

**Skillshare
International**

Annual Report and Accounts

31 March 2005



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

Charity Registration Number
802576

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Legal and administrative information

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|---|--|
| Patrons | Richard E Grant Sir Trevor McDonald OBE |
| Vice Presidents | Bill Morris Richard Caborn MP |
| Trustees | Roger Blake Leigh Holland John Hoffman Ann Matthews Fred Mear Sarah Nancollas Nita Odedra Shilpa Patel Sarah Spall Wendy Tabuteau Diana Tottle Andrew Wynne |
| Director and company secretary | Dr Cliff Allum |
| Registered office | 126 New Walk Leicester LE1 7JA |
| Company registration number | 2447107 |
| Charity registration number | 802576 |
| Auditors | Buzzacott 12 New Fetter Lane London EC4A 1AG |
| Bankers | Lloyds TSB Bank plc 7 High Street Leicester LE1 9FS |

Legal and administrative information

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

Trustees' report Year to 31 March 2005

The trustees, who are the directors for the purposes of company law, present their statutory report together with the accounts of Skillshare International for the year ended 31 March 2005. This report fulfils the requirements of Part VI of the Charities Act 1993 and of the Companies Act 1985.

The attached accounts have been prepared in accordance with the accounting policies set out on pages 20 to 22 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in October 2000.

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 charity has two active subsidiaries, Skillshare South Africa and Skillshare International (Ireland). Both of these entities are incorporated in their country of operation and undertake activities which fall within the charity's objects.

The business of the company is managed by a board of trustees who are the directors of the company. The company 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.

The terms "the charity" and "the trustees" which are used in this report and accounts refer to "the company" and "the directors" respectively for the purposes of company law.

Principal aims and objects

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.

Grant making policy

The trustees are empowered, under the Memorandum of Association, to make charitable donations. The trustees may make small donations to partner organisations incidental to the principal activities of Skillshare International. However, the value of these donations is not material to these accounts.

Organisation

The board of trustees is responsible for the governance of the charity. The board operates three sub-committees in order to facilitate its business:

- ◆ Strategy Working Group;
- ◆ Finance; and
- ◆ Human Resources and Organisational Development.

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

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

Skillshare International employs staff in offices in Botswana, India, Ireland, 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. The South Africa and Ireland offices are constituted as subsidiary charitable companies; the other offices are branches of the main charity. There is also a UK supporters' association.

A review of the performance of Skillshare International, including financial activities, and of future plans is contained in the Chair's report. The trustees considered and approved the Chair's report together with this report and its contents form part of the Annual Report for the purposes of charity law.

Connected charities and related parties

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 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.

Reserves policy

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.

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 accounts (and including tangible fixed assets), are currently 10.2% (2004: 14.9%). The trustees have put in place a programme to rebuild reserves over the next four years.

Investment policy

Part of the reserve is invested, on the advice of financial advisers. The purpose of the investment is to seek medium term growth at relatively low risk. During the past year, the investment performance has met these criteria.

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

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 with our principal funder, the Department for International Development. The first of these Agreements was for four years, commencing on 1 April 2001, and provided for total funding to Skillshare International for this period of £7,820,000. A new Agreement was signed by both parties in March 2005, and will be for six years from 1 April 2005. Funding has been agreed for the first three years for a total of £7,050,000. 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.

Risk management (continued)

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

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

Trustees

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

The board carried out a recruitment process for new trustees during the year, and six new trustees were appointed with effect from 3 July 2004, as detailed below.

Each trustee participates in one or more of the board sub-committees or working groups. Constant regard is had to the skills mix of the trustees to ensure that the board of trustees has all the necessary skills required to contribute fully to the charity's development.

The following trustees were in office at 31 March 2005 and served throughout the year, except where shown.

| Trustee | Appointed / Resigned |
|-----------------|-----------------------------|
| Roger Blake | |
| John Hoffman | |
| Leigh Holland | Appointed 3 July 2004 |
| Ann Matthews | |
| Fred Mear | |
| Sarah Nancollas | Appointed 3 July 2004 |
| Nita Odedra | Appointed 3 July 2004 |
| Shilpa Patel | Appointed 3 July 2004 |
| Sarah Spail | |
| Wendy Tabuteau | |
| Diana Tottle | Appointed 3 July 2004 |
| Andrew Wynne | Appointed 3 July 2004 |

Company secretary

Dr Cliff Allum

Trustees (continued)

Senior executives (at 31 March 2005)

| Name | Position |
|-----------------------|---|
| Dr Cliff Allum | Chief Executive Officer |
| Tiny Healy | Regional Director (Southern Africa) |
| Khwezi Mbonini | Country Director Botswana |
| Makholu Matete | Country Director Lesotho |
| Fauzia Osman | Acting County Coordinator Mozambique |
| Senelisiwe Ntshangase | Country Coordinator Swaziland |
| Michael W Kibure | Country Coordinator Tanzania |
| Julie George | Country Coordinator India |
| Fran Flood | Director Skillshare International Ireland |
| Oliver Kantai | Programme Director (East Africa) |
| Jake Bharier | Head of Corporate Development |
| Luis Silva | Head of International Programmes |
| David Harries | Head of Organisational Effectiveness |
| Amanda Khozi Mukwashi | Head of External Relations |

Statement of trustees' responsibilities

Company law requires the trustees to prepare accounts 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 accounts 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; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for 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 accounts 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.

Volunteers

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 2004-2005 available on our website 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.

Trustees' report Year to 31 March 2005

Auditors

During the year, PKF resigned as auditors and Buzzacott were appointed in their place. Buzzacott will be proposed for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

Approved by the trustees and signed on their behalf by:

Wendy Bantutecm

Trustee

Approved by the trustees on: *10/08/05*

The review of our outgoing five year corporate strategy has generated concrete evidence from all our stakeholders that we have successfully sustained our programme of activities in Africa and Asia and achieved the commitments contained within our strategic objectives.

This year marked a significant stage in Skillshare International's history. The five years of our corporate strategy "Our Way Forward 1999-2004" came to an end, a review of the period was conducted and the process of developing a new five year strategy embarked upon. The Programme Partnership Agreement (PPA) with the UK Department for International Development (DfID) also came to an end in March 2005. DfID has agreed a new PPA with Skillshare International, for six years from 1 April 2005.

Within our corporate strategy "Our Way Forward 1999-2004" was a promise to analyse and review our overall performance. This review process lasted six months and drew on comments from more than 150 people across the globe. They assessed our organisation; judged how faithfully we followed our purpose and evaluated the extent to which we worked within our stated values and stuck to our objectives. The typical response was very positive and this is demonstrated with both quantitative and qualitative data. A full internal review document has been approved by the trustees. A summary of the review called "Under Scrutiny, A strategic review 1999-2004" has been published and distributed not only to everyone involved in the process but also wide range of stakeholders.

Comments arising from the review process helped inform our new Corporate Strategy. Again, internal and external views were sought through focus groups, interviews and questionnaires culminating in a conference for trustees, members of our country based Programme Advisory Committees in Southern Africa and the management team. This extensive consultation took over six months and the trustees have approved a fresh vision and strategic framework for the next five years.

By 2010 we aim to be working in more countries than ever before and our work will be largely focused in four sectors, health, education, environment and economic empowerment, and informed by four cross-cutting themes of gender, HIV & AIDS, peace building and human rights. Our approach will be to support organisational and social change. We want the organisation to have a culture which is socially entrepreneurial while sustaining our high standards of delivery.

Governance

In June 2004 the selection process for augmenting the board of trustees was concluded and six new trustees were formally co-opted to the board.

Early in 2005 we established a new trust in India, which can raise funds in India to support our work in that country. The trust can carry out more transactions than were previously possible for our India office under national laws and is supported by a board of seven trustees.

Skillshare International Ireland is now well established and has strengthened our links with the Irish government, developed an enhanced funding base and has become closely connected to Ireland-based development networks. The activities of Skillshare International Ireland are covered in detail in its annual report and accounts.

Management

The management structures in the UK office were overhauled and improved in August 2004, to enable better use of resources throughout the organisation and increase the level of support we can offer our staff and our programmes.

Programme activities

What follows are a few selected highlights from our activities during the year, to give a flavour of the range of our work. A more detailed account will be found in our published Annual Review 2004 – 2005.

The Leadership Development Programme (LDP)

In 2004-2005, we ran the LDP Consolidation/Foundation workshops in six countries in Southern Africa. 207 leaders of partner organisations (mostly from civil society but also some from government departments) participated in the programme, just over a third from the health (including HIV/AIDS) sector and 25% from organisations focusing on human rights (women, people with disabilities and children) and peace building themes.

For the first time, the Strategic Leadership and Personal Mastery workshop of the Leadership Development Programme Wave Five included partners from Tanzania and staff from India. In total eighteen senior managers from ten partners and six Skillshare International programme staff participated.

Southern Africa

Our Southern Africa programme is coordinated through our regional office in Pretoria, South Africa. Our programme activity extends to Mozambique, Lesotho, Swaziland, South Africa, Namibia and Botswana.

In all our work the devastating impact of the HIV pandemic on social, economic and political systems and structures is inescapable. Our work in South Africa reflects this context and has been directed at trying to curb some of the damage being caused by HIV and AIDS.

We hosted a regional workshop "Sharing in Action" in Pretoria, South Africa that drew in 31 people from 20 organisations spanning six countries in the region (Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland). They came to share learning, develop skills and improve networking. As a result of the workshop, a publication with best practice and case studies has been published, a database of HIV/AIDS organisations developed and networking improved.

2004 saw the conclusion of a six year programme with the Technical and Vocational Education and Training Department of the Lesotho government, funded by the Big Lottery Fund (previously the Community Fund). The programme aimed to improve the delivery of business skills and training in the education and employment sector. A central objective was to promote entrepreneurship and enhance self-employment prospects for trainees living in a country where there is little industrial development and few employment opportunities. Although the programme concluded this year, we continue to work together on a smaller scale.

Programme activities (continued)

East Africa

Our activities in Kenya, Uganda and Tanzania have been coordinated through the regional office based in Nairobi, Kenya.

While the focus of our programme in East Africa is still strongly on health, we have been successful in developing new areas. Conflict transformation is one such area. We have been working with the Coalition for Peace in Africa (COPA) (a network of organisations and individuals addressing conflict in Africa) which has its headquarters in Kenya through the placement of a development worker. Working closely with the UK-based organisation 'Responding to Conflict', we submitted a detailed proposal to Comic Relief, who granted us £467,000 for three years starting 1 May 2005 in support of our work with COPA.

In East Africa, a regional workshop in Uganda involving Occupational Therapy Associations from Kenya, Tanzania and Uganda and 20 participants from these countries looked at the potential for regional programmes and regional collaboration to strengthen the OT professional and their work.

India

Our main area of work has continued to be primary health care, especially working with tribal and marginalised people all over the country (with regard to community health provision, land rights and education). This is part of our Knowledge, Confidence and Healthier Lives programme (KCHL). Although primarily funded through the European Union, the Tribal Group Foundation – the charitable arm of the commercial company specialising in professional support services to the public sector – has made a significant contribution.

One of our KCHL partners is an NGO called ASHWINI (Association for Health Welfare in the Nilgris). It works in the Blue Mountain (Nilgris) district of Tamil Nadu. In the six years we have worked together infant mortality has decreased from 250 in every 1,000 to 60 and there has been no maternal mortality since 2001.

The tsunami of 26 December 2004 had a devastating impact on the people and environment along coastlines of Asia and Africa. Nearly 300,000 people were killed and hundreds of thousands more lost their livelihoods. Although we are not an emergency or disaster relief organisation, in the immediate aftermath and in a coordinated approach with other NGOs we sent approximately 200 kilograms of clothing to Chennai by air freight on Jet Airways, a private airline, who offered us their service for free. Four (of our six) health trainers were sent to the affected areas offering logistical and medical support.

Most of our efforts have been directed at assessing the long term rehabilitation needs of the people and communities affected in Tamil Nadu, where we are already working.

Programme activities (continued)

UK

Our Development Awareness presence has been scaled up within regional and national Global Health and Development Education networks. Case studies and interactive educational resources are being developed by Skillshare International for use across the programme. The Special Study Module at Leicester Medical School continues to attract students and receive national interest from the Development Education Association and other medical schools.

Skillshare International has continued to host the East Midlands Network for Global Perspectives in Schools. Over the year the network has strengthened its governance structures and established different ways of working (e.g. through sub regional locality groups). Network members have made successful joint funding bids, secured funding for their three year strategy and produced a popular school resource pack. Both the teaching materials and regional global citizenship conference for teachers in the East Midlands have considerably raised the network's regional profile in 2005.

To celebrate the 10th anniversary of free elections in South Africa we undertook an ambitious project to research and publish a book of testimonies from more than 30 people associated with us or our precursor, International Voluntary Service, in Southern Africa. The launch of "To Whom It May Concern" in December 2004 at South Africa House was an opportunity to reunite people involved and recognise their contribution.

Development worker programme

Our main activity continues to be the recruitment and placement of international volunteers, which we call development workers or, in some cases, health trainers.

Within the financial year 2004-2005 a total of 91 Skillshare International development workers were either in placement or completed their agreements. 77% of the total development worker programme was in Southern Africa, 12% in East Africa and 11% in India.

At sector level, Health and HIV/AIDS represented 32% of the total programme; education, training and employment 20%; economic empowerment 20%; environment 12%; human rights (disadvantaged groups) 11%; other 5%.

The website is still one of our most effective recruitment tools, with 80% of all potential development workers and health trainers applying online. At the same time more than a third of our development workers were recruited in the regions where our development workers are placed, with half of these recruited inter-regionally (India to Southern Africa or East Africa to Southern Africa). This increase of regional and inter-regional recruitment poses exciting new challenges for us.

Programme activities (continued)

Financial Activities

The financial objectives set in June 1998 by the board remain current. 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, and maintaining an adequate level of reserves. I have to report that this year, again, three of these objectives have been met.

Our income in 2004 - 2005 amounted to £2.95 million, rising from £2.78 million in 2003 - 2004. Our basic grant from DFID was £2.03 million in 2004 - 2005, therefore comprising 68.7% of our total income, compared with 71.3% in 2003 - 2004, and 74.5% in 2002-2003. Other significant funders include the European Union, Big Lottery Fund, Comic Relief, the Elton John Foundation and the Tribal Group Foundation. Development Cooperation Ireland is a major funder through Skillshare International Ireland.

Overall, Skillshare International has managed financial resources effectively and broadly within budget. We had budgeted to break even before depreciation this year and we achieved this. However, the continuing strength of the South African rand, together with one or two specific issues during the year, have again left us with a small deficit on our general fund. The reserve built up over the years through the application of our reserves policy enables us to maintain our programme and meet our obligations effectively. Although our reserve at this point is currently below the range we consider to be appropriate, our five year business plan 2005-2010 incorporates specific provision to rebuild it. We maintain sufficient reserve as cash or short-term deposits to meet immediate needs.

95.5% of our expenditure is directly related to our charitable objectives, namely meeting the costs of running our programmes in Africa and India.

The partnership approach of Skillshare International, and the direct involvement of our development workers, frequently provides the means for our partner organisations to gain their own access to resources. We recognise this to be a powerful form of financial leverage, although it cannot be reflected in the accompanying accounts.

Skillshare International 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.

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 2004-2005.

Finally, I would like to acknowledge the great contribution made by everybody connected with Skillshare International, including staff, development workers, health trainers, programme partners, board members in India and Ireland, 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

Board of Trustees

Date

10/08/05

Report of the independent auditors to the members of Skillshare International

We have audited the accounts on pages 17 to 35 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 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 7 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 accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, 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 accounts 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 accounts.

Independent auditors' report 31 March 2005

Opinion

In our opinion the accounts give a true and fair view of the group and the charitable company's state of affairs as at 31 March 2005 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

31 August 2005

Consolidated statement of financial activities Year to 31 March 2005

| | Notes | Unrestricted funds £ | Restricted funds £ | 2005 Total funds £ | 2004 Total funds £ |
|---|-------|-------------------------|-----------------------|-----------------------------|-----------------------------|
| Income and expenditure | | | | | |
| Incoming resources | | | | | |
| Donations, legacies and similar incoming resources | 1 | 38,281 | 44,497 | 82,778 | 23,839 |
| Incoming resources from activities in furtherance of the charity's objects | 2 | 2,041,730 | 746,246 | 2,787,976 | 2,725,394 |
| Investment income and interest receivable | | 9,967 | — | 9,967 | 6,761 |
| Other income | | 73,205 | — | 73,205 | 22,859 |
| Total incoming resources | | 2,163,183 | 790,743 | 2,953,926 | 2,778,853 |
| Cost of generating funds | 3 | 2,280 | — | 2,280 | 3,612 |
| Net incoming resources available for charitable application | | 2,160,903 | 790,743 | 2,951,646 | 2,775,241 |
| Charitable expenditure | | | | | |
| Cost of activities in furtherance of the charity's objectives | 4 | 870,420 | 526,177 | 1,396,597 | 1,326,327 |
| Support costs | 5 | 1,330,967 | 113,170 | 1,444,137 | 1,564,657 |
| Management and administration of the charity | 6 | 130,564 | — | 130,564 | 103,971 |
| Total charitable expenditure | | 2,331,951 | 639,347 | 2,971,298 | 2,994,955 |
| Total resources expended | | 2,334,231 | 639,347 | 2,973,578 | 2,998,567 |
| Net incoming (outgoing) resources before transfers | 7 | (171,048) | 151,396 | (19,652) | (219,714) |
| Gross transfers between funds | | 38,370 | (38,370) | — | — |
| Net (outgoing) incoming resources before revaluations and investment asset disposals | | (132,678) | 113,026 | (19,652) | (219,714) |
| Realised gains on disposal of investments | | 383 | — | 383 | — |
| Statement of total recognised gains and losses | | | | | |
| Net (outgoing) incoming resources before revaluations | | (132,295) | 113,026 | (19,269) | (219,714) |
| Unrealised gains on investments | | 16,923 | — | 16,923 | — |
| Net movement in funds | | (115,372) | 113,026 | (2,346) | (219,714) |
| Fund balances brought forward | | | | | |
| at 1 April 2004, as previously stated | | 376,942 | 105,570 | 482,512 | 702,226 |
| Prior year adjustment | | (23,239) | 23,239 | — | — |
| Restated fund balances brought forward at 1 April 2004 | 18 | 353,703 | 128,809 | 482,512 | 702,226 |
| Fund balances carried forward at 31 March 2005 | | 238,331 | 241,835 | 480,166 | 482,512 |

Consolidated statement of financial activities Year to 31 March 2005

| | 2005 £ | 2004 £ |
|--|-----------------|-----------|
| Historical cost net movement in funds | | |
| Net movement in funds (page 17) | (41,878) | (219,714) |
| Unrealised (gains) losses on investments | (16,923) | — |
| Historical cost net movement in funds | (58,801) | (219,714) |

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheets 31 March 2005

| | Notes | Consolidated | | Charity | |
|---|-------|------------------|-------------------------|------------------|-------------------------|
| | | 2005 £ | 2004 (restated) £ | 2005 £ | 2004 (restated) £ |
| Fixed assets | | | | | |
| Tangible assets | 10 | 272,909 | 316,055 | 253,419 | 311,298 |
| Investments | 11 | 166,052 | 263,438 | 166,052 | 263,438 |
| | | 438,961 | 579,493 | 419,471 | 574,736 |
| Current assets | | | | | |
| Debtors | 12 | 133,084 | 57,720 | 132,951 | 46,286 |
| Cash at bank and in hand | | 174,044 | 3,934 | 54,304 | — |
| | | 307,128 | 61,654 | 187,255 | 46,286 |
| Creditors: amounts falling due within one year | 13 | (265,923) | (158,635) | (157,604) | (147,340) |
| Net current assets (liabilities) | | 41,205 | (96,981) | 29,651 | (101,054) |
| Total net assets | | 480,166 | 482,512 | 449,122 | 473,682 |
| Represented by: | | | | | |
| Funds and reserves | | | | | |
| Income funds: | | | | | |
| Restricted funds | 14 | 241,835 | 128,809 | 241,835 | 128,809 |
| Unrestricted funds | | | | | |
| General fund | | 238,331 | 353,703 | 207,287 | 344,873 |
| | | 480,166 | 482,512 | 449,122 | 473,682 |

Approved by the trustees
and signed on their behalf by:

Wendy O'Riordan

Trustee

Approved on: 10/08/05

Basis of accounting

The accounts 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 2000) have been followed in these accounts.

Basis of consolidation

The consolidated statement of financial activities (SOFA) and consolidated balance sheet combine the financial statements of Skillshare International and its subsidiary charitable 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 304 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 activities in furtherance of the charity's objectives where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core 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 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. Cost of activities in furtherance of the charity's objectives comprises direct costs of the volunteer development worker programmes, other programmes in the south and policy and advocacy work in the UK. Support costs consist of the costs of Skillshare offices around the world and the UK-based international programme department. Management and administration costs include management of the charity's assets, organisational management and administration and compliance with constitutional and statutory requirements.

Gifts in kind

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

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 accounts at cost or 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 accounts 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 their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Cash flow

The accounts 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.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. 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 Donations, legacies and similar incoming resources

| | Unrestricted funds £ | Restricted funds £ | 2005 Total funds £ | 2004 Total funds £ |
|---------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Donations | | | | |
| · Tsunami appeal | — | 4,497 | 4,497 | — |
| · General donations | 38,281 | 40,000 | 78,281 | 23,839 |
| | 38,281 | 44,497 | 82,778 | 23,839 |

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 accounts.

| | Approximate annual value £ |
|---|-------------------------------------|
| Rent-free office premises from the government of Botswana | 7,000 |
| Rent-free office premises from the government of Lesotho | 5,500 |

2 Income from activities in furtherance of the charity's objects

| Grants receivable | Unrestricted funds £ | Restricted funds £ | 2005 Total funds £ | 2004 Total funds £ |
|---|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Government grants | | | | |
| <u>UK government grants</u> | | | | |
| Department for International Development Programme Partnership Agreement | 2,030,000 | — | 2,030,000 | 1,980,000 |
| Regional Strategy for East Midlands | — | 99,923 | 99,923 | 99,165 |
| <u>Non-UK government grants</u> | | | | |
| European Union | — | 105,610 | 105,610 | 143,844 |
| Ireland | | | | |
| · Development Cooperation Ireland | 11,730 | 199,917 | 211,647 | 100,755 |
| Other institutional grants | | | | |
| <u>UK institutional grants</u> | | | | |
| Community Fund | — | 170,699 | 170,699 | 222,257 |
| Comic Relief | — | 76,586 | 76,586 | — |
| Elton John AIDS Foundation | — | 30,701 | 30,701 | — |
| Carried forward | 2,041,730 | 683,436 | 2,725,166 | 2,546,021 |

2 Income from activities in furtherance of the charity's objects (continued)

| | Unrestricted funds £ | Restricted funds £ | 2005 Total funds £ | 2004 Total funds £ |
|---|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Grants receivable | | | | |
| Other institutional grants (continued) | | | | |
| Brought forward | 2,041,730 | 683,436 | 2,725,166 | 2,546,021 |
| <u>Non-UK Institutional grants</u> | | | | |
| United States | | | | |
| . McKnight Foundation | — | 15,046 | 15,046 | — |
| Lesotho | | | | |
| . World Bank | — | 10,994 | 10,994 | — |
| Other grants under £10,000 | — | 36,770 | 36,770 | 179,373 |
| | 2,041,730 | 746,246 | 2,787,976 | 2,725,394 |

3 Cost of generating funds

| | Unrestricted funds £ | Restricted funds £ | 2005 Total funds £ | 2004 Total funds £ |
|---------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Investment manager's fees | 2,280 | — | 2,280 | 3,612 |

4 Cost of activities in furtherance of the charity's objects

| | Unrestricted funds £ | Restricted funds £ | 2005 Total funds £ | 2004 Total funds £ |
|--------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| International programmes | | | | |
| . Development worker programme | 393,467 | 162,538 | 556,005 | 504,242 |
| . Other programmes (see below) | 356,704 | 283,420 | 640,124 | 632,792 |
| Policy and advocacy | 120,249 | 80,219 | 200,468 | 189,293 |
| Total | 870,420 | 526,177 | 1,396,597 | 1,326,327 |

4 Cost of activities in furtherance of the charity's objects (continued)

| | Volunteer allowances £ | Direct staff costs £ | Other direct costs £ | 2005 Total funds £ | 2004 Total funds £ |
|------------------------------|---------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
| Development Worker Programme | 406,757 | — | 149,248 | 556,005 | 504,242 |
| Other programmes (see below) | — | 176,210 | 463,914 | 640,124 | 632,792 |
| Policy and advocacy | — | 137,030 | 63,438 | 200,468 | 189,293 |
| Total | 406,757 | 313,240 | 676,600 | 1,396,597 | 1,326,327 |

5 Support costs

| | Unrestricted funds £ | Restricted funds £ | 2005 Total funds £ | 2004 Total funds £ |
|---------------------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| UK international programme department | 161,918 | 24,228 | 186,146 | 219,902 |
| Africa & Asia offices | 543,270 | 65,983 | 609,253 | 736,263 |
| UK & Ireland offices | 625,779 | 22,959 | 648,738 | 608,492 |
| Total | 1,330,967 | 113,170 | 1,444,137 | 1,564,657 |

| | Staff costs £ | Office costs £ | Premises £ | Other costs £ | 2005 Total funds £ | 2004 Total funds £ |
|---------------------------------------|------------------|-------------------|----------------|------------------|-----------------------|-----------------------|
| UK international programme department | 159,154 | 6,316 | — | 20,676 | 186,146 | 219,902 |
| Africa & Asia offices | 194,090 | 124,323 | 188,287 | 102,553 | 609,253 | 736,263 |
| UK & Ireland offices | 399,486 | 91,846 | 86,452 | 70,954 | 648,738 | 608,492 |
| Total | 752,730 | 222,485 | 274,739 | 194,183 | 1,444,137 | 1,564,657 |

6 Management and administration of the charity

| | 2005 Total funds £ | 2004 Total funds £ |
|----------------------------------|-----------------------------|-----------------------------|
| Meeting expenses | 20,562 | 12,654 |
| Legal and professional fees | 82,395 | 74,188 |
| Loss on disposal of fixed assets | 1,057 | — |
| Bank charges | 18,542 | 17,129 |
| Other administrative expenditure | 8,008 | — |
| | 130,564 | 103,971 |

7 Net incoming (outgoing) resources before transfers

This is stated after charging (crediting):

| | 2005 Total funds £ | 2004 Total funds £ |
|---|-----------------------------|-----------------------------|
| Staff costs (note 12) | 1,065,970 | 1,010,863 |
| UK auditors' remuneration | | |
| · Statutory audit services – 2005 audit | 8,813 | — |
| · Statutory audit services – 2004 audit | 1,807 | 4,000 |
| · Other services | 1,825 | 5,196 |
| Overseas auditors' remuneration | 24,221 | — |
| Depreciation | 101,489 | 97,299 |
| Operating lease rentals | 34,554 | 36,240 |

8 Employees and staff costs

Staff costs during the year were as follows:

| | Staff based in UK & Ireland £ | Staff based in Africa & Asia £ | 2005 Total £ | 2004 Total £ |
|-----------------------|--|---|-------------------------|--------------------|
| Wages and salaries | 577,420 | 336,521 | 913,941 | 898,115 |
| Social security costs | 59,867 | 4,599 | 64,466 | 65,127 |
| Other pension costs | 58,383 | 29,180 | 87,563 | 47,621 |
| | <u>695,670</u> | <u>370,300</u> | <u>1,065,970</u> | <u>1,010,863</u> |

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

| | Number | Full-time equivalent |
|------------|-----------|-------------------------|
| | 2005 | 2005 |
| UK | | |
| Ireland | 23 | 22 |
| Overseas | 1 | 1 |
| 2005 Total | <u>38</u> | <u>36</u> |
| | <u>62</u> | <u>59</u> |
| 2004 Total | | |
| | <u>58</u> | <u>55</u> |

One employee earned between £50,000 and £60,000 per annum during the year, including taxable benefits but excluding employer pension contributions (2004 - 1). Employer contributions to a money purchase scheme in respect of this employee during the year amounted to £5,462.

None of the trustees received any remuneration in respect of their services during the year (2004 - £nil).

During the year out of pocket travelling expenses amounting to £16,740 (2004 - £6,369) were reimbursed to 12 (2004 - 7) trustees.

9 Taxation

Skillshare International is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

| Group | Freehold land and buildings £ | Improvements to lease property £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Computers £ | Total £ |
|------------------------|--|---|---|------------------------|----------------|------------|
| Cost | | | | | | |
| At 1 April 2004 | 139,817 | 34,510 | 119,685 | 238,695 | 298,756 | 831,463 |
| Additions | — | 44,129 | 3,158 | 43,289 | 15,208 | 105,784 |
| Disposals | (39,128) | — | (45,657) | (26,900) | (32,862) | (144,547) |
| At 31 March 2005 | 100,689 | 78,639 | 77,186 | 255,084 | 281,102 | 792,700 |
| Depreciation | | | | | | |
| At 1 April 2004 | 21,863 | 5,855 | 101,958 | 156,896 | 228,836 | 515,408 |
| On disposals | (2,532) | — | (42,000) | (26,606) | (25,968) | (97,106) |
| Charge for year | (1,993) | 13,285 | 9,047 | 41,523 | 39,627 | 101,489 |
| At 31 March 2005 | 17,338 | 19,140 | 69,005 | 171,813 | 242,495 | 519,791 |
| Net book values | | | | | | |
| At 31 March 2005 | 83,351 | 59,499 | 8,181 | 83,271 | 38,607 | 272,909 |
| At 31 March 2004 | 117,954 | 28,655 | 17,727 | 81,799 | 69,920 | 316,055 |

| Charity | Freehold land and buildings £ | Improvements to lease property £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Computers £ | Total £ |
|------------------------|--|---|---|------------------------|----------------|------------|
| Cost | | | | | | |
| At 1 April 2004 | 139,817 | 34,510 | 114,260 | 238,695 | 289,216 | 816,498 |
| Additions | — | 44,129 | 3,158 | 28,190 | 10,916 | 86,393 |
| Disposals | (39,128) | — | (45,722) | (26,900) | (32,669) | (144,419) |
| At 31 March 2005 | 100,689 | 78,639 | 71,696 | 239,985 | 267,463 | 758,472 |
| Depreciation | | | | | | |
| At 1 April 2004 | 21,863 | 5,855 | 99,889 | 156,896 | 220,697 | 505,200 |
| On disposals | (2,532) | — | (42,000) | (26,606) | (25,968) | (97,106) |
| Charge for year | (1,993) | 13,285 | 8,074 | 39,359 | 38,234 | 96,959 |
| At 31 March 2005 | 17,338 | 19,140 | 65,963 | 169,649 | 232,963 | 505,053 |
| Net book values | | | | | | |
| At 31 March 2005 | 83,351 | 59,499 | 5,733 | 70,336 | 34,500 | 253,419 |
| At 31 March 2004 | 117,954 | 28,655 | 14,371 | 81,799 | 68,519 | 311,298 |

11 Fixed asset investments

| Group and charity | 2005 £ | 2004 £ |
|--|----------------|----------------|
| Listed investments | | |
| Cost at 1 April 2004 | 249,317 | 249,867 |
| Additions at cost | 9,000 | 18,656 |
| Disposals at market value (proceeds: £117,173; gain: £383) | (116,790) | — |
| Net unrealised investment gains | 16,923 | (19,206) |
| Market value at 31 March 2005 | 158,450 | 249,317 |
| Cash held by investment managers for re-investment | 7,602 | 14,121 |
| | 166,052 | 263,438 |
| Historic cost of listed investments at 31 March 2005 | 152,992 | 254,497 |

All listed investments were dealt in on recognised stock exchange.

Listed investments held at 31 March 2005 comprised the following:

| Group and charity | 2005 £ | 2004 £ |
|---------------------------------|----------------|----------------|
| UK listed unit trusts | 100,369 | 125,254 |
| Fixed interest government stock | 58,081 | 124,063 |
| | 158,450 | 249,317 |

At 31 March 2005 the following individual investment holdings each had a market value in excess of 5% of the market value of the entire listed portfolio as at that date:

| Holding | Market value of holding £ | % of total portfolio % |
|--|------------------------------------|------------------------------|
| Fixed interest | | |
| Treasury 2% index-linked 2006 | 40,160 | 25.3% |
| Treasury 5% 2008 | 17,921 | 11.3% |
| | 58,081 | |
| UK unit trusts/OEICS | | |
| HSBC Investment Funds (UK) Income Fund Retail Income | 14,853 | 9.4% |
| Jupiter UT Managers Income Trust | 8,581 | 5.4% |
| Merrill Lynch Fund Managers UK Income Fund | 22,580 | 14.3% |
| Newton Fund Managers Higher Income | 24,311 | 15.3% |
| Schroder UT Managers UK Equity Fund Income | 10,453 | 6.6% |
| Schroder UT Managers UK Enterprise Fund Income | 10,018 | 6.3% |
| Liontrust Inv Funds First Income | 9,573 | 6.0% |
| | 100,369 | |

12 Debtors

| Due within one year | Group | | Charity | |
|---------------------|----------------|---------------|----------------|---------------|
| | 2005 £ | 2004 £ | 2005 £ | 2004 £ |
| Grants receivable | 67,103 | 31,117 | 67,103 | 20,202 |
| Other debtors | 16,496 | 7,494 | 16,496 | 7,270 |
| Prepayments | 49,485 | 19,109 | 49,352 | 18,814 |
| | 133,084 | 57,720 | 132,951 | 46,286 |

13 Creditors: amounts falling due within one year

| | Group | | Charity | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2005 £ | 2004 £ | 2005 £ | 2004 £ |
| Bank overdraft | 66,891 | — | 66,891 | 49,715 |
| Other taxes and social security | 193 | — | 193 | — |
| Other creditors | 8,821 | 1,599 | 8,639 | 465 |
| Contingent liability | 15,500 | — | 15,500 | — |
| Accruals | 174,518 | 157,076 | 66,381 | 97,160 |
| | 265,923 | 158,635 | 157,604 | 147,340 |

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 2004 (restated) £ | Incoming resources £ | Expenditure £ | Transfers £ | At 31 March 2005 £ |
|---|--|----------------------------|------------------|----------------|-----------------------------|
| DCI | | | | | |
| DW's – general | — | 92,070 | (92,070) | — | — |
| SSO Projects | — | 7,366 | (7,366) | — | — |
| Maruje – Construction of hostel | — | 26,071 | (16) | — | 26,055 |
| BCC – Volunteer challenge fund | — | 33,221 | (6,632) | — | 26,589 |
| Uttaranchal – Community Health Programme | — | 41,189 | (15,652) | — | 25,537 |
| Big Lottery Fund | | | | | |
| MCH – Simanjiro | 44,237 | 48,463 | (69,143) | (10,733) | 12,824 |
| UNCODET | — | 93,267 | (24,687) | (27,637) | 40,943 |
| TVE | (2,969) | 28,969 | (9,773) | — | 16,227 |
| ACT | 1,101 | — | — | — | 1,101 |
| Balance carried forward | 42,369 | 370,616 | (225,339) | (38,370) | 149,276 |

14 Restricted funds (continued)

| Funder | At 1 April 2004 (restated) £ | Incoming resources £ | Expenditure £ | Transfers £ | At 31 March 2005 £ |
|--|--|----------------------------|------------------|----------------|-----------------------------|
| Balance brought forward | 42,369 | 370,616 | (225,339) | (38,370) | 149,276 |
| Comic Relief | | | | | |
| COPA | — | 20,000 | (20,000) | — | — |
| LSMHP | 4,557 | 15,316 | (19,873) | — | — |
| As You Sew | — | 18,000 | — | — | 18,000 |
| TXY | 3,734 | — | (3,734) | — | — |
| CLASH | 3,885 | 23,270 | (24,334) | — | 2,821 |
| DFID | | | | | |
| Regional strategy - East Midlands | — | 99,923 | (99,923) | — | — |
| EC | | | | | |
| KCHL | 21,624 | 72,624 | (68,475) | — | 25,773 |
| ENABLE | 9,493 | 32,986 | (15,388) | — | 27,091 |
| OT training | 8,559 | — | (12,393) | — | (3,834) |
| McKnight Foundation | | | | | |
| UNCODET | — | 15,046 | — | — | 15,046 |
| Elton John Foundation | | | | | |
| Samraksha | 30,702 | 30,701 | (61,403) | — | — |
| Tribal Group Foundation | | | | | |
| ENABLE | — | 16,710 | (16,710) | — | — |
| KCHL | — | 23,290 | (23,290) | — | — |
| Other Funders | | | | | |
| RA Trust – TXY Project | — | 300 | (300) | — | — |
| Christadelphian – Botshelo Project | — | 3,058 | (3,058) | — | — |
| World Bank – Basali Moho Project | — | 10,994 | (10,994) | — | — |
| M Laing – CLASH Project | — | 5,000 | (5,000) | — | — |
| Sheepcare – Open Heaven | — | 200 | (200) | — | — |
| Rufford Laing – SNTC Project Malolotja | 3,886 | 5,000 | (8,886) | — | — |
| Dorfed Trust – ENABLE Project | — | 2,400 | — | — | 2,400 |
| Christadelphian – ENABLE Project | — | 2,798 | — | — | 2,798 |
| NZHC – HIV/AIDS Workshop | — | 7,564 | (7,564) | — | — |
| M Laing – OT training | — | 3,000 | (3,000) | — | — |
| College of Practitioners – KCHL | — | 4,950 | (4,950) | — | — |
| OXFAM – East Midlands Network | — | 2,500 | (2,500) | — | — |
| Public Appeal – Tsunami Appeal | — | 4,497 | (2,033) | — | 2,464 |
| | 128,809 | 790,743 | (673,347) | (38,370) | 241,835 |

14 Restricted funds (continued)

Transfers between funds represent project monies used towards the purchase of fixed assets.

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

Botswana

- ◆ **Construction of hostel** - To enable girls to access secondary education in north east Botswana at the Maruje Community School.
- ◆ **Botshelo** - Supporting primary school education for settled Baswara San.

Lesotho

- ◆ **TVE (Technical and Vocational Education)** - Strengthening Capacity of TVE: a project to increase the capacity of the National Technical and Vocational Training Programme.
- ◆ **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 Leostho benefits poverty reduction and the children of those employed.
- ◆ **Basali Moho** - A project supporting women infected by HIV and Aids and their families.

Namibia

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

Kenya, East Africa

- ◆ **COPA (Coalition for Peace in Africa)** - Building the capacity of COPA to support its Conflict Transformation Programme to build peace in Africa.

Swaziland

- ◆ **Malolotja, SNTC** - Rural development programme providing water supply to local villages and schools by capping three springs.

14 Restricted funds (continued)

South Africa

- ◆ **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.

Southern Africa (regional)

- ◆ **HIV/AIDS Workshop** – Mobilising non-government organisations, community based organisations, support groups and groups for people living with HIV/AIDS to improve linkages, share learning and practical experiences in supporting and caring for People Living with HIV/AIDS at the grass-root level in Botswana, Namibia, Lesotho, Swaziland, Mozambique, and South Africa.
- ◆ **Volunteer Challenge Fund BCC** – A project places two Volunteer Specialists to support and strengthen youth focused and gender sensitive Behaviour Change Communication (BCC) as part of a strategic intervention to reduce HIV/AIDS infections in South Africa and Botswana.

Tanzania

- ◆ **MCH (Mother and Child Health)** – Capacity and Knowledge for MCH: a project working with nomadic groups in the Arusha region to deliver primary health care, in particular to mothers and children.
- ◆ **UNCODET (Uru North Community Development Trust)** – Increasing access to quality health care in Uru North.
- ◆ **Women's Micro-enterprise Initiatives** – Supporting women's development through the acquisition and transfer of crafts and entrepreneurial skills to members of two women's groups in Uru North.

Uganda

- ◆ **Occupational Therapist District Support** – A project to enable Uganda to train its own Occupational Therapists and establish OT as a service resourced from within Uganda.

India

- ◆ **Community Health Programme (Uttaranchal)** – A community health programme working with two partners in Uttaranchal.
- ◆ **KCHL (Knowledge, Confidence and Healthier Lives)** – A community health programme working with six partners in Tamil Nadu, Bihar, Karnataka, Madhya Pradesh and Orissa.
- ◆ **Samraksha** – Supporting a HIV Aids Care Continuum programme in Karnataka and Bangalore.

14 Restricted funds (continued)

India (continued)

- ◆ **Tsunami** – Funding development workers helping out during the aftermath of the tsunami and working with a local partner, Coastal Education and Cultural Trust, placing an Occupational Therapist to support the healing process for those affected by the tsunami.

UK

- ◆ **East Midlands Network for Global Perspectives in Schools** – Skillshare International is hosting the project to develop global perspectives as a core element of the school curriculum.

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

15 Analysis of net assets between funds – group

| | General fund (restated) £ | Restricted funds (restated) £ | Total 2005 £ |
|---|------------------------------------|--|--------------------|
| Fund balances at 31 March 2005 | | | |
| Are represented by: | | | |
| Tangible fixed assets | 272,909 | — | 272,909 |
| Investments | 166,052 | — | 166,052 |
| Current assets | 65,293 | 241,835 | 307,128 |
| Creditors: amounts falling due within one year | (265,923) | — | (265,923) |
| Total net assets | 238,331 | 241,835 | 480,166 |

16 Leasing commitments

Operating leases

At 31 March 2005 the charity had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|---------------------------------------|--------------------|---------------|
| | 2005 £ | 2004 £ |
| Operating leases which expire: | | |
| Within one year | 6,911 | — |
| Within two to five years | 35,198 | 4,060 |
| Thereafter | — | 30,494 |
| | 42,109 | 34,554 |

17 Contingent liability

As at 31 March 2005, 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 placement. This is subject to satisfactory completion of their placements.

If all 62 development workers and health trainers in post at 31 March 2005 fulfil this condition, the estimated total costs of their return travel would be £37,200.

18 Prior year adjustment

During the year ended 31 March 2005, it became apparent that certain monies credited to unrestricted income in the accounts for the year ended 31 March 2004 were in fact given for restricted purposes. These monies were expended within the terms of the original donations and the transfer between funds at 31 March 2004 has been made in order to reflect more accurately the terms under which the funds were given. In order to avoid unnecessary complexity, the adjustment has been made to opening fund values but prior year income and expenditure has not been reanalysed in the notes to these accounts.

19 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 | | |
| | | Income £ | Expenditure £ | Surplus/ (deficit) for the year £ |
| Action Health | | — | — | — |
| Skillshare South Africa | | 237,893 | 236,998 | 895 |
| Skillshare International (Ireland) | | 264,457 | 264,761 | (304) |
| | | | | Total funds £ |
| | | | | 202,292 |
| | | | | (1,849) |

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

20 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.