



(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2003

Registered Charity No: 802576

SKILLSHARE INTERNATIONAL
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS for the year ended 31 MARCH 2003

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SKILLSHARE INTERNATIONAL
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TRUSTEES' REPORT for the year ended 31 MARCH 2003

The Trustees present the annual report and the financial statements for the year ended 31 March 2003.

1. CONSTITUTION

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

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

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

2. PRINCIPAL ACTIVITY

The principal activity of Skillshare International is to work for sustainable development in partnership with the people and communities of Africa and Asia. We do this by sharing and developing skills, facilitating organisational effectiveness and supporting organisational growth.

Skillshare International employs staff in offices in Botswana, India, Kenya, Lesotho, Mozambique, Namibia, 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, *Friends of Skillshare International*.

A review of the performance of Skillshare International is contained in the Chair's report.

3. BOARD OF TRUSTEES

The following served during the year:

R Blake; J Hoffman; S Spall; R Langtry; C Lathrop (to 7 January 2003); A Matthews; F Mear; W Tabuteau.

None of the above have an interest in the capital of the company other than a guarantee of £1 each. No Trustee receives any emolument or payment from Skillshare International, with the exception of reimbursement of reasonable expenses incurred in connection with their duties.

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TRUSTEES' REPORT for the year ended 31 MARCH 2003

Four members of the Board are elected by the members of the Company. The Board is empowered to coopt up to eight other Trustees. Trustees may be removed by ordinary resolution of the company. In addition, the Board is empowered to remove a coopted Trustee at any time.

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

4. COMPANY INFORMATION

Registered address	126 New Walk, Leicester, LE1 7JA
Company registration number	2447107
Charity registration number	802576
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
Auditors	PKF, Pannell House, 159 Charles Street, Leicester LE1 1LD

5. SUBSIDIARY COMPANIES

Skillshare International has three subsidiary companies:

- Action Health, registered in Great Britain as a company limited by guarantee, number 3444392. Action Health was dormant during the year;
- 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; and
- Skillshare International (Ireland) registered on 6 February 2003 in Ireland as a company limited by guarantee, number 366991. This company will commence trading on 1 April 2003.

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TRUSTEES' REPORT for the year ended 31 MARCH 2003

6. POLICY ON RESERVES

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

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

7. RISK ASSESSMENT

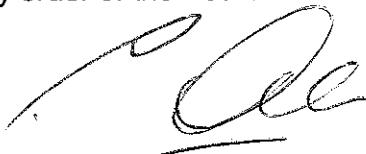
The principal external risks faced by Skillshare International are the unforeseen collapse of the income base, and political unrest or natural disaster in the countries of operation. In respect of the first, Skillshare International has a Programme Partnership Agreement with our principal funder, the Department for International Development. The Agreement is for four years, commencing on 1 April 2001, and provides for total funding to Skillshare International for this period of £7 820 000. A specific risk assessment process has been carried out in respect of this agreement. Skillshare International also 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.

In respect of the second, 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 accounting and internal controls, supported by financial regulations, minimise the risk of material loss or misappropriation of assets.

The report of the Trustees is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board of Trustees:



Cliff Allum
Company Secretary
21 June 2003

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CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2003

During the last year our focus has been on maintaining our commitments within the Corporate Strategy. We have consolidated our programme of work, developed effective systems for monitoring and evaluation, and increased our supporter base.

We have been developing corporate systems for monitoring our strategic objectives. These have provided a framework for DFID to monitor and evaluate the Partnership Programme Agreement and will also help us measure the impact of our work more effectively in the future.

Mid-term reviews were carried out in Botswana, India, Lesotho, Mozambique, Namibia, Swaziland, Tanzania and Uganda to look at the impact of the programme at the level of the beneficiaries, in relation to the strategic objectives and long-term partnerships with programme partners. The learning from the mid-term reviews will be integrated into future planning and strategy work.

In line with the commitments in the Corporate Strategy, there has been a review of governance to ensure that the governance arrangements continue to meet the requirements of the organisation as it develops and diversifies. One consequence of this is that the current governance structure will be consolidated and the relationship between the Programme Advisory Committees and the trustees will be developed.

Establishing a regional base in Nairobi has enabled us to give a greater coherence and presence to our programme and work in East Africa. As a result we have been able to develop new partnerships as well as new models of partnership. For example our partnership with the Coalition for Peace in Africa and ACTION is regionally based and we are working with them to support organisational development and secure funding.

By sharing our experiences of supporting NGOs in Africa and India, we have been able to build partnerships with UK based organisations to increase the impact of our work. The collaboration between Leicester University and Skillshare International to run a twelve week course for third year medical students in health and development demonstrates our commitment to working in partnership and our ability to develop innovative approaches for development awareness activities.

Having had a close working relationship with the Irish Government's development programmes for many years, we have taken the decision to build on existing contacts and to develop an organisation in Ireland to support the work of Skillshare International as a whole. Skillshare International (Ireland) will make a distinct contribution to development work in Ireland and improve our linkages with APSO and Ireland Aid. It consolidates our relationship and builds on our long-standing work and supporters there.

Programme Activities

For the fourth consecutive year, the Leadership Development Programme took place in southern Africa. This year 20 leaders from partner organisations and staff from Skillshare International attended the workshops. Our commitment to enhance the capacity of our partners remains at the core of our work.

Skillshare International has continued to prioritise working with disadvantaged groups, including women, young people, people with disabilities and people living with HIV/AIDS, seeking to improve their status and gain greater control over their lives.

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CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2003

Last year three quarters of our programme activities focused on empowering disadvantaged groups in society through raising awareness and linking adult basic education with vocational training, income generation and life skills. Our wide ranging involvement includes providing skills training and improving access to basic services such as health and credit facilities, as well as promoting the welfare and rights of disadvantaged groups in general.

During the last year there have been 98 development workers and health trainers working in Africa and India. They have been placed in government organisations, local non-government organisations and community based organisations. As a result of changes in the developing world the demand is for professional people who have broader experience, including skills in training and fundraising, and who are increasingly specialised.

More than one third of all the placements were in the education, training and employment sector. This area is still the key focus in Lesotho, due to the programme with the Technical and Vocational Education Department of the Government of Lesotho. More than a quarter of placements were in health and HIV/AIDS which remain a strategic part of our programmes in Africa and India.

There has been an increase in the number of people based outside the UK becoming development workers which is typical of the trend over the last five years. Global access to the internet means that people living in any part of the world can apply to become a development worker.

The website is still one of our most effective recruitment tools with between 80 to 90 per cent of all potential development workers and health trainers applying on line. Over 30 per cent of our development workers and health trainers come from outside the UK. This is due in part to the increasing number of development workers and health trainers being recruited in the region.

A more detailed description of our work over the past year can be found in Skillshare International's Annual Review 2002 - 2003, available from our registered office.

Constituency Building

The last 12 months has seen some significant developments in the implementation of the initiatives and activities set out in our Constituency Building Plan. Our advocacy, campaigning and development awareness activities have increased.

Skillshare International hosted the 6th Annual Meeting of the Heads of International Volunteer Sending Organisations (IVSO), which was held in Africa for the first time. Representatives from 30 of the world's major international volunteer sending organisations met in Pretoria to discuss the future of international volunteering. The media coverage gained at IVSO increased Skillshare's profile in southern Africa and raised awareness of development issues generally.

The Lifeline Appeal broadcast on BBC1 and BBC2 in February 2003 has expanded our support base. Two million people watched the appeal which raised almost £11,000 and increased prospective development worker enquiries by over one third.

Financial Activities

The objectives set in June 1998 by the Board remain current. For 2002 – 2003 these were to continue the success in the following areas: increasing total income, increasing the proportion of income from sources other than from DFID, managing expenditure effectively and within budget,

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CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2003

and maintaining an adequate level of reserves. I am glad to report that once again most of these objectives have been met.

Our income in 2002 - 2003 amounted to £2.61 million, rising from £2.52 million in 2001 - 2002. Our basic grant from DFID was £1.93 million in 2002 - 2003, therefore comprising 73.9% of our total income, compared with 74.5% in 2001 - 2002.

We currently have three projects supported by the Community Fund, to a total value of about £1.39 million over a period from 1998 to 2005.

Overall, Skillshare International continued to manage financial resources effectively and broadly within budget. We had budgeted this year for a deficit of £96 000 before taking into account depreciation, in order to maintain key areas of our work which had been previously funded. During the year we managed to make further savings, while sustaining projected programmes and at 31 March we had a deficit of £56 000 before depreciation. This was despite a significant and unexpected strengthening in the value of the rand against the pound during the year, apparently as a consequence of global instability.

Our level of reserves remains in accordance with the policy principles set out in the Trustees' Report on page 3. We maintain sufficient reserve as cash or short-term deposits to meet immediate needs.

91.5% of our expenditure is directly related to our charitable objectives, namely meeting the costs of running our programmes in Africa and India.

Skillshare International also receives some benefits in kind. The governments of Botswana and Lesotho make premises available to us rent free, and our partner organisations in Africa and India provide housing and other support for our development workers. Also, Skillshare International's involvement with projects in Africa and India is often a means for those projects to secure additional financial resources for themselves, as well as strengthening their own capabilities to develop resources.

Supporters and Contributors

On behalf of the trustees, I 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 2002-2003, available on our website, www.skillshare.org or from the UK office.

Finally, I would 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.


Wendy Tabuteau
Chair of the Board of Trustees

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

Charity and Company law requires the directors (namely the members of the Board of Trustees of Skillshare International) to prepare financial statements for each financial year which give a true and fair view of the financial activities of the company during the year and its state of affairs at the end of the year. 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 and statements of recommended practice have been followed, subject to any 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 company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the applicable law. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the trustees report and other information included in the annual report is prepared in accordance with the applicable law in the United Kingdom.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR YEAR ENDED 31 MARCH 2003**

We have audited the financial statements of Skillshare International for the year ended 31 March 2003 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the 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 the members of the Board of Trustees and auditors

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 company 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 company is not disclosed.

We read the Trustees' and Chair's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that 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 of the state of the company's affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PKF
Registered Auditors
Leicester
25 July 2003

SKILLSHARE INTERNATIONAL
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YEAR ENDED 31 MARCH 2003
STATEMENT OF FINANCIAL ACTIVITIES

	<u>Note</u>	<u>Unrestricted</u> <u>funds</u> £	<u>Restricted</u> <u>funds</u> £	<u>2003</u> £	<u>2002</u> £
INCOMING RESOURCES					
Grants	2	2 188 443	351 226	2 539 669	2 428 615
Fund raising and donations		30 806	-	30 806	18 978
Investment income and Interest		19 464	-	19 464	8 558
Contributions by local placements		-	-	-	39 478
Other income		<u>21 591</u>	<u>-</u>	<u>21 591</u>	<u>25 869</u>
TOTAL INCOMING RESOURCES		<u>2 260 304</u>	<u>351 226</u>	<u>2 611 530</u>	<u>2 521 498</u>
RESOURCES EXPENDED					
Cost of generating funds					
Fund raising and public relations		49 371	-	49 371	57 858
Charitable expenditure					
Direct charitable expenditure		2 194 805	294 562	2 489 367	2 296 396
Management and administration		<u>182 694</u>	<u>-</u>	<u>182 694</u>	<u>143 554</u>
TOTAL RESOURCES EXPENDED	5	<u>2 426 870</u>	<u>294 562</u>	<u>2 721 432</u>	<u>2 497 808</u>
NET (OUTGOING)/INCOMING RESOURCES	3	(166 566)	56 664	(109 902)	23 690
TOTAL FUNDS AT 1 APRIL 2002 (AS RESTATED)		<u>766 175</u>	<u>97 988</u>	<u>864 163</u>	<u>840 473</u>
TOTAL FUNDS AT 31 MARCH 2003	10	<u>599 609</u>	<u>154 652</u>	<u>754 261</u>	<u>864 163</u>

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BALANCE SHEET AS AT 31 MARCH 2003

	<u>Note</u>	£	<u>2003</u>	£	£	<u>2002</u>	£
FIXED ASSETS							
Tangible	6		384 144			276 539	
Investments	7		<u>263 988</u>			<u>254 884</u>	
			648 132			531 423	
CURRENT ASSETS							
Debtors	8	61 368			44 618		
Cash at bank and in hand			<u>173 105</u>		<u>394 369</u>		
			234 473		438 987		
CURRENT LIABILITIES							
Creditors – amounts falling due within one year	9		<u>128 344</u>		<u>106 247</u>		
NET CURRENT ASSETS			<u>106 129</u>			<u>332 740</u>	
NET ASSETS			<u>754 261</u>			<u>864 163</u>	
FUNDS: Unrestricted			599 609			718 400	
FUNDS: Restricted			<u>154 652</u>			<u>145 763</u>	
TOTAL FUNDS	10		<u>754 261</u>			<u>864 163</u>	

These financial statements are prepared in accordance with the special provisions of the Part VII of the Companies Act 1985 relating to small companies.

Approved on behalf of the Board of Trustees on 21 June 2003.

Wendy Tabuteau

WENDY TABUTEAU

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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2003

1 ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), the Companies Act 1985 and follow the recommendations contained in *Accounting and Reporting by Charities: Statement of Recommended Practice (issued in October 2000)*.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies adopted in their preparation are as follows:

1.1 Income

Income is accounted for on a received basis for subscriptions and donations, and on a receivable basis for grants and covenanted donations.

Investment income (including bank interest) is accounted for on a receivable basis.

1.2 Expenditure

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.

Fundraising and public relations costs comprise the costs actually incurred directly in the raising of income and also include the costs of educating members of the public on the issues being directly addressed by the charity.

Administration costs include management of the charity's assets, organisational management and administration and compliance with constitutional and statutory requirements.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, are depreciated by equal annual instalments over their anticipated useful lives on the following bases:

Freehold buildings	2%
Improvements to leasehold property	10%
Fixtures, fittings and equipment	10% - 25%
Motor vehicles	25%
Computers	33.3%

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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2003

1.4 Exchange conversions

Transactions in foreign currencies are translated at the calculated average rate of exchange in the year. Assets and liabilities stated at the year end in foreign currencies are translated at the rate ruling at the balance sheet date. Exchange differences are charged/credited to revenue.

1.5 Operating lease rentals

Rentals under operating leases are charged to revenue as they fall due.

1.6 Fund accounting

Unrestricted funds are funds that are expendable at the discretion of the Trustees in furtherance of the objects of the charity.

A designated fund is a particular form of unrestricted fund which has been allocated or designated for specific purposes by the charity itself. The use of such a fund for its designated purpose remains at the discretion of the Trustees.

Restricted funds are created when donations are made either for a specific area or purpose, the use of which is restricted to that area or purpose by the donor.

1.7 Investments are stated at cost.

2 GRANTS

	<u>2003</u>	<u>2002</u>
	£	£
Unrestricted Funds:		
Agency for Personal Service Overseas	83 019	43 368
Department for International Development	1 930 000	1 880 000
Other grants	<u>175 424</u>	<u>260 638</u>
	2 188 443	2 127 232
Restricted Funds:		
EU: Knowledge, confidence & healthier lives, India	60 158	-
Community Fund:		
Technical and Vocational Education: Lesotho	83 892	122 942
Aids Care Trust: Namibia	57 760	76 381
Mother and Child programme: Tanzania	<u>149 416</u>	<u>102 060</u>
	<u>351 226</u>	<u>301 383</u>
Total	<u>2 539 669</u>	<u>2 428 615</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2003

3 NET (OUTGOING)/INCOMING RESOURCES

Net (outgoing)/incoming resources for the year are stated after charging/(crediting):

	<u>2003</u>	<u>2002</u>
	£	£
Auditors' remuneration: Audit fee	3 900	3 800
Other services	2 600	2 200
Depreciation of tangible fixed assets	54 323	97 592
Profit on sale of fixed assets	<u>(7 246)</u>	<u>(956)</u>

4 STAFF COSTS AND NUMBERS

	<u>2003</u>	<u>2002</u>
	£	£
Wages and Salaries – UK	494 163	437 788
Wages and Salaries – Africa & Asia	306 032	251 748
Social Security costs	49 132	48 118
Pension costs	<u>35 572</u>	<u>35 946</u>
	<u>884 899</u>	<u>773 600</u>

No employee received emoluments of more than £50 000.

The average number of employees during the year were:-	<u>2003</u>	<u>2002</u>
UK	20	18
Africa & Asia	<u>34</u>	<u>31</u>
	<u>54</u>	<u>49</u>

No remuneration was paid to any Trustee during the year (2002 £Nil). Seven (2002: eight) trustees received reimbursement of expenses during the year in respect of travel, accommodation and telephone calls in connection with Board activities. The aggregate amount reimbursed was £4 950 (2002: £4 213).

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**NOTES TO THE FINANCIAL STATEMENTS
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5. TOTAL RESOURCES EXPENDED

Total resources expended comprised:

	<u>2003</u>	<u>2002</u>
	£	£
Development worker programme	630 329	560 374
Other programmes	438 676	368 319
Support costs	1 548 895	1 347 660
Other expenditure	<u>103 532</u>	<u>221 455</u>
	<u>2 721 432</u>	<u>2 497 808</u>

Management and administration costs include allocated staff costs and depreciation for the year.

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Improvements to leasehold property	Fixtures, fittings & equipment	Motor vehicles	Computers	Total
COST	£	£	£	£	£	£
At 31 March 2002	127 958	8 119	103 550	200 970	199 852	640 449
Additions	11 859	12 221	9 329	70 211	58 308	161 928
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52 159)</u>	<u>-</u>	<u>(52 159)</u>
At 31 March 2003	<u>139 817</u>	<u>20 340</u>	<u>112 879</u>	<u>219 022</u>	<u>258 160</u>	<u>750 218</u>
DEPRECIATION						
At 31 March 2002	16 872	3 261	76 770	100 923	166 084	363 910
Charge for year	2 796	5 970	(2 149)	44 382	3 324	54 323
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52 159)</u>	<u>-</u>	<u>(52 159)</u>
At 31 March 2003	<u>19 668</u>	<u>9 231</u>	<u>74 621</u>	<u>93 146</u>	<u>169 408</u>	<u>366 074</u>
NET BOOK VALUE						
At 31 March 2002	<u>111 086</u>	<u>4 858</u>	<u>26 780</u>	<u>100 047</u>	<u>33 768</u>	<u>276 539</u>
At 31 March 2003	<u>120 149</u>	<u>11 109</u>	<u>38 258</u>	<u>125 876</u>	<u>88 752</u>	<u>384 144</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. INVESTMENTS

	<u>2003</u>	<u>2002</u>
	£	£
Cost		
At 31 March 2002	254 884	253 613
Additions	9 104	3 736
Disposals	<u>-</u>	<u>(2 465)</u>
At 31 March 2003	<u>263 988</u>	<u>254 884</u>

Investments comprise UK listed unit trusts and fixed interest government securities. The market value of these investments at the Balance Sheet date was £227 854 (2002: £251 255).

8. DEBTORS

	<u>2003</u>	<u>2002</u>
	£	£
All due within one year		
Grants receivable	20 711	-
Other debtors	<u>40 657</u>	<u>44 618</u>
	<u>61 368</u>	<u>44 618</u>

9. CREDITORS

	<u>2003</u>	<u>2002</u>
	£	£
Amounts falling due within one year		
Other taxes and social security	4 350	18 921
Other creditors	<u>123 994</u>	<u>87 326</u>
	<u>128 344</u>	<u>106 247</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2003**

10. FUNDS

	At 31 March <u>2002</u> £	Prior Year Adjustment	Net Incoming Resources £	At 31 March <u>2003</u> £
UNRESTRICTED FUNDS	718 400	<u>47 775</u>	(166 566)	<u>599 609</u>
RESTRICTED FUNDS				
Community Fund:				
TVE: Lesotho	88 661	-	(32 649)	56 012
ACT: Namibia	49 401	(47 775)	713	2 339
Mother and Child programme Tanzania	<u>(38 391)</u>	-	<u>84 543</u>	<u>46 152</u>
Total Community Fund	99 671	<u>(47 775)</u>	52 607	104 503
EU: Knowledge, confidence & healthier lives, India				
Projects fund	-	-	4 057	4 057
	<u>46 092</u>	-	-	<u>46 092</u>
TOTAL	<u>145 763</u>	<u>(47 775)</u>	<u>56 664</u>	<u>154 652</u>
TOTAL FUNDS	<u>864 163</u>	<u>-</u>	<u>(109 902)</u>	<u>754 261</u>

The prior year adjustment, being a transfer from restricted funds to unrestricted funds, relates to expenditure incurred in 2000 and 2001 which was incorrectly treated as relating to unrestricted funds.

The Projects fund relates to a number of smaller scale activities funded by specific donors.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2003 are represented by:

	Restricted £	Unrestricted £	Total £
Tangible fixed assets	70 837	313 307	384 144
Investments	-	263 988	263 988
Current assets	83 815	150 658	234 473
Current liabilities	-	<u>(128 344)</u>	<u>(128 344)</u>
	<u>154 652</u>	<u>599 609</u>	<u>754 261</u>

SKILLSHARE INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2003

12 PENSION CONTRIBUTIONS

Pension contributions are paid in respect of defined contribution pension schemes on behalf of individual employees. The pension cost charge representing contributions payable by the company during the year is shown in note 4. Prepaid contributions at the year end amounted to £1 352 (2002: £9 016, unpaid).

13 LEASE COMMITMENTS

	<u>2003</u>	<u>2002</u>
	£	£
Expiring between two and five years	4 060	4 060
Expiring after five years	<u>32 180</u>	<u>33 340</u>

14 SUBSIDIARY UNDERTAKINGS

Company	Country Incorporation	Income for the year	Total funds	Nature of activity
Action Health	Great Britain	£Nil	£Nil	Dormant
Skillshare South Africa	South Africa	£25 905	£44 126	Furtherance of activities of Skillshare International in South Africa
Skillshare International (Ireland)	Ireland	£Nil	£Nil	Furtherance of activities of Skillshare International in Ireland

All of the above companies are limited by guarantee, and are 100% subsidiaries.