



## **Annual Financial Statements**

31 March 2008



Company Limited by Guarantee  
Registration Number  
2447107 (England and Wales)

Charity Registration Number  
802576

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## **Trustees' Report** Year to 31 March 2008

### **Chair's introduction**

Skillshare International is an international volunteering and development organisation working to reduce poverty, injustice and inequality. Our vision is of a world where people, regardless of cultural, social and political divides, come together for mutual benefit, living in peaceful co-existence.

In 2007-8 we worked in partnership with 137 organisations in the social economy sector (87%) and public sector (13%) in Southern Africa, East Africa and Asia to build their capacity. We did this by sharing and developing skills and ideas, facilitating organisational and social change and building awareness of development issues. We offer our partners a range of different interventions to build their capacity, including development worker placements, participation in our leadership development programmes, policy and advocacy support and opportunities to network and share learning. Our partners in Africa and Asia work directly with communities to reduce poverty, injustice and inequality, and to build awareness of international development issues. 50% of our partnerships in these regions involved two or more interventions.

2007-8 was a year of significant growth for Skillshare International. Most significantly, we expanded geographically to West Africa through the Coaching for Hope programme, which became part of Skillshare International on 1st July 2007. Coaching for Hope uses the universal passion for football to raise awareness of HIV among young people and to help them develop valuable life skills. In 2007-8, through our Coaching for Hope programme, we worked with 51 civil society organisations in West and Southern Africa and six football clubs in the UK. The (English) Football Association had nominated Coaching for Hope as its international charity of the year in 2007, and in February 2008 confirmed that Coaching for Hope would have that status until 2010.

We have continued to develop a more flexible and responsive approach to meeting the needs of our partners in Africa and Asia, reflected particularly in our development worker and leadership development programmes. We have piloted online development worker placements and continued to offer consultancy style placements to our partners. We have also made significant progress in building and expanding our leadership development activities in Southern Africa, East Africa and Asia, the majority of which were bespoke workshops tailored to specific sectors in 2007-8.

We have been successful in securing resources in an increasingly competitive external environment and in 2007-8 continued to support our partners by accessing project funding from donors including the EU, Irish Aid, Big Lottery and Comic Relief. We completed a review of our partnership programme agreement with DFID and negotiated a new three-year agreement to 2011. We also secured a funding agreement with DFID in India to support our partners to work with vulnerable tribal and forest-dwelling communities.

## **Trustees' Report** Year to 31 March 2008

### **Chair's introduction** (continued)

Throughout the year we strengthened our own capacity and that of our partners in Africa and Asia to engage in policy debates and influence policy makers. I would particularly like to highlight the work to address the abuse of women and children in Southern Africa. In the UK we have continued to work with networks, other development organisations, campaigning alliances and educational bodies involved in development awareness.

We enabled partners in Southern Africa, East Africa and Asia to share learning through stakeholder workshops, networking and learning events which focused on gender-based violence, crafts trade, HIV and AIDS, and disability.

In 2007-8 we developed our innovative work with the Tribal Group Foundation and continued to manage Australian Volunteers International's international volunteering programme in Southern Africa. Through the Integrating Development and Conflict Transformation programme, we strengthened our partnership with Responding to Conflict.

In order to demonstrate the benefit of our work, this trustees' report outlines our key achievements against what we said we would do in last year's report and states our priorities for 2008-9. In producing this report, Skillshare International's Board of Trustees can confirm that they have paid regard to Charity Commission guidance on public benefit.

On behalf of the Skillshare International Board of Trustees, I would like to acknowledge and celebrate the contributions and efforts of everyone connected to Skillshare International in 2007-8 including our staff, international volunteers, partner organisations, donors, trustees in India and Ireland, programme advisory committees in Southern Africa and the many individuals who have supported us both financially and by sharing their time and skills.



Wendy Tabuteau

Chair of the Board of Trustees

## **Trustees' Report** Year to 31 March 2008

### **Organisational change and development**

#### **We said we would expand our programmes to Ethiopia and Zimbabwe.**

Skillshare International worked with regional and international partners to hold a regional workshop on gender-based violence in Southern Africa in 2007-8, engaging 24 participants from the region including Zimbabwe. We also ran a series of leadership development workshops in Ethiopia, in partnership with Leicester University.

#### **We said we would increase our development worker programme to 77 and develop new models of international volunteering.**

This year we have continued to respond to the needs of our partner organisations by adopting new models of international volunteering. In Nepal, we placed a development worker to support three partner organisations, providing them with an opportunity to share learning and best practice. We also placed two consultants from the Tribal Group on short-term secondments with our partner organisations in Nepal and Botswana and facilitated an online placement with one of our partners in Tanzania.

Through our new Coaching for Hope programme, which uses football to develop valuable life skills and raise awareness of HIV, 17 football coaches including England women's manager Hope Powell shared their skills with 180 local coaches and over 5,000 young people on short-term placements in Burkina Faso, Mali and South Africa.

99 Skillshare International development workers supported our partners in East Africa, Southern Africa and Asia throughout the year, with 66 in place at the end of the year. Of these, 44 were funded from unrestricted core funds and 22 were funded through projects, meaning they were contingent on achieving funding for those projects.

In 2007-8, 83% of our development worker placements were in the four priority sectors which we identified in our 2005-10 Corporate Strategy: health (31%), education (12%), environment (10%) and economic empowerment (30%). The remaining 17% supported partners working on issues such as peace building, human rights and gender based violence. 85% of our development worker placements were the traditional two-year model in 2007-8, while 10% were one-year placements.

#### **We said we would expand our leadership development programmes.**

Our leadership development programmes continued to grow in 2007-8 as a result of a dedicated staff position and the development of a business plan. Over 170 leaders from our partner organisations in Africa and Asia participated in our workshops in 2007-8, a significant increase on the previous year.

In 2007-8 we ran a series of four bespoke workshops for the disability sector in Lesotho as part of our EU-funded disability project. The programme brought together disability representative organisations, service providers and government department representatives to build a shared vision for the sector, to strengthen relationships between leaders across the sector and to develop leadership skills.

## **Trustees' Report** Year to 31 March 2008

### **Organisational change and development (continued)**

Building on the success of our Special Studies Module on Global Health and Development which we developed and delivered in partnership with Leicester University's medical school, in 2007-8 we delivered a series of three workshops and completed a diagnostic visit at Gondar University in Ethiopia. Thirty members of the university's leadership team participated in our workshops in 2007-8, which we facilitated with lecturers from Leicester University.

Working with Canadian Crossroads International, we held a five-day workshop for 25 leaders of organisations which address gender-based violence from Botswana, Lesotho, Namibia, Zimbabwe, South Africa, Swaziland and Mozambique.

We delivered a series of three workshops for 20 participants from community-based organisations, vocational training centres and other NGOs in Botswana as part of our rural livelihoods programme, which is funded by the EU.

We also held two four-day workshops in Kenya and Nepal for 25 leaders of community-based organisations, NGOs and government departments.

### **Supporting social change**

Through our development awareness programme, we are continuing to successfully contribute to global awareness and learning of development in the health and education sectors.

In 2007-8 we conducted an evaluation of five years of running the Special Studies Module on Global Health and Development for medical students at the University of Leicester. We continue to run this programme in partnership with the medical schools in Leicester and Nottingham.

We played a lead role in the Best Practice Network for Global Health Education, hosted the manager of the East Midlands Network for Global Perspectives in Schools and contributed to the establishment of the East Midlands Education for Sustainable Development Group (EMESDG).

Working in partnership with Playing for Success, our Coaching for Hope programme has successfully rolled out a development awareness module to young people aged 8-14 at schools and education centres in Hull and east Yorkshire. The Coaching for Hope curriculum was aligned with the national curriculum to deliver relevant lessons to key stage 2 and 3 pupils.

We continue to build our own capacity and that of our partners in Africa and Asia to engage in policy intervention. In 2007-8, we organised a meeting of NGOs in the UK with the COMESA (Common Market for Eastern and Southern Africa) Secretariat staff and members of the COMESA Council of Ministers in London. The aim was to create a forum to discuss the progress on EPAs (Economic Partnership Agreements) as COMESA has been leading the negotiations for East and Southern Africa.

## **Trustees' Report** Year to 31 March 2008

### **Organisational change and development (continued)**

#### **Supporting social change (continued)**

In Swaziland, we engaged in a huge civic education campaign on CEDAW (the Convention on the Elimination of all forms of Discrimination Against Women).

**We said we would develop policy statements on our sectors (health, education, environment, economic empowerment) and themes (HIV and AIDS, gender, human rights, peace building).**

In 2007-8 we developed draft statements on gender, HIV and peace building. We plan to implement all three policy statements and develop a statement on human rights in 2008-9.

**We said we would develop and implement a supporter strategy, resulting in supporter activities in all regions.**

In 2007-8 we developed a new strategy for working with our supporters. This new approach enables us to bring together the different ways in which we can engage our supporters under a common and coherent framework.

#### **Improving our effectiveness**

In order to improve our own effectiveness, we said we would:

##### **Mainstream our understanding of social change.**

In 2007-8 we produced a paper on mainstreaming our understanding of social change, providing us with a solid framework for achieving this aim by the end of the current corporate strategy period in 2010.

##### **Drive forward our transformation strategy.**

In 2007-8 we made significant progress in this area. Skillshare International's leadership team continued a learning programme and developed a strategy map, which maps how we will achieve our strategic change objectives in 2008-2010. This new model is being implemented from April 2008.

##### **Implement the outcomes of our governance review.**

Our Board of Trustees agreed proposals to expand membership of the Board. The new governance framework will ensure that the Skillshare International Board better reflects the regions in which we work. The Boards of Skillshare International Ireland and of the Skillshare International India Trust have been invited to nominate people to join the Skillshare International Board, and they are expected to do so in 2008-9. We have agreed to hold a regional conference in Southern Africa in November 2008, which will facilitate nominations from the region to the Skillshare International Board.

## **Trustees' Report** Year to 31 March 2008

### **Organisational change and development** (continued)

#### **Improving our effectiveness** (continued)

##### **Introduce performance management systems across the organisation.**

We reviewed and developed our performance management system for individuals in 2007 and completed the first round of individual annual appraisals under the new system. Quarterly reviews have been put in place and, building on this model, we are now working on developing performance management systems at the team level.

##### **Improve our monitoring and evaluation systems and carry out a mid-term review of our 2005-10 Corporate Strategy, to identify in which areas we are succeeding and what we need to do differently.**

We successfully completed the mid-term review of our 2005-10 Corporate Strategy. The review process was participatory and learning focused and we identified important key learning points. We published a summary report on our website in March 2008. We also completed the mid-term review of our partnership programme agreement with DFID and agreed the monitoring framework for the next phase of the agreement.

##### **Achieve unrestricted income above £2.76 million and restricted income above £1.365 million.**

In 2007-8 we generated a total income of £4.96 million and secured a new three-year strategic agreement with DFID. We successfully secured direct financial resources for our partners in Southern Africa, East Africa and Asia. In total, we were able to extend this support to 24 partner organisations and secure over £3 million to support our partners and their activities over the next five years.

In Asia, we secured a five-year agreement with DFID in India for over £800,000 which will fund 14 partner organisations and four development workers to work with vulnerable tribal communities in India.

In East Africa, we successfully gained resources from the EU and Comic Relief to support the Rainwater Harvesting project and the Youth Leading Change in Nairobi's Urban Slums project, both working with partner organisations in Kenya.

In Southern Africa we secured multi-year funding from the EU, Irish Aid and the Big Lottery for projects which will: challenge abuse of women and children in Botswana; build the capacity of the fisheries sector in Mozambique; support sustainable livelihoods in Namibia; and prevent gender-based violence in Swaziland.

##### **In our 2005-10 Corporate Strategy, we said we would invest in the development of all employees, trustees and others involved in the governance, management or delivery of our programmes.**

A key improvement in 2007-8 was the development of an organisation-wide plan for learning and training. We also carried out a skills audit of the Board of Trustees, in preparation for recruitment of new trustees.



## **Trustees' Report** Year to 31 March 2008

### **Looking forward**

On the basis of our new partnership programme agreement with DFID to 2011, we expect our activities and work to continue to grow. We look forward to consolidating and developing our relationships with other organisations including Irish Aid, Australian Volunteers International and the Big Lottery, with whom we are working on the second stage of a strategic grant application. Specifically in 2008-9 we will:

- ◆ Increase our long-term development worker programme by 15% on 2007-8, to 76
- ◆ Run open leadership development programmes in East Africa and Asia
- ◆ Run bespoke organisation-focused leadership development workshop in Southern Africa
- ◆ Expand our Coaching for Hope programme in Southern Africa
- ◆ Increase direct financial resources to partners by 17% on 2007-8
- ◆ Pilot policy engagement workshops with partners
- ◆ Implement new monitoring and feedback systems for partner organisations and development workers
- ◆ Maintain our development awareness and public engagement programmes
- ◆ Implement policies and develop mainstreaming strategies for all themes (HIV and AIDS, gender, human rights, peace building)
- ◆ Develop policy statements on our sectors (health, education, environment, economic empowerment)
- ◆ Develop our approach to marketing Skillshare International
- ◆ Expand our Board of Trustees and hold a regional governance conference in Southern Africa
- ◆ Develop and implement performance management systems for teams and individuals
- ◆ Achieve unrestricted income of £3.07 million and restricted income of £2.36 million

## **Trustees' Report** Year to 31 March 2008

Governance, structure and management

Reference and administrative information

<b>Patrons</b>	Richard E Grant Sir Trevor McDonald OBE
<b>Vice Presidents</b>	Bill Morris Richard Caborn MP
<b>Trustees</b>	Roger Blake John Hoffman Kumba Jallow Fred Mear Sarah Nancollas Nita Odedra (to 18 September 2008) Wendy Tabuteau Gill Taylor Diana Tottle (to 23 January 2008) Andrew Wynne
<b>Chief Executive Officer and company secretary</b>	Cliff Allum
<b>Registered office</b>	126 New Walk Leicester LE1 7JA
<b>Website</b>	<a href="http://www.skillshare.org">www.skillshare.org</a> <a href="http://www.coachingforhope.org">www.coachingforhope.org</a>

**Trustees' Report** Year to 31 March 2008

Governance, structure and management (continued)

Reference and administrative information (continued)

**Company registration number** 2447107

**Charity registration number** 802576

**Auditors** Buzzacott LLP  
12 New Fetter Lane  
London  
EC4A 1AG

**Bankers** Lloyds TSB Bank plc  
7 High Street  
Leicester  
LE1 9FS

**Financial advisers** Lloyds TSB Private Banking Limited  
Butt Dyke House  
33 Park Row  
Nottingham  
NG1 6GY

**Solicitors** Harvey Ingram Owston  
20 New Walk  
Leicester  
LE1 6TX

**Governance, structure and management** (continued)

Skillshare International is a company limited by guarantee, incorporated under the Companies Act 1985. It is also a registered charity. It is incorporated under the terms of a Memorandum and Articles of Association.

The business of the charity is managed by a board of trustees who are the directors of the company. The charity does not have share capital and is limited by guarantee. Each trustee is a member of the charity and in the event of the charity being wound up, is liable to contribute a maximum of £1.

The Memorandum of Association states that the charity is established to relieve poverty, distress and sickness and to advance education in all parts of the world (and particularly in Southern Africa).

The principal activity of Skillshare International is to reduce poverty, injustice and inequality and to further economic and social development in partnership with people and communities throughout the world. Skillshare International does this by sharing and developing skills and ideas, facilitating organisational and social change and building awareness of development issues.

Skillshare International has three subsidiary companies:

- ❖ Skillshare South Africa, registered in South Africa as a Section 21 Company, number 2000/005113/08. The principal activity of this company is to carry out the activities of Skillshare International within South Africa.
- ❖ Skillshare International (Ireland) registered in Ireland as a company limited by guarantee, number 366991. The principal activity of this company is to relieve poverty, distress and sickness and to advance education in all parts of the world through international development.
- ❖ Action Health, registered in Great Britain as a company limited by guarantee, number 3444392. Action Health was dormant during the year.

The South Africa and Ireland operations are constituted as subsidiary companies limited by guarantee; the other offices are branches of the main charity.

Skillshare International has registered a trust in Kenya, the Skillshare International Trust. The principal objects of this trust are to work for sustainable development with the people and communities of East Africa. There has been no activity through this entity.

Skillshare International also has an associated trust, Skillshare International (India) Trust, the principal objects of which are to fight against social inequality, relieve poverty distress and sickness and fight against disease. This trust is not consolidated within the results of Skillshare International. During the year the income of this trust was approximately £300.

**Governance, structure and management (continued)**

The Board of Trustees is responsible for the governance of the charity. Four members of the Board are elected by the members of the charity. The board is empowered to co-opt up to ten other trustees. Trustees may be removed by ordinary resolution of the charity. In addition, the board is empowered to remove a co-opted trustee at any time.

Vacancies on the Board are advertised externally. Applicants undergo a selection process to evaluate the contribution they could make against the needs of the board at the time. New trustees participate in an induction programme covering their responsibilities as trustees and an introduction to the organisation and activities of Skillshare International. There is also a programme of familiarisation, which enables one or two trustees each year to view programmes in countries in which the charity operates. Constant regard is had to the skills mix of the trustees to develop training initiatives to ensure that the board of trustees has all the necessary skills required to contribute fully to the charity's development. There is also an annual training programme for trustees.

The following trustees were in office at 31 March 2008 and served throughout the year, except where shown.

Trustee	Appointed / Resigned
Roger Blake	
John Hoffman	<i>H</i>
Kumba Jallow	<i>F</i>
Fred Mear	<i>F</i>
Sarah Nancollas	<i>H</i>
Nita Odedra	<i>F</i>
Wendy Tabuteau	
Gill Taylor	<i>H</i>
Diana Tottle	Resigned 23 January 2008 <i>H</i>
Andrew Wynne	<i>F</i>
<i>F = members of the Finance Committee</i>	
<i>H = members of the Human Resources and Organisational Development Committee</i>	

The Board operates two sub-committees in order to facilitate its business:

- ✦ Finance; and Human Resources and Organisational Development.

Each trustee participates in one or both of the board sub-committees or in working groups, which are established from time to time.

The Board delegates day to day management of the charity to the Chief Executive, who is supported by a leadership team responsible for four principal activities:

- ✦ International programmes;
- ✦ External relations;
- ✦ Organisational effectiveness; and
- ✦ Corporate development.

**Governance, structure and management** (continued)

During the year, Skillshare International employed staff in offices in Botswana, Burkina Faso, India, Ireland, Kenya, Lesotho, Mali, Mozambique, South Africa, Swaziland, Tanzania and the UK to manage this work, a significant part of which is the engagement and support of development workers who share skills with people in Africa and Asia. There is also a UK supporters' association.

Senior executives (at 31 March 2008)

<b>Name</b>	<b>Position</b>
Cliff Allum	Chief Executive Officer
Tiny Healy	Regional Director (Southern Africa)
Julie George	Regional Director (Asia)
Fran Flood	Director Skillshare International Ireland
Amanda Khozi Mukwashi	Head of External Relations
Luis Silva	Head of International Programmes
Jane Carter	Director – Coaching for Hope programme
Rachel Haynes	Head of Resources and Systems
Angus Walker	Head of Finance and Support Services
Jessica Lowe	Head of Communications
Jake Bharier	Strategic Adviser

**Statement of trustees' responsibilities**

Company law requires the trustees to prepare financial statements which give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In preparing financial statements giving a true and fair view, the trustees 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; and
- ⇒ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

This report and financial statements are posted on the charity's website. Every reasonable measure is taken to ensure that the report and financial statements are unaltered. The trustees are responsible for the maintenance and integrity of the financial statements presented on the charity website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from that of the place in which these financial statements are viewed

Each of the trustees confirms that:

- ⇒ so far as he or she is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- ⇒ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

### **Risk management**

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The principal external risks faced by Skillshare International are the unforeseen collapse of the income base, and political unrest or natural disaster in the countries of operation.

In respect of the first, Skillshare International has a Programme Partnership Agreement (PPA) with its principal funder, the Department for International Development. An agreement was signed by both parties in February 2005 for six years from 1 April 2005. Funding for the remaining period of the agreement was negotiated during this financial year and a total of £7.48 million has been agreed for the period from 1 April 2008 to 31 March 2011.

Skillshare International carries out development work contingent on funding being agreed in advance by donors. The trustees therefore consider the risk of collapse of the income base to be low. Where donors require matching resources trustees ensure that there are sufficient resources to meet such requirements.

In respect of political unrest or natural disaster, as indicated in the section of this report on reserves, the trustees aim to maintain reserves sufficient to enable the organisation to respond to political or natural emergencies.

The trustees believe that the established system of management, through governance, accounting and other internal controls, supported by financial regulations, minimises the risks identified to an acceptable degree.

### Financial review

Total incoming resources have increased from £4.65 million to £4.96 million. The increased income has enabled an increase in all our programmes on a consistent basis with the previous year. The increase exceeds our 5-year business planning targets and has arisen for two main reasons:

- The increase in restricted funding of projects with partner organisations particularly from the European Union and Irish Aid
- The transfer during the year of the Coaching for Hope Programme from International Service, a fellow international development charity

The PPA grant from DFID is essential for our core programmes and developmental work; this grant of £2.35 million has enabled us to raise an additional £3 million. Our aim over the last ten years has been to increase the proportion of our income from sources other than the grant from DFID. The grant now represents 47.4% of our total income, compared with 50.1% in 2006 – 2007, and 87% in 1997 - 1998.

The net incoming unrestricted resources are lower than last year for three main reasons:

- The DFID PPA grant had been fixed at the same level for three years whilst activity levels have increased
- Trustees invested additional staffing resources to generate more funding in the medium term
- The transfer of Coaching for Hope required non-recurrent setting up costs to establish facilities in the UK and West Africa

There has been a small reduction in the value of the investments of £13k although they are still at a greater value than their original cost.

Restricted income now represents 42% of total income.

In order to meet programme costs the capital expenditure was kept to essential levels although, with the real costs of technology reducing, some replacements have been met out of operational expenditure.

Cash balances had increased through the increase and timing of restricted grants. Where allowable, cash resources are maintained in interest bearing accounts; some donors require funds to be held in separate non-interest bearing accounts or for interest to be deducted from grants payable.

Voluntary income increased primarily through support generated for Coaching for Hope, the resources raised through the Tribal Foundation and a significant legacy.

Gifts in kind are important throughout our work. Specific ongoing support is identified in the notes to the accounts but none are reflected in the financial statements.



**Reserves policy**

The trustees have agreed that Skillshare International should aim to maintain sufficient reserves primarily to:

- ◆ ensure adequate working capital;
- ◆ meet capital expenditure needs for the year ahead;
- ◆ be able to respond to political or natural emergencies in the countries in which we work; and
- ◆ provide underlying financial stability and resources for newer opportunities.

The agreed guideline for sufficiency of reserves is for the value of unrestricted funds to be in the range of 15% to 25% of annual expenditure from unrestricted funds. The unrestricted funds, as indicated in the accompanying financial statements (and including fixed assets), are currently 22% (2007 – 22%) of planned annual expenditure from unrestricted funds. The designated fund held by the charity represents the net book value of the tangible fixed assets used for charitable purposes and therefore under the SORP guidelines, the free reserves of the charity are £407,000 (2006 – £243,000).

**Investment policy**

The trustees are empowered by the Memorandum of Association to invest the monies of the charity not immediately required for its objects in such investments, securities or property as may be thought fit.

Part of the reserve is invested. The charity's investment policy is to aim for medium term capital growth in funds at relatively low risk, and where possible, through the application of an ethical investment policy, although the modest scale of the portfolio gives very little scope for this. This policy is achieved at present, on the basis of professional advice, by investment in government securities and unit trusts. In line with overall market trends the unrealised market value of the invested funds has reduced by 7% during the year (2007: increase 7%).

**Supporters and contributors**

The trustees would like to thank all the organisations and individuals who have provided financial resources for our work and without whom our activities would not be possible. A list of our major funders can be found in Skillshare International's Annual Review 2007-2008 available on our website [www.skillshare.org](http://www.skillshare.org) or from the UK office.

The trustees would also like to acknowledge the great contribution made by everybody connected with Skillshare International, including staff, development workers, health trainers, programme partners, our Programme Advisory Committee members in Southern Africa and the many who support us individually, either financially or through the provision of their time and skills.

Approved by the trustees and signed on their behalf by:

Chair *Wendy Oubutean*

Date *13/10/08*

**Report of the independent auditors to the members of Skillshare International**

We have audited the financial statements on pages 18 to 37 which have been prepared under the historical cost convention, as modified by the revaluation of investments, and the accounting policies set out on pages 20 and 22.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As described on page 12 the trustees, who are also the directors of Skillshare International for the purposes of company law, are responsible for the preparation of the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the trustees' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

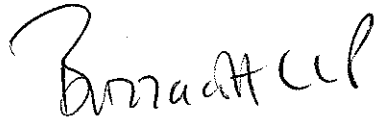
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements:

- ◆ give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the group and the charitable company's state of affairs as at 31 March 2008 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended;
- ◆ have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information in the trustees' report is consistent with the financial statements.



Buzzacott LLP  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

23 October 2008

**Consolidated statement of financial activities (incorporating the Income and Expenditure Account)** Year to 31 March 2008

	Notes	Unrestricted funds £000s	Restricted funds £000s	Continuing activities	
				2008 Total funds £000s	2007 Total funds £000s
<b>Income and expenditure</b>					
Incoming resources from generated funds:					
. Voluntary income	1	2,470	122	2,592	2,429
. Investment income		20	-	20	22
Charitable activities					
. Development worker programme	2	111	-	111	91
. Other programmes		125	1,796	1,921	1,854
. Policy and advocacy		23	165	188	213
Other incoming resources		128	-	128	43
<b>Total incoming resources</b>		<b>2,877</b>	<b>2,083</b>	<b>4,960</b>	<b>4,652</b>
<b>Resources expended</b>					
Cost of generating funds					
. Fundraising costs		12	-	12	42
. Investment management costs	3	3	-	3	3
Charitable activities					
. Development worker programme	4	1,604	174	1,778	1,548
. Other programmes		815	1,609	2,424	2,082
. Policy and advocacy		262	315	577	577
Governance costs	5	110	40	150	75
Other resources expended		-	-	-	23
<b>Total resources expended</b>		<b>2,806</b>	<b>2,138</b>	<b>4,944</b>	<b>4,350</b>
<b>Net income for the year before transfers</b>	6	71	(55)	16	302
Gross transfers between funds	14	24	(24)	-	-
<b>Net income for the year before other recognised gains and losses</b>		95	(79)	16	302
Unrealised gains and losses on investments	10	(13)	-	(13)	8
<b>Net movement in funds</b>		82	(79)	3	310
<b>Fund balances brought forward at 1 April 2007</b>		536	724	1,260	950
<b>Fund balances carried forward at 31 March 2008</b>		618	645	1,263	1,260

There are no other gains and losses other than those included above and therefore no separate statement of recognised gains and losses has been prepared.

**Balance sheets** 31 March 2008

	Notes	Consolidated		Charity	
		2008 £000s	2007 £000s	2008 £000s	2007 £000s
<b>Fixed assets</b>					
Tangible assets	9	211	293	208	291
Investments	10	197	204	197	204
		<b>408</b>	497	<b>405</b>	495
<b>Current assets</b>					
Debtors	11	310	283	189	272
Cash at bank and in hand		777	655	682	417
		<b>1,087</b>	938	<b>871</b>	689
<b>Creditors:</b> amounts falling due within one year	12	<b>(232)</b>	(175)	<b>(227)</b>	(171)
<b>Net current assets</b>		<b>855</b>	763	<b>644</b>	518
<b>Total net assets</b>		<b>1,263</b>	1,260	<b>1,049</b>	1,013
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<b>Income funds:</b>					
Restricted funds	14	645	724	515	594
Unrestricted funds	13				
. General fund		407	243	326	128
. Fund representing tangible fixed assets		211	293	208	291
		<b>1,263</b>	1,260	<b>1,049</b>	1,013

Approved by the trustees  
and signed on their behalf by:

Trustee 

Approved on: 13/10/08

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the requirements of the Companies Act 1985. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

**Basis of consolidation**

The consolidated statement of financial activities (SOFA) and consolidated balance sheet combine the financial statements of Skillshare International and its subsidiary companies Skillshare South Africa and Skillshare International (Ireland) at 31 March. Branches of Skillshare International not established as autonomous legal entities are included within the financial statements of the charity itself.

The charity has availed itself of Paragraph 3(3) of schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for Skillshare International alone as permitted by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

**Incoming resources**

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as income from charitable activities where these support specific activities, but as voluntary income where the money is provided with greater freedom of use, for example as general programme funding.

Legacies are included in the statement of financial activities when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Where the charity makes payments to cover costs jointly incurred with partners, reimbursements by partners are offset against the relevant expenditure and not included as income.

**Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and includes applicable VAT which cannot be recovered.

**The Resources expended and the basis of apportioning costs** (continued)

The expenditure headings comprise direct expenditure including staff costs attributable to the activity. Where costs cannot be directly attributed they have been allocated on a basis consistent with the use of resources.

Cost of generating funds comprises investment managers' fees and staff costs relating to fundraising initiatives. Cost of charitable activities comprises direct costs of the volunteer development worker programmes, other programmes in the South and policy and advocacy work in the UK; and support costs which consist of the costs of Skillshare offices around the world and the UK-based international programme department. Governance costs include costs relating to management of the charity's assets, organisational strategic management and compliance with constitutional and statutory requirements.

**Gifts in kind**

Gifts in kind are disclosed in note 1 and are not included in the financial statements.

**Tangible fixed assets**

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

a. Functional freehold property

Freehold properties used for the direct charitable work of the charity are included in these financial statements at cost at the date of acquisition together with the cost of additions and improvements to date.

Functional freehold properties are depreciated at a rate of 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity.

b. Other tangible fixed assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

◆ Fixtures, fittings and equipment	10-25% per annum based on cost
◆ Computers	33.3% per annum based on cost
◆ Motor vehicles	25% per annum based on cost
◆ Improvements to leasehold property	10% per annum based on cost

**Fixed asset investments**

Fixed asset investments are included in the financial statements at their market value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

**Fund accounting**

Restricted funds comprise monies raised for, or which have their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Funds representing the net book value of the tangible fixed assets held for charitable use are analysed separately.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

**Cash flow**

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the mid-month rate of exchange at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

**Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

The interest element of rental obligations is charged to the statement of financial activities over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

**Pension costs**

The charity contributes to employees' personal pension schemes. Contributions are accounted for when payable.



1 Voluntary income

	Unrestricted funds £000s	Restricted funds £000s	2008 Total funds £000s	2007 Total funds £000s
Donations and legacies	120	122	242	79
<b>Government grants</b>				
UK government grants				
Department for International Development Programme Partnership Agreement (PPA)	2,350	-	2,350	2,350
<b>Total</b>	<b>2,470</b>	<b>122</b>	<b>2,592</b>	<b>2,429</b>

Gifts in kind

In addition to the monetary donations above, the charity has received the following gifts in kind during the year, the value of which is not included in these financial statements as they are not material.

	Approximate annual value	
	2008 £000s	2007 £000s
Rent-free office premises from the government of Botswana	6	6
Rent-free office premises from the government of Lesotho	9	9
Consultant from Tribal Foundation	15	9

Our partner organisations in Africa and India also provide housing and other support for our development workers.

2 Incoming resources from charitable activities

	Unrestricted funds £000s	Restricted funds £000s	2008 Total funds £000s	2007 Total funds £000s
<u>UK government grants</u>				
Department for International Development				
. Regional Strategy for East Midlands	-	160	160	165
. Integrating Development to Conflict Transformation	-	349	349	500
<u>Non-UK government grants</u>				
European Union	-	391	391	240
Ireland, Irish Aid	111	379	490	289
<b>Other institutional grants</b>				
<u>UK institutional grants</u>				
Big Lottery Fund	-	207	207	131
Comic Relief	-	220	220	237
Elton John AIDS Foundation	-	-	-	70
Christian Aid	-	-	-	308
<u>Other UK grants</u>				
East Midlands Network for Global Perspectives in Schools (EMNGPS)	-	5	5	17
Development Education	23	-	23	31
Coaching for Hope	-	67	67	-
Rufford	-	16	16	-
Allen	-	12	12	-
<u>Non-UK institutional grants</u>				
United States, USAID	-	31	31	-
Botswana, US Ambassador Fund	-	11	11	16
Lesotho, Global Fund	-	21	21	-
South Africa - South Africa Trust	-	22	22	-
Canada - CCI	-	50	50	-
Australian Volunteer International	125	-	125	123
Other grants under £10,000	-	20	20	31
	259	1,961	2,220	2,158
<b>Income by charitable activities</b>				
International programmes				
. Development worker programme	111	-	111	91
. Other programmes	125	1,796	1,921	1,854
Policy and advocacy	23	165	188	213
	259	1,961	2,220	2,158

**3 Investment management costs**

	Unrestricted funds £000s	Restricted funds £000s	2008 Total funds £000s	2007 Total funds £000s
Investment managers' fees	3	-	3	3

**4 Charitable activities**

	Unrestricted funds £000s	Restricted funds £000s	2008 Total funds £000s	2007 Total funds £000s
International programmes				
· Development worker programme	1,604	174	1,778	1,548
· Other programmes	815	1,609	2,424	2,082
Policy and advocacy	262	315	577	577
<b>Total</b>	<b>2,681</b>	<b>2,098</b>	<b>4,779</b>	<b>4,207</b>

<b>Breakdown of costs</b>	Partnership funding £000s	Volunteer allowances £000s	Direct staff costs £000s	Other direct costs £000s	Support costs £000s	Total 2008 £000s	Total 2007 £000s
International programmes							
· Development worker programme	-	652	343	-	783	1,778	1,548
· Other programmes	1,660	-	125	1	638	2,424	2,082
Policy and advocacy	-	-	152	148	276	576	577
<b>Total</b>	<b>1,660</b>	<b>652</b>	<b>620</b>	<b>149</b>	<b>1,697</b>	<b>4,778</b>	<b>4,207</b>

<b>Breakdown of support costs</b>	Office costs £000s	Premises costs £000s	Financial costs £000s	Indirect staff costs £000s	Other costs £000s	Total 2008 £000s	Total 2007 £000s
International programmes							
· Development worker programme	110	115	8	442	108	783	719
· Other programmes	87	91	6	348	106	638	577
Policy and advocacy	38	39	3	150	46	276	246
<b>Total</b>	<b>235</b>	<b>245</b>	<b>17</b>	<b>940</b>	<b>260</b>	<b>1,697</b>	<b>1,542</b>

**Basis for support costs allocation**

Support costs are allocated to the three main activities of the organisation. The allocation across activities is based on identifiable costs directly linked to the activities and the amount of time spent by non-direct staff as estimated by the managers of these staff. Premises costs are allocated based on non-direct staff usage.

**5 Governance costs**

	Unrestricted funds £000s	Restricted funds £000s	2008 Total funds £000s	2007 Total funds £000s
Meeting expenses	15	-	15	12
Legal and professional fees	51	40	91	7
Audit fees	44	-	44	56
	110	40	150	75

**6 Net income before transfers**

This is stated after charging:

	<b>2008 Total funds £000s</b>	2007 Total funds £000s
Staff costs (note 7)	<b>1,492</b>	1,278
UK auditors' remuneration		
· Statutory audit services – 2008 audit	<b>20</b>	—
· Statutory audit services – 2007 audit	<b>7</b>	13
· Statutory audit services – 2006 audit	-	6
Overseas auditors' remuneration	<b>17</b>	37
Depreciation	<b>59</b>	86
Operating lease rentals	<b>60</b>	56

**7 Employees and staff costs**

Staff costs during the year were as follows:

	Staff based in UK & Ireland £000s	Staff based in Africa & Asia £000s	<b>2008 Total £000s</b>	2007 Total £000s
Wages and salaries	841	455	<b>1,296</b>	1,096
Social security costs	84	3	<b>87</b>	112
Other pension costs	72	37	<b>109</b>	70
	<b>997</b>	<b>495</b>	<b>1,492</b>	<b>1,278</b>

The average number of employees during the year, analysed by function, was as follows:

	Full time equivalent	
	<b>2008</b>	2007
International programmes		
· Development worker programme	<b>44.5</b>	45.5
· Other programmes	<b>16.0</b>	11.0
Policy and advocacy	<b>4.0</b>	4.0
Governance	<b>0.5</b>	0.5
	<b>65.0</b>	61.0

One employee earned between £60,000 - £70,000 per annum during the year, including taxable benefits but excluding employer pension contributions (2007 - 1). Employer contributions to a money purchase scheme in respect of the relevant employee during the year amounted to £6,190 (2007 - £5,908).

None of the trustees received any remuneration in respect of their services during the year (2007 - £nil).

During the year, out of pocket travelling expenses amounting to £884 (2007 - £1,124) were reimbursed to 7 (2007 - 6) trustees.

**8 Taxation**

Skillshare 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.

**9 Tangible fixed assets**

Group	Freehold land and buildings £000s	Leasehold improvements £000s	Fixtures, fittings and equipment £000s	Motor vehicles £000s	Computers £000s	Total £000s
<b>Cost</b>						
At 1 April 2007	101	83	74	228	292	778
Additions	-	17	1	24	5	47
Disposals	(17)	(44)	(36)	(21)	(173)	(291)
At 31 March 2008	84	56	39	231	124	534
<b>Depreciation</b>						
At 1 April 2007	21	34	66	121	243	485
On disposals	(2)	(11)	(30)	(13)	(171)	(227)
Charge for year	2	3	1	39	20	65
At 31 March 2008	21	26	37	147	92	323
<b>Net book values</b>						
At 31 March 2008	63	30	2	84	32	211
At 31 March 2007	80	49	8	107	49	293

Charity	Freehold land and buildings £000s	Leasehold improvements £000s	Fixtures, fittings and equipment £000s	Motor vehicles £000s	Computers £000s	Total £000s
<b>Cost</b>						
At 1 April 2007	101	83	72	228	290	774
Additions	-	17	1	24	5	47
Disposals	(17)	(44)	(36)	(21)	(173)	(291)
At 31 March 2008	84	56	37	231	122	530
<b>Depreciation</b>						
At 1 April 2007	21	34	64	121	242	482
On disposals	(2)	(11)	(28)	(11)	(173)	(225)
Charge for year	2	3	1	39	20	65
At 31 March 2008	21	26	37	149	89	322
<b>Net book values</b>						
At 31 March 2008	63	30	-	82	33	208
At 31 March 2007	80	49	8	106	48	291

10 Fixed asset investments

Group and charity	2008 £000s	2007 £000s
<b>Listed investments</b>		
Cost at 1 April 2007	200	183
Additions at cost	16	39
Disposals at market value (proceeds: £36)	(36)	(30)
Net unrealised investment losses and gains	(13)	8
Market value at 31 March 2007	167	200
<b>Cash held by investment managers for re-investment</b>	<b>30</b>	<b>4</b>
	<b>197</b>	<b>204</b>
Historic cost of listed investments at 31 March 2008	156	174

All listed investments were dealt with on a recognised stock exchange.

Listed investments held at 31 March 2008 comprised the following:

Group and charity	2008 £000s	2007 £000s
Fixed interest government stock	71	76
UK listed unit trusts	87	115
International unit trusts	9	9
	<b>167</b>	<b>200</b>

The following investments constituted a material part of the portfolio at 31 March 2008.

Holding	Market value of holding £000s	% of total portfolio
<b>Fixed interest</b>		
Treasury 2.5% 2011	22	13%
Treasury 2.5% 2009	21	13%
Treasury 5% 2012	9	5%
Treasury 4.75% 2015	5	3%
Treasury 2.5% 2013	14	8%
	<b>71</b>	<b>42%</b>
<b>UK unit trusts/OEICS</b>		
Jupiter UT Managers Income Trust	10	6%
Merrill Lynch Fund Managers UK Income Fund	24	14%
Newton Fund Managers Higher Income	25	15%
Jupiter UT Managers High Income Fund	2	2%
Liontrust Investment Funds First Income	9	6%
Artemis Fund Managers Income Fund	11	6%
M&G Securities Recovery Sterling A Inc	6	3%
	<b>87</b>	<b>52%</b>
<b>International Unit Trusts</b>		
SWIP MM Multimanager International Equity	9	6%

11 Debtors

	Group		Charity	
	2008 £000s	2007 £000s	2008 £000s	2007 £000s
<b>Due within one year</b>				
Grants receivable	210	206	89	197
Other debtors	39	26	39	24
Prepayments	61	51	61	51
	<b>310</b>	<b>283</b>	<b>189</b>	<b>272</b>

12 Creditors: amounts falling due within one year

	Group		Charity	
	2008 £000s	2007 £000s	2008 £000s	2007 £000s
Bank overdraft	6	4	6	4
Other creditors	150	51	150	51
Accruals	76	120	71	116
	<b>232</b>	<b>175</b>	<b>227</b>	<b>171</b>

13 Unrestricted funds

Fund	At 1 April 2007 £000s	Incoming resources £000s	Expenditure & unrealised losses £000s	Transfers £000s	At 31 March 2008 £000s
General fund	243	2,877	(2,754)	41	407
Tangible fixed assets	293	-	(65)	(17)	211
	<b>536</b>	<b>2,877</b>	<b>(2,819)</b>	<b>24</b>	<b>618</b>

**14 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

Funder	At 1 April 2007 £000s	Incoming resources £000s	Expenditure £000s	Transfers £000s	At 31 March 2008 £000s
<b>Irish Aid</b>					
People Living with HIV/AIDS	72	101	(146)	-	27
Ditshwanelo	58	70	(91)	-	37
IDPPE	-	120	(40)	-	80
SWAGGA	-	88	(35)	-	53
<b>Big Lottery Fund</b>					
UNCODET	89	53	(101)	-	41
ACT	1	-	-	-	1
TVED	16	-	-	-	16
Sustainable Livelihoods Namibia	-	153	(100)	-	53
<b>Comic Relief</b>					
COPA	17	164	(134)	-	47
LSMHP	14	-	(10)	-	4
As You Sew	4	-	-	-	4
TXY	10	28	(32)	-	6
CLASH	3	27	(21)	-	9
<b>DFID</b>					
Regional strategy - East Midlands	17	160	(168)	-	9
IDCT	132	349	(464)	-	17
<b>European Union</b>					
BRICLip	142	61	(203)	-	-
ENABLE	5	-	-	-	5
Lesotho Disability Project	29	103	(81)	-	51
GBV - Botswana	-	106	(18)	-	88
GHARP	-	121	(49)	-	72
<b>Christian Aid</b>					
CECT	10	-	(10)	-	-
<b>McKnight Foundation</b>					
UNCODET	3	-	(3)	-	-
<b>Rufford Maurice Laing Foundation</b>					
	-	16	(16)	-	-
Balance carried forward	622	1,720	(1,722)	-	620



14 Restricted funds (continued)

Funder	At 1 April 2007 £000s	Incoming resources £000s	Expenditure £000s	Transfers £000s	At 31 March 2008 £000s
Balance brought forward	622	1,720	(1,722)	-	620
<b>Elton John Foundation</b>					
Samraksha	(1)	-	1	-	-
Karabong Support Network	9	-	(7)	-	2
<b>Tribal Group Foundation</b>					
Lesotho Disability Project	14	-	(14)	-	-
Railway Children India	1	2	-	-	3
People Living with HIV/AIDS	10	10	(20)	-	-
ENABLE	-	12	(12)	-	-
BRClip	-	20	(20)	-	-
SWAGAA	-	5	(5)	-	-
Samraksha	-	6	(6)	-	-
<b>American Ambassador's girls Scholarship Programme</b>					
African Education Initiative	14	11	(14)	-	11
<b>Edith Murphy Foundation</b>					
Lesotho Disability Project	9	-	(9)	-	-
<b>Development Education</b>					
EMNGPS-others	17	5	(16)	-	6
Development Education	11	-	(11)	-	-
<b>South African Trust</b>					
	1	22	(20)	-	3
<b>Global Fund - Lesotho</b>					
	-	21	(16)	-	5
<b>USAID - Swaziland</b>					
	-	31	(42)	-	(11)
<b>CCI</b>					
	-	51	(51)	-	-
<b>Coaching for Hope Donors</b>					
Adidas	-	45	(19)	(24)	2
FIFA	-	10	(10)	-	-
UK Sports	-	21	(20)	-	1
Football Association	-	33	(33)	-	-
Others	-	15	(15)	-	-
<b>Allan &amp; Nesta Ferguson Trust</b>					
	-	12	(12)	-	-
<b>Other Funders</b>					
Under £10,000	17	31	(45)	-	3
	724	2,083	(2,138)	(24)	645

The specific purposes for which the funds are to be applied are as follows:

14 Restricted funds (continued)

Irish Aid

- ◆ **People Living with HIV and AIDS (PLWHAs)** – The project aims to create an enabling environment for greater involvement of people living with HIV and AIDS in programmes and activities in order to encourage positive living through strengthening selected community support groups (CSGs) and national networks as pilot models in four countries. The project works with four national networks of PLWHAs in Mozambique, Swaziland, Botswana and Lesotho.
- ◆ **Ditshwanelo**, which means 'rights' in Setswana, is the Botswana Centre for Human Rights. It promotes and protects human rights in Botswana and Southern Africa by advocating for changes in laws and government policies, educating the public, conducting research, and providing direct para-legal support to individuals below the poverty line.
- ◆ **IDPPE (Institutional Support and Capacity Building for the Fisheries Sector, Mozambique)**. The project aims to reduce poverty and support disadvantaged and marginalised communities in Mozambique through increasing the productivity of the small scale fisheries sub sector.
- ◆ **SWAGGA**. This project, in Swaziland, aims to support survivors of abuse by enabling them to develop sustainable livelihoods and strengthening their voices at familial, community and national levels in raising awareness of the problem and advocating for the development of relevant policies in the area of gender based violence.

Big Lottery Fund

- ◆ **TVE (Technical and Vocational Education)** – Strengthening Capacity of TVE: a project to increase the capacity of the National Technical and Vocational Training Programme.
- ◆ **ACT (AIDS Care Trust)** – Developing the capacity of the ACT: a project to provide appropriate services for people with HIV and AIDS, and to raise awareness on the issues around HIV and AIDS.
- ◆ **UNCODET (Uru North Community Development Trust)** – Increasing access to quality health care in Uru North.
- ◆ **Sustainable Livelihoods, Namibia**. This project for rural communities aims to increase access to safe water and sanitation, improve health, livelihoods and food security particularly for those affected by HIV/AIDS, and increase levels of household income for women-headed households.

Comic Relief

- ◆ **COPA (Coalition for Peace in Africa)** – Building the capacity of COPA to support its Conflict Transformation Programme to build peace in Africa.
- ◆ **LSMHP (Lesotho Society of Mentally Handicapped Persons)** – A project tackling discrimination of people with disabilities in remote areas of Lesotho.
- ◆ **As You Sew** – A “make poverty history” grant assessing the extent that employment generation through the new textile industry in Lesotho benefits poverty reduction and the children of those employed.
- ◆ **TXY** - To create an enabling environment for Basarwan San living in and around Kang to improve their living condition through sustainable use of natural resources, food production, education and skills training as well as residential and farming land ownership

14 Restricted funds (continued)

- ◆ **CLASH (The Association for Children with Language, Speech or Hearing Impairments of Namibia)** – Empowering families of deaf children in Namibia.

DFID

- ◆ **East Midlands Network for Global Perspectives in Schools (EMNGPS)** – Skillshare International hosts the project that aims to develop global perspectives as a core element of the school curriculum.
- ◆ **Integrating Development and Conflict Transformation (IDCT)** – Building the capacity of civil society internationally to understand and manage conflict constructively.

European Union

- ◆ **BRICLip - Botswana Rural Communities Livelihoods Programme** – The project is to support the capacity building of partner organisations that deliver service directly to the marginalised communities and build the sectoral capacity so that the most marginalised are able to develop skills for sustainable livelihoods in a changed and changing environment. The delivery of the service is to the poorest and marginalised people of West and North West Botswana.
- ◆ **ENABLE (Adult Basic Education for Disabled Learners)** – A programme working to empower people with disabilities and their carers by providing adult basic education (ABE), training and development opportunities, in urban, peri-urban and rural areas of KwaZulu Natal.
- ◆ **Lesotho disability project** – To contribute towards poverty reduction in Lesotho by improving the socio-economic status and livelihood of persons with disabilities. This will be done by building the capacity of the Ministry of Health to co-ordinate civil society agencies working with disability as service providers with the strategic intent of spreading services across Lesotho.
- ◆ **Gender based violence** The aim of this project in Botswana is to reduce poverty through empowering communities socially and economically to challenge gender-based inequalities and enabling more equitable and sustainable development. This is done by reducing the occurrence of gender based violence through strengthening existing psychosocial services for survivors of GBV; empowering vulnerable children; and raising awareness and advocating for policy change.
- ◆ **GHARP (Greater Horn of Africa Rainwater Partnership)**. The project is establishing eight community-based sites for promoting integrated rainwater harvesting and management systems, and complementary technologies, in drought prone semi-arid districts of Kenya over a 45 month period.

Christian Aid

- ◆ **Coastal Educational and Cultural Trust (CECT)** – To support the rehabilitation of Tsunami affected villages in Tamil Nadu, India. The project involves replacing fishing boats and equipment, rebuilding houses, improving infrastructure, community economic empowerment initiatives and disaster preparedness initiatives.

McKnight Foundation

- ◆ **Women's Micro-enterprise Initiatives (UNCODET)** – Supporting women's development through the acquisition and transfer of crafts and entrepreneurial skills to members of two women's groups in Uru North.

Rufford Maurice Laing Foundation

- ◆ Contributing to the BRICLip project described above.

**14 Restricted funds** (continued)

Elton John Foundation

- ◆ **Samraksha** – Supporting a HIV/AIDS Care Continuum programme in Karnataka and Bangalore
- ◆ **Karabong Support Network** – To support and strengthen Karabong Clinic to develop a comprehensive system of treatment care and support for people infected and affected by HIV and AIDS

Tribal Group Foundation

- ◆ **The provision of contributory support to seven key projects**

Edith Murphy Foundation and Global Fund

- ◆ **Support to the Disability Project in Lesotho**

American Ambassadors Girls Scholarship Programme

- ◆ **American Ambassador's Girls Scholarship Programme (African Education Initiative)** - To cover school fees, school uniforms and casual clothes as well as mentoring for girls for both pre-school and primary education level between the ages of 5 to 14 years.

South African Trust

- ◆ Research Project. The aim was to use evidence based research to advocate for and promote increased regional trade in craft products within Southern Africa in order to increase household incomes, create jobs and other economic opportunities for the benefit of the poor as a key regional poverty strategy.

USAID

- ◆ The aim of this project in Swaziland was to strengthen the ability of rural and urban women to effectively engage with community leaders or policy makers in order to influence and share control over development decisions and resources that affect them. The deficit on the fund at the year end resulted from a timing difference, the funding was received after the year to eliminate the deficit.

**CCI (Canadian Crossroads International)**

- ◆ The overall objective of training delivered in Swaziland was to promote organisational and regional learning in the area of gender based violence and the documentation of lessons learned amongst participating NGOs from Botswana, Namibia, Lesotho, Swaziland, Mozambique, Zimbabwe and South Africa.

Coaching for Hope

- ◆ Support for these programmes in the UK, West and Southern Africa have specifically come from **Adidas, FIFA, UK Sports** and the **Football Association**

Sufficient resources are held as cash to enable each fund to be applied for the specified purpose.

Movements out of the restricted funds totalling £24k relate to the transfer of a fixed asset to a partner organisation, in accordance with the donor agreement, and minor corrections of restricted fund balances at the year end

15 Analysis of net assets between funds

	Group			Charity		
	Unrestricted fund £000s	Restricted funds £000s	Total 2008 £000s	Unrestricted fund £000s	Restricted funds £000s	Total 2008 £000s
<b>Fund balances at 31 March 2008</b>						
<b>Are represented by:</b>						
Tangible fixed assets	211	-	211	208	-	208
Investments	197	-	197	197	-	197
Current assets	393	694	1,087	261	610	871
Creditors: amounts falling due within one year	(156)	(76)	(232)	(151)	(76)	(227)
<b>Total net assets</b>	<b>645</b>	<b>618</b>	<b>1,263</b>	<b>515</b>	<b>534</b>	<b>1,049</b>

16 Leasing commitments

Operating leases

At 31 March 2008, the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008 £000s	2007 £000s
Operating leases which expire:		
Within one year	41	—
Within two to five years	2	44
	<b>43</b>	<b>44</b>

17 Contingent liability

As at 31 March 2008 Skillshare International had an obligation under contracts with its overseas volunteers to meet the costs of travel back to their home countries at the end of their placements. This is subject to satisfactory completion of their placements.

If all 66 development workers and health trainers in post at 31 March 2008 fulfil this condition, the estimated total costs of their return travel would be £39,600.

18 Subsidiary undertakings

Company	Country of incorporation	Nature of activity
Action Health	Great Britain	Dormant
Skillshare South Africa	South Africa	Furtherance of activities of Skillshare International in South Africa
Skillshare International (Ireland)	Ireland	Furtherance of activities of Skillshare International in Ireland

18 Subsidiary undertakings (continued)

	Income £000s	Expenditure £000s	Surplus for the year £000s	Total funds £000s
Action Health	—	—	—	—
Skillshare South Africa	465	435	30	59
Skillshare International (Ireland)	700	562	138	341

All of the above companies are limited by guarantee, and are 100% subsidiaries. The results of the subsidiary companies have been consolidated within these financial statements. As permitted by FRS8, details of transactions and balances with these entities have not been separately disclosed in these financial statements.