoming/outgoing resources for the year	<u>31,575</u>	<u>(7,142)</u>
At 31 December 2020	<u>322,513</u>	<u>290,938</u>
Restricted Funds:		
At 1 January 2020	354,543	148,650
Net incoming/outgoing resources for the year	<u>16,042</u>	<u>205,893</u>
At 31 December 2020	<u>370,585</u>	<u>354,543</u>
Revaluation Reserve		
At 1 January 2020	259,683	259,683
Gain/Loss for year	<u>-</u>	<u>-</u>
At 31 December 2020	<u>259,683</u>	<u>259,683</u>
TOTALS	<u>952,781</u>	<u>905,164</u>

Analysis of 2020 Total Net Assets by Fund

	<u>Unrestricted Capital</u>	<u>Restricted Income</u>	<u>Total Funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Fixed assets	452,307	-	452,307
Cash at bank and in hand	197,560	370,585	568,145
Other net current liabilities	(67,671)	-	(67,671)
	<hr/>	<hr/>	<hr/>
	<u>582,196</u>	<u>370,585</u>	<u>952,781</u>

10. DONATIONS AND GRANTS

	Unrestricted	Restricted	Total
Donations and grants	177,495	222,201	399,696
Donations in kind	111,335	-	111,335
	288,830	222,201	511,031

11. INCOME FROM OTHER TRADING ACTIVITIES

Income from other trading activities consists of the sale of tools £23,000 (2019 - £48,680), sale of scrap £1,242 (2019 - £4,640), HMRC JRS grant £44,675 (2019 - £Nil) and eBay, Craft 2 Craft and other £40,088 (2019 - £53,043).

12. DIRECT CHARITABLE EXPENDITURE

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
African programme	259,070	434,318
Donated tools	111,335	121,063
UK programme	133,584	186,813
Depreciation	4,737	4,737
Governance (note 13)	5,386	7,255
	<hr/>	<hr/>
	<u>632,643</u>	<u>754,186</u>

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

These notes form part of the financial statements

13. GOVERNANCE

	<u>2020</u>	<u>2019</u>
	£	£
Audit and accountancy	4,600	4,750
Directors' benefits/reimbursements	81	162
Director recruitment costs	-	
Director development	-	
AGM	-	61
Bond membership/Exhibition	705	2,282
	<u>5,386</u>	<u>7,255</u>

14. EMPLOYEES

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

	<u>2020</u>	<u>2019</u>
Direct charitable activities	10	10

Employee costs

	<u>2020</u>	<u>2019</u>
	£	£
Salaries	243,988	269,449
Social security costs	18,686	19,163
Pension contributions	26,133	26,871
	<u>288,807</u>	<u>315,483</u>

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

15. DIRECTORS BENEFIT/REMUNERATION

The number of Directors at the year-end was six. The company does not provide Directors indemnity insurance. The company reimbursed expenses and travel costs of £81 (2018- £162); the Articles preclude the payment of any remuneration.

16. AUDITOR LIABILITY LIMITATION AGREEMENT

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

These notes form part of the financial statements

17. CONTINGENT LIABILITY

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

As Tools for Self Reliance has opted to remain with the Plan and continues to offer this Plan to its employees, the likelihood of the debt crystallising is remote. Tools for Self Reliance is committed to paying deficit contributions to the Plan for seven years from 1 January 2020. The present value at the year-end is £4,418 (2019 - £5,297) and is included within creditors.

Annex 1 - Current Partners

Ghana

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

Non-Project Partners

NEWIG, National Vocational Training Institute (NVTI)

Malawi

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

Non-Project Partners

Africa Vision Malawi

Sierra Leone

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

Uganda

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

Non-Project Partners

Amigos Worldwide

Zambia

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

Non-Project Partners

Build It, Village Water, Chibozu Community Trust

Annex 2 - Volunteer Groups and Organisations supporting our work

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