

# Build IT

## INTERNATIONAL

*Building Brighter Futures*

### TRUSTEES' REPORT AND FINANCIAL STATEMENTS

Year ended 30 JUNE 2011



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

REGISTERED COMPANY NO. 5495358 (England and Wales)  
Registered Charity number 1115989

(Company limited by guarantee)

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## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Company number</b>	5495358
<b>Charity number</b>	1115989
<b>Governing document</b>	Memorandum and Articles of Association
<b>Trustees</b>	Peter Caldwell Ms. Pat Conaty Ross Cranston Mrs Sue Lucas Robin Spencer (from 9 July 2011) Andrew Sentance (from 9 September 2011)
<b>Secretary</b>	Andrew Jowett
<b>Executive Director</b>	Andrew Jowett
<b>Registered office</b>	The Pump House Coton Hill Shrewsbury SY1 2DP
<b>Auditors</b>	Williamson Morton Thornton LLP Torrington House 47 Holywell Hill St Albans AL1 1HD
<b>Bankers</b>	Barclays Bank plc. Business Banking P.O. Box 89 Shrewsbury Shropshire SY1 2WQ
<b>Solicitors</b>	Wrigley's 19 Cookridge Street, Leeds LS2 3AG
<b>Website</b>	<a href="http://www.builditinternational.org">www.builditinternational.org</a>

## TRUSTEES' REPORT

The Trustees present their annual report and audited financial statements for the year ended 30 June 2011. As Trustees of Build It International, we are pleased to present a report showing steady growth and demonstrable progress in helping to secure livelihoods in Zambia. Our unique combination of training, environmental building methods and community involvement is endorsed by our experience on the ground and by the continuing support of our funders. Thank you to everyone for your commitment and hard work.

This report also serves as a Directors' report as required by s415 of the Companies Act 2006.

In preparing the accounts, the Trustees have followed the accounting policies set out in note 1 to the accounts and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

## CHARITABLE OPERATIONS

Build IT International was established in 2006 with the aim of supporting the small scale building sector as a way of creating sustainable employment opportunities and economic growth in low-income countries mainly in Africa. Our vision is a world in which schools, clinics, affordable housing and other essential facilities are available to all.

### The Charity's legal objects are:

The relief of poverty and the improvement of the conditions of life particularly in socially and economically disadvantaged and flood-prone communities

The promotion of sustainable means of achieving economic growth and regeneration

The enhancement of education, primarily in building construction, of deprived and flood-prone communities  
the preservation, conservation and protection of the environment and the use of natural resources

### Mission Statement

*To provide a practical response to the chronic need for basic infrastructure and jobs in sub-Saharan Africa.*

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

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

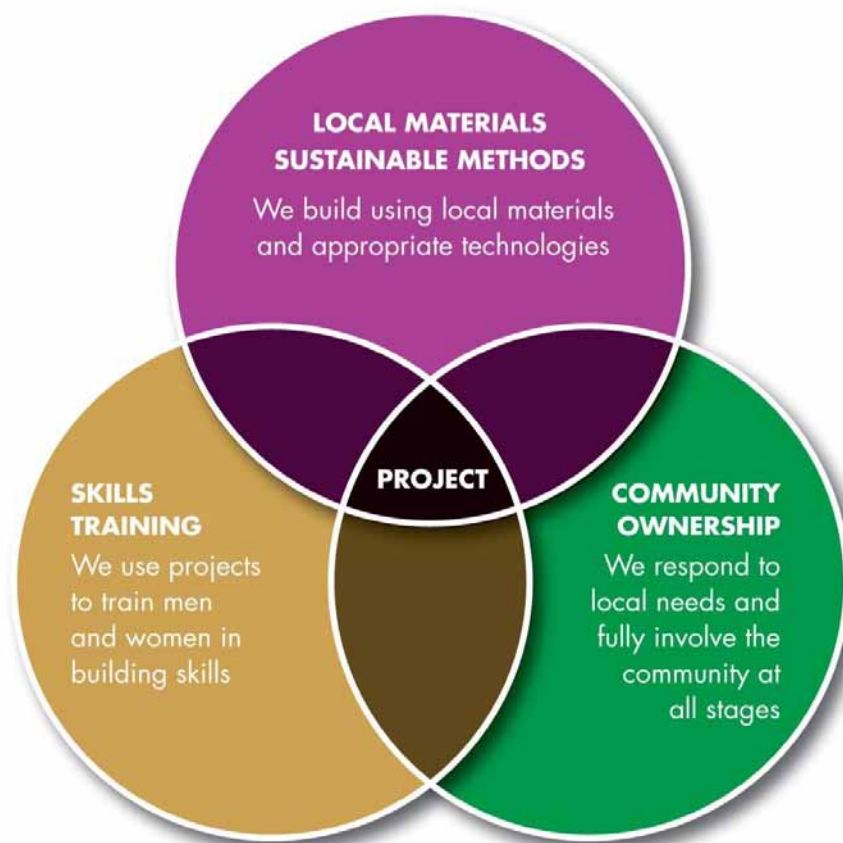
Our core activity is the provision of community buildings in Zambia delivered through a training based approach.

## Public Benefit

Our projects directly benefit low-income communities and families through the provision of schools, health clinics, affordable houses and other basic infrastructure. In delivering such facilities we further benefit the public by:

- **Promoting sustainable building materials and design;** *This is important because it promotes a sustainable use of local raw materials and improves the quality and affordability of community facilities.*
- **Supporting local livelihoods;** *This is important because it reduces poverty by giving people the potential to earn a better living and reduce economic vulnerability.*
- **Engaging Local Communities;** *We do this so that projects are owned, valued and used by the local community.*

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



## STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The Directors of the Board (Trustees) are appointed with a view to ensuring that BII enjoys the skills and experience necessary to guide the Charity's work. These include international development, business management, legal expertise, finance and fund-raising.

The Board meets four times a year and holds an annual strategy review day. It is responsible for the overall direction of the Charity, policies and legal compliance. There are clear responsibilities and procedures for reporting decisions, actions and issues. The Board approves and monitors the annual budget and income projections.

Build IT International is also registered as a not-for-profit society in Zambia No. ORS 102/35/3736 with nine members that meet at least three times each year. A memorandum of understanding guides the relationship between the two boards.

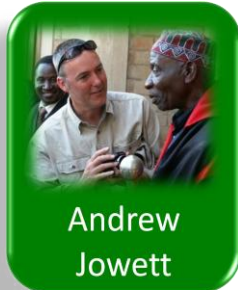
We enjoy the *pro bono* services of a number of advisors for which we would like to record our appreciation. All are experts in areas of relevance to our work (see list on our website).



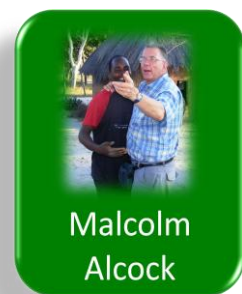
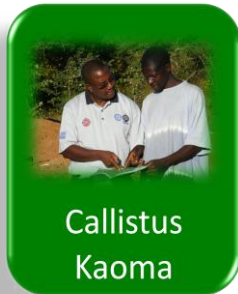
## Offices and Personnel

BIl's main office is in Shrewsbury in the United Kingdom. A programme management office is maintained in Lusaka, Zambia. Current personnel:

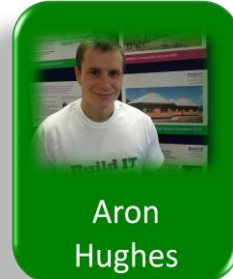
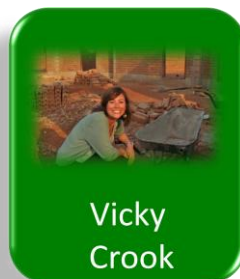
### Executive Director



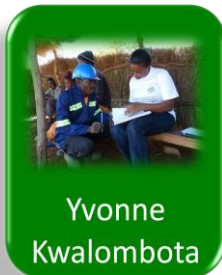
### Programme Management:



### Fundraising:




### Finance and Administration:



## REVIEW OF ACTIVITIES AND PERFORMANCE

**Overall Aim 2009-2012:** *to continue to steadily improve and expand our work aiming to significantly improve the lives of at least additional 10,000 people by 2012.*

By the end of 2011, we will have completed a further three projects with two more in progress (due to finish early next year). These facilities will directly and indirectly benefit over 5,000 people bringing the total to almost 14,000 since Build IT was launched. All projects took place in Zambia:

Project	Status at October 2011
<p>Completion of projects from our 2010/11 building programme.</p>	<p><b>Chainda Community School, Lusaka.</b> Cost £68,000 3 classrooms + office serving poor urban compound, completed and opened in February 2011. 11 trainees successfully completed training, 150 new school places benefitting 310 children.</p> <p><b>Makangwe Community School, Chilanga.</b> Cost £50,000 2 classrooms and office completed and opened in February 2011 at this well organised rural community school. 16 trainees completed training, 100 places created serving 272 children.</p>  <p><b>Kaoma Community School, Kaoma.</b> Cost £44,000 Science and home economics laboratories for this growing community school– completed August 2011 with 80 new places benefitting 240 children over three shifts. 17 trainees all passed.</p>

New Projects  
in 2011/12

**Twapia Secondary School (Phase 1), Ndola**

Five classrooms including science laboratories, 56 bed dormitory, water supply, office and ablution facilities. This school will serve a large peri-urban compound and eventually grow to 1,000 pupils. It will be managed by UK charity PEAS and is scheduled to open in January 2012 with 250 students. 14 trainees trained by year end.

**Chibolya Community Pre-school & Basic School, Mazabuka**

Three classrooms, water and ablution facilities on a new site for this community run project that provides essential services to a very poor peri-urban community. On target for completion by Christmas 2011 (13 trainees, 150 places benefiting 190 children).



**Nchute Health Clinic, Chongwe**

In partnership with the Ministry of Health, this new clinic will serve a growing rural community of over 2,500 that currently travels 15km for essential service. Structure on target to be completed by December and building commissioned by April 2012. 13 trainees.

**Kaoma Community School, Kaoma**

A further three classrooms will be completed by 23 December 2011 creating 120 places and benefitting 360 kids (three shifts). Trainees = 6.

**Donata Special Needs School, Mkushi.**

Three classrooms, office and other buildings for this essential project to ensure children with disabilities received the services they need from a local NGO. This project has been further delayed by problems with water supply and the availability of the main contractor who is now on site. Construction is 20% completed and the school should be handed over by mid-2012. 10 trainees, 50 new places benefitting 40 children at present.



2011 has been our most ambitious year yet with a 50% increase in project activity. In response, we purchased a third vehicle and called on the services of Malcolm Alcock who had worked for us as a consultant project manager in 2006-2008. We are especially delighted to have established a partnership with PEAS to construct secondary schools and to be undertaking our first health clinic. Our aim was to complete all five projects by end 2011 but two will not be completed until next year. We have been hampered by the large distances between projects, bureaucracy and delay in the availability of contractors.

### Skills Training

Enhancing livelihood opportunities through building skills translates into training men and women to national trades tests standards. The training programme was reviewed in February and improved. Over 60 have been brought through our projects this year and the majority will be taking their examinations in November 2011. This brings the total to over 150. Post training support has taken place under our evolving 'training into work' initiative for which funds are being actively sought. Activities focus mainly on identifying suitable small projects for groups of ex-trainees to undertake. In addition, 15 have been employed by contractors on our 2011 projects giving them further valuable experience.

We undertook our first ever survey of ex-trainees and discovered that 97% had found some work in the construction sector, if on an ad hoc basis. This is very encouraging and we will repeat the exercise every two years.



### Promotion of Sustainable Building

This is a longer term objective that has yet to grow into a major activity. The focus for now is on learning from our experience to improve our understanding of materials and design. Highlights:

- Our first health clinic with a unique design that significantly improves on the Ministry of Health standard
- Further improvements to the 'Cool School' classroom design
- Trialling of *hydraform* block-making machine at two projects with excellent results
- Assistance to Ram-cast to persuade Zambia to adopt a southern Africa wide standard code on building with rammed earth.

### Low-cost 'Cool' House

The review of the four houses completed in 2010/11 has been postponed to 2012 when a further three houses will be built by ex-trainees.



### Other Programme Developments

- **Monitoring Impact:** a framework for tracking the progress of trainees has been designed and our first census of ex-trainees completed.
- **Community Engagement;** we have trialled an enhanced approach using local consultants that involved extensive facilitation of the local community with mixed success.
- **Advice and Support** was given to a range of not-for-profit organisations on sustainable building issues.

## LOOKING AHEAD 2012 – 2016

During the year work was undertaken on a new strategic plan. This involved workshops in the UK and Zambia and consultation with partners and donors. Although not yet signed off the following key objectives are proposed:

### Overall Aim:

**To improve the lives of at least 25,000 people through community infrastructure projects and sustainable livelihoods**

### Growth and Reputation

- I. Complete a pilot project in a 2<sup>nd</sup> country by 2013, then review the viability of further expansion in the 2<sup>nd</sup> and possibly a 3<sup>rd</sup> country
- II. Enhance our reputation for quality work

### Programme Framework

- I. Develop and improve our approach to sustainable building (design and materials)
- II. Train at least 300 people in basic building skills – 75% increasing their incomes by >50% within two years
- III. Expand *added value* activities to 25% total: Training Into Work (post training support), Learning and Sharing, and Advocacy – this will broaden our impact

### Project Delivery

- I. Improve project management systems to ensure quality buildings on time and within budget
- II. Strengthen our core team of project managers, builders and local suppliers
- III. Expand core partnerships with service delivery NGOs

### Financing our Work

- I. Raise £6m over five years
- II. Target: 35% unrestricted income
- III. Diversify income streams and increase low-risk income

### Management and Governance

Increase capacity of planning and support functions in line with growth

## REVIEW OF FINANCIAL POSITION

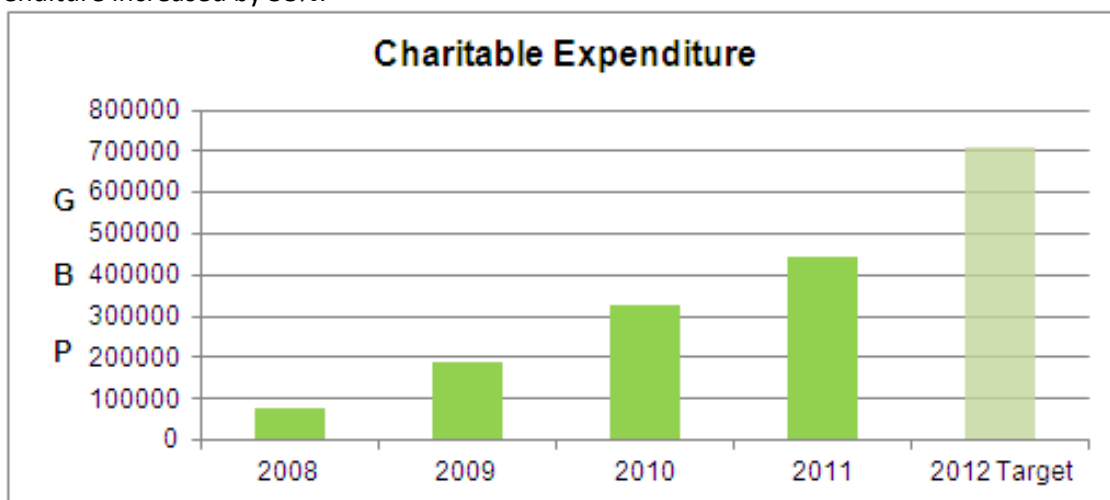
Income increased by 79% to £752,405 comprising:

- 43 grants, primarily foundations and trusts
- generous gifts from individual donors

We are cautious about the fundraising environment for 2012.

### Expenditure

Expenditure increased by 38%.



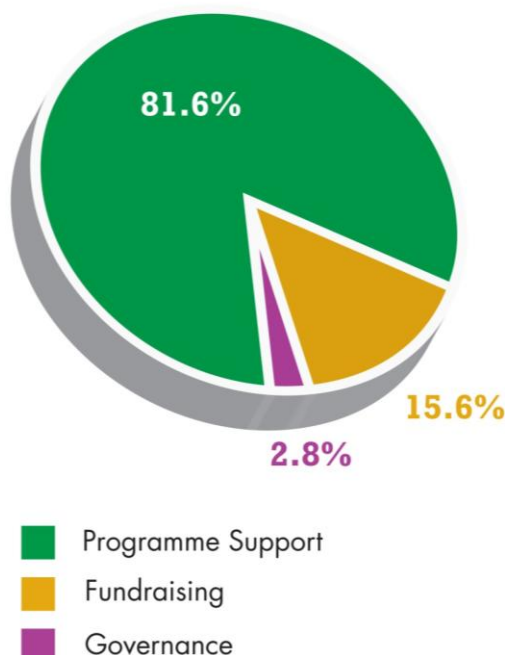
- Raising funds 15.6% (2010: 14.1%): time spent preparing proposals, newsletters and website. This gave an excellent return of £7 for every pound spent.
- Governance 2.8% (2010 2.9%): UK audit, professional expenses, trustees' expenses and support costs.
- Charitable expenditure 81.6% (2010 83.0%): building projects, project management and technical support.

Funds held at 30 June, 2011 comprised:

- £133,233 balance on restricted funds
- £250,032 unrestricted funds of which £185,048 is unrestricted cash

A balanced budget has been agreed by Trustees for the year calendar 2012.

The Trustees have agreed that the next Accounting Period will be for 18 months, to 31<sup>st</sup> December 2012. This is to bring the financial period into better alignment with project timetables, fundraising activities, and to avoid additional accounting work during peak building season. Unaudited summary financial statements will be prepared for the 12 months to June 2012.



## STATUTORY POLICIES

### Risk management

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The Risk Register is a standing item at every Board meeting whereby significant risks are identified and evaluated and appropriate actions are agreed.

### Investment Policy

At present, the trustees do not consider an investment policy necessary given the limited funds held by the charity. However, this position is regularly reviewed, and the trustees are satisfied that the current investment returns on surplus cash is acceptable, bearing in mind the current economic climate and the need for surplus (unrestricted) cash funds to be readily accessible. Cash surplus to short-term needs are held with FSA regulated interest bearing accounts.

### Grant Making Policy

We will occasionally make grants to other bodies that pursue similar objectives. The majority of our projects are directly managed through our Lusaka office. All project proposals are submitted to Trustees for their approval to ensure that the proposed work is in line with strategy. All projects are subject to monitoring by BII staff and the transfer of funds is subject to satisfactory reports being received.

### Reserves Policy

Build It International's reserves policy after being reviewed in November 2011 is:

*to maintain a readily realisable (lower limit) base reserve sufficient to cover three months of total expenditure, and the reserves should also not exceed an upper limit of six months core expenditure plus three months project costs.*

Based on our agreed budget for 2011, the lower limit reserve amounts to £163,000 and the upper limit reserve amounts to £245,000. At the end of June 2011, the value of our unrestricted cash was £185,000.

Regular updates on our work are posted on our website: [www.builditinternational.org](http://www.builditinternational.org)



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the income and expenditure for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that so far as they are aware, there is no relevant audit of which the company's auditors are unaware. They have taken all reasonable steps, as directors, to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Small company provisions

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

Approved by the Board on 4 November 2011 and signed on its behalf.



Sue Lucas  
Chair



Robin Spencer  
Treasurer

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUILD IT INTERNATIONAL

We have audited the financial statements of Build IT International for the year ended 30 June 2011 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the statement of Trustees Responsibilities set out on page 9 the Trustees (who are the also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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; 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 exemption in preparing the Report of the Trustees.

*WMT*

Elizabeth Irvine (Senior Statutory Auditor)

9 November 2011

For and on behalf WMT

Chartered Accountants  
Statutory Auditor

Torrington House  
47 Holywell Hill  
St Albans  
Hertfordshire  
AL1 1HD

## STATEMENT OF FINANCIAL ACTIVITIES

### Incorporating an income and expenditure account

	Notes	Unrestricted funds £	Restricted income funds £	Total this year 2011 £	Total last year 2010 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	236,397	470,279	<b>706,676</b>	412,819
Investment income – interest receivable		1,295	-	<b>1,295</b>	224
<b>Incoming resources from charitable activities</b>					
Other income	3	5,264	39,170	<b>44,434</b>	6,800
		-	-	-	214
<b>Total incoming resources</b>		<b>242,956</b>	<b>509,449</b>	<b>752,405</b>	<b>420,057</b>
<b>RESOURCES EXPENDED</b>					
Cost of generating voluntary income		72,392	12,492	<b>84,884</b>	55,545
<b>Charitable activities – Africa programme</b>					
Zambia Programme		39,277	404,961	<b>444,238</b>	321,224
Consultancy		-	-	-	6,800
Governance costs		12,222	3,313	<b>15,535</b>	11,392
<b>Total resources expended</b>	7	<b>123,891</b>	<b>420,766</b>	<b>544,657</b>	<b>394,961</b>
<b>NET INCOME/ EXPENDITURE FOR THE YEAR BEFORE TRANSFERS<sup>4</sup></b>					
		119,065	88,683	<b>207,748</b>	25,096
Gross Transfers between funds	12	(52,990)	52,990	-	-
<b>NET MOVEMENT IN FUNDS</b>	4	<b>66,075</b>	<b>141,673</b>	<b>207,748</b>	<b>25,096</b>
<b>Total funds at 1 July 2010</b>		<b>183,957</b>	<b>(8,440)</b>	<b>175,517</b>	<b>150,421</b>
<b>TOTAL FUNDS AT 30 JUNE 2011</b>		<b>250,032</b>	<b>133,233</b>	<b>383,265</b>	<b>175,517</b>

Income and expenditure relate to continuing activities.

## BALANCE SHEET

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	8	20,886	5,597
<b>Total fixed assets</b>		<b>20,886</b>	<b>5,597</b>
<b>CURRENT ASSETS</b>			
Debtors	9	18,704	14,801
Cash at bank and in hand (including advances)		360,819	166,142
<b>Total current assets</b>		<b>379,523</b>	<b>180,943</b>
<b>CREDITORS:</b> amounts falling due within one year	10	<b>(17,144)</b>	<b>(11,023)</b>
<b>Net current assets</b>		<b>362,379</b>	<b>169,920</b>
<b>Net Assets</b>		<b>383,265</b>	<b>175,517</b>
<b>Funds of the Charity</b>			
Unrestricted funds		250,032	183,957
Restricted income funds	12	133,233	(8,440)
<b>Total funds</b>	13	<b>383,265</b>	<b>175,517</b>

These financial statements were approved by the Board of Directors on 4 November 2011 and signed on its behalf:



Sue Lucas  
Chair of Trustees



Robin Spencer  
Treasurer

Company registration no. 5495358  
Charity registration no. 1115989

## NOTES TO FINANCIAL STATEMENTS

### 1. Accounting policies

#### (a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Charities SORP 2005 (Accounting and Reporting by Charities) and comply with the Companies Act 2006.

#### (b) Fund accounting

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

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

#### (c) Incoming resources

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

#### (d) Resources expended

Expenditure is recognised when a liability is incurred.

Cost of generating voluntary income includes those costs incurred in attracting donations.

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

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

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

#### (e) Pension contributions

Pension costs represent payments to individual personal pension schemes of employees. Pension costs are charged to the Statement of Financial Activities in the period in which they are paid.

**(f) Tangible fixed assets**

Tangible fixed assets are shown at cost.

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

Office equipment and furniture	- 25% on cost
Motor vehicles	- 25% on cost

**(g) Irrecoverable VAT**

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

**(h) Foreign currency translation**

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

**Operating leases**

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

**2. Voluntary income**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Individuals	<b>96,372</b>	68,490
Grants from foundations and trusts and other organisations	<b>610,304</b>	344,329
	<b><u>706,676</u></b>	<u>412,819</u>

**3. Incoming resources from charitable activities**

2011 income relates to a building project and consultancy work.

#### 4. Movement in funds

	2011	2010
Net movement in funds is stated after charging:	£	£
Depreciation of tangible assets	10,048	4,131
UK auditors remuneration	4,125	2,938
The auditors were paid £353 (2010: nil) in respect of non-audit services		
Operating lease rentals – land and buildings	-	1,010

#### 5. Staff costs

	2011	2010
	£	£
Salaries and National Insurance	186,258	121,820
Pension contributions	6,975	4,404
	<b>193,233</b>	<b>126,224</b>

There were 3 part-time (2010: 4) and 8 full time (2010: 5) direct employees (i.e. excluding contract workers) giving an average number of employees in the year of 9.6 (2010: 7.6)

No employee earned in excess of £60,000 including pension contributions.

#### 6. Trustee remuneration and reimbursed expenses

A total of £3,911 (2010: £1,176) was incurred related to the expenses of three trustees. This covered the cost of two working visits to Zambia where the majority of our work is located, attending meetings of the Trustees and high value fundraising activities in the UK and Ireland.

No trustees received any remuneration in the year (2010: None).

#### 7. Allocation of resources expended

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

	Direct Costs	Support costs (including salaries)	2011	Total 2011	Total 2010	2011	2010
	£	£		£	£		
Cost of generating funds	55,308	29,576	30%	84,884	55,545	15.6%	14.1%
Charitable activities	385,086	59,152	60%	444,238	328,024	81.6%	83.0%
Governance	5,676	9,859	10%	15,535	11,392	2.8%	2.9%
	<b>446,070</b>	<b>98,587</b>	<b>100%</b>	<b>544,657</b>	<b>394,961</b>	<b>100%</b>	<b>100%</b>

#### 8. Fixed assets

	<b>Office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
Costs at 1 July 2010	5,836	10,399	16,235
Additions	7,595	17,741	25,336
Disposals	-	-	-
At 30 <sup>th</sup> June 2011	<u>13,431</u>	<u>28,140</u>	<u>41,571</u>
Depreciation at 1 July 2010	2,986	7,652	10,638
Depreciation charge for year	3,012	7,035	10,047
Disposals	-	-	-
At 30 <sup>th</sup> June 2011	<u>5,998</u>	<u>14,687</u>	<u>20,685</u>
Net book value at 30 <sup>th</sup> June 2011	<u>7,433</u>	<u>13,453</u>	<u>20,886</u>
Net book value at 30 <sup>th</sup> June 2010	<u>2,850</u>	<u>2,747</u>	<u>5,597</u>

At 30 June 2011 there were capital commitments totalling £19,790.

## 9. Debtors

	<b>2011 £</b>	<b>2010 £</b>
Gift aid	6,481	2,207
Sundry debtors and prepayments	12,223	12,594
	<u>18,704</u>	<u>14,801</u>

Prepayments include a 50% deposit on a vehicle for use in Zambia, which was delivered in July 2011.

## Creditors (amounts falling due within one year)

	<b>2011 £</b>	<b>2010 £</b>
Accrued charges – UK audit	4,125	2,938
Sundry accruals	13,019	8,085
	<u>17,144</u>	<u>11,023</u>

Sundry accruals include the Zambia audit and gratuity payments to Zambia staff (standard practice in Zambia).

## Commitments under operating leases

At 30 June 2011 the charity had no commitments under non-cancellable operating leases (2010: None).

## Analysis of restricted funds

	Balance 1.07.2010	Incoming Resources	Expenditure	Transfers from Unrestricted Funds	Balance 30.06.2011
	£	£	£	£	£
<b>Kaoma Community School</b>	(1,815)	38,570	53,113	-	<b>(16,358)</b>
<b>Nchute Health Clinic</b>	(1,390)	121,000	43,410	-	<b>76,200</b>
<b>Chibolya Community Pre-School</b>	-	20,415	18,345	-	<b>2,070</b>
<b>Twapia Secondary School</b>	-	47,029	18,141	-	<b>28,888</b>
<b>Donata School for children with disabilities</b>	12,500	37,500	14,393	-	<b>35,607</b>
<b>Zambia Programme (Other)</b>	(25,967)	172,328	178,495	37,994	<b>5,860</b>
<b>Training into Work</b>	2,989	5,000	2,355	-	<b>5,634</b>
<b>Advocacy</b>	-	-	1,469	1,469	-
<b>Other Projects</b>	-	30,000	36,760	5,650	<b>(1,110)</b>
<b>Programme Support &amp; Development Costs</b>	5,243	15,180	51,730	7,877	<b>(23,430)</b>
<b>Capital</b>	-	19,872	-	-	<b>19,872</b>
<b>UK Fundraising</b>	-	2,555	2,555	-	-
<b>Total</b>	<b>(8,440)</b>	<b>509,449</b>	<b>420,766</b>	<b>52,990</b>	<b>133,233</b>

A number of restricted funds are in deficit, and for each one actions are in place to try to eliminate the deficit. Should these actions not succeed there are sufficient funds available, including from unrestricted funds, to cover all the above deficits. Further information on specific funds is given below:

- I. actions are underway to close the deficit on the Kaoma fund by the end of the year
- II. the deficit on the other projects is expected to be covered by future donations.
- III. the deficit on the programme support & development costs relates to 2011 expenditure; this and ongoing costs are the subject of fundraising activity
- IV. the capital expenditure (Zambia) fund relates to the vehicle delivered in July 2011

See Trustees report for more details on individual projects.

## Analysis of funds

	Unrestricted funds	Restricted funds	Balance 30.06.2011
	£	£	£
<b>Fixed assets</b>	20,886	-	<b>20,886</b>
<b>Current assets</b>	236,175	143,348	<b>379,523</b>
<b>Current liabilities</b>	(7,029)	(10,115)	<b>(17,144)</b>
<b>Total</b>	<b>250,032</b>	<b>133,233</b>	<b>383,265</b>

## Taxation

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

## Grants

During the year the charity made two grants to JPM Parry & Associates Limited totalling £30,000 (2010: £Nil).

All other projects are directly managed by Build IT International.

## Assets held in trust

At 30 June 2011 Build IT International held land in Zambia in trust for PEAS (UK charity 1126550), a charity which operates schools in Africa. The purchase of the land was financed fully by PEAS whose intention is to register as an NGO in Zambia and establish a school on this land. Neither the funds to purchase the land nor the land are included in the financial statements of Build IT International.