

**Skillshare  
International**

Annual Report and Accounts

31 March 2006



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

Charity Registration Number  
802576

## Contents

### Reports

Legal and administrative information	1
Trustees' report	3
Chair's report	9
Independent auditors' report	14

### Accounts

Consolidated statement of financial activities	16
Consolidated and charity balance sheets	17
Principal accounting policies	18
Notes to the consolidated accounts	21

## Legal and administrative information

Patrons	Richard E Grant Sir Trevor McDonald OBE
Vice Presidents	Bill Morris Richard Caborn MP
Trustees	Roger Blake John Hoffman Leigh Holland Fred Mear Sarah Nancollas Nita Odedra Shilpa Patel Sarah Spall Wendy Tabuteau Diana Tottle Andrew Wynne
Chief Executive Officer and company secretary	Cliff Allum
Registered office	126 New Walk Leicester LE1 7JA
Website	<a href="http://www.skillshare.org">www.skillshare.org</a>
Company registration number	2447107
Charity registration number	802576
Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG

## Legal and administrative information

**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

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 2006. This report fulfils the requirements of Part VI of the Charities Act 1993 and of the Companies Act 1985.

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.

The attached accounts have been prepared in accordance with the accounting policies set out on pages 18 to 20 and comply with the charity's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

### **Governance, Structure and Management**

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

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

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

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

Skillshare International has three subsidiary companies:

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

### Governance, Structure and Management (continued)

Skillshare International has registered a Trust in Kenya, the Skillshare International Trust. The principal objects of this Trust are to work for sustainable development with the people and communities of East Africa.

Skillshare International has an associated Trust, Skillshare International (India) Trust, the principal objects of which are to fight against social inequality, relieve poverty distress and sickness and fight against disease.

Skillshare International (Ireland) and Skillshare International (India) Trust are each signatories to a Trade Mark licence, which specifies the conditions under which they may use the name and logo of Skillshare International.

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

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

The following trustees were in office at 31 March 2006 and served throughout the year, except where shown.

Trustee	Appointed / Resigned
Roger Blake	
John Hoffman	
Leigh Holland	
Ann Matthews	Resigned 21 December 2005
Fred Mear	
Sarah Nancollas	
Nita Odedra	
Shilpa Patel	
Sarah Spall	
Wendy Tabuteau	
Diana Tottle	
Andrew Wynne	

### Governance, Structure and Management (continued)

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

- ◆ Finance; and
- ◆ Human Resources and Organisational Development.

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

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

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

During the year, Skillshare International employed 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 operations are constituted as subsidiary companies limited by guarantee; the other offices are branches of the main charity. There is also a UK supporters' association.

### Senior executives (at 31 March 2006)

Name	Position
Cliff Allum	Chief Executive Officer
Tiny Healy	Regional Director (Southern Africa)
Julie George	Country Coordinator (India)
Oliver Kantai	Regional Director (East Africa)
Fran Flood	Director Skillshare International Ireland
Amanda Khozi Mukwashi	Head of External Relations
Luis Silva	Head of International Programmes
Rachel Haynes	Head of Resources and Systems
David Harries	Head of Organisational Effectiveness
Jake Bharier	Head of Corporate Development

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. Further information on the plans, activities and past performance of Skillshare International can be found on our website: [www.skillshare.org](http://www.skillshare.org).

## **Governance, Structure and Management (continued)**

### ***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;
- ◆ 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.

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

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

### **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 £7.82 million. A new Agreement was signed by both parties in February 2005, and is for six years from 1 April 2005. Funding has been agreed for the first three years for a total of £7.05 million. Funding for the remainder of the agreement will be negotiated during the third year. 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.



## **Governance, Structure and Management (continued)**

### **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.

### **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 fixed assets), are currently 14.8% (2005: 10.2%) of planned annual expenditure from unrestricted funds. Under the SORP guidelines, the free reserves of the charity are effectively in deficit by £82,948. However, the trustees regard the fixed asset investments totalling £191,099 as being sufficiently liquid to meet the reserve requirements. The trustees have put in place a programme to rebuild reserves over the next four years.

### **Investment policy**

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

Part of the reserve is invested. The charity's investment policy is to aim for medium term capital growth in funds at relatively low risk, and where possible, through the application of an ethical investment policy, although the modest scale of the portfolio gives very little scope for this. This is achieved at present, on the basis of professional advice, by investment in government securities and unit trusts. The market value of the invested funds has increased by 15% during the year (10% in the previous year).

### **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 2005-2006 available on our website [www.skillshare.org](http://www.skillshare.org) or from the UK office.

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

### **Auditors**

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:



Trustee

Approved by the trustees on: 10 August 2006

In the first operational year of our 2005-10 corporate strategy, I am pleased to be able to report on major accomplishments including the excellent performance of the development worker programme, exceeding our projections for resourcing partner organisations, and successfully aligning our work with our priority sectors (health, education, environment and economic empowerment). We have also sustained and grown our programmes in Botswana, India, Ireland, Kenya, Lesotho, Mozambique, South Africa, Swaziland, Tanzania, Uganda and the UK.

At the beginning of 2005, we set ourselves the target of having 80% of partnerships in the priority sectors of health, economic empowerment, education and environment, and have achieved 77% in this first year. The remaining 23% of partnerships includes mainly Tsunami rehabilitation, human rights and peace building programme activities in Asia, South Africa and East Africa and in the global programme.

### **Organisational change and development**

A significant achievement this year is the performance of the development worker programme, which has fulfilled its profile for the first time in recent years with 63 development workers being engaged across our programme, against the 62 planned. We have also surpassed our target of placing 80% of development workers in our priority sectors: 46% in health, 18% in education, 17% in economic empowerment and 10% in environment.

In an effort to develop new models of international volunteering that are appropriate to today's reality and meet the needs of our partners, we have facilitated short term placements and secondments in Lesotho, Botswana, East Africa and India. Irish Aid (formerly Development Co-operation Ireland) funded secondments through Skillshare International Ireland and the Tribal Group Foundation (UK) funded Skillshare International secondments.

We have worked with our partners to develop a regional funding base, and have increased the number of funding applications submitted to international and local donors based in Southern Africa. In Lesotho, we secured new project partnerships with the Elton John AIDS Foundation and the European Union. In Asia, UNIFEM approved our funding application to support research on Nepal-India cross-border child trafficking. This generated funds for the Skillshare India Trust and our staff and development workers carried out the research.

In 2005-6, we held the fifth wave of our Leadership Development Programme (LDP) with 24 participants from nine countries, including East Africa and Asia for the first time.

In an effort to improve networking and sharing of information on HIV/AIDS, our Southern Africa regional office facilitated a series of meetings with seven HIV/AIDS partner organisations in townships, leading to the submission of a joint project proposal to the Canada Fund for Africa. Our Southern Africa regional office also facilitated meetings between the Southern African Development Community (SADC) NGO Council and CONCORD, the European confederation of NGOs, in Pretoria to share experiences and learning and establish viable links for working together in future.

## **Supporting Social Change**

Over the last year, we have initiated and developed our work on the 'social change' aspect of our corporate strategy. We have continued to strengthen our work on development awareness, working with supporters and information dissemination and have started to build our capacity to address social change internally as well as externally.

In India, Skillshare International has actively pursued a social change agenda, by promoting and protecting the rights of disadvantaged women and girls, developing advocacy, micro enterprise and micro insurance programmes, and supporting the establishment of community based co-operatives.

In Southern Africa, we participated in the development of the SADC Regional Advocacy Framework on issues affecting people living with HIV/AIDS and have continued to work closely with SADC HIV/AIDS unit based in Gaborone as part of our strategy to reduce and mitigate the impact of HIV/AIDS in the region. We also placed development workers to work with partners in Botswana on advocacy: Ditshwanelo, which campaigns for human rights issues; and Tquii Xu Yani (TXY), a Basarwa organisation. In Swaziland we have supported Yonge Nawe, which campaigns and raises awareness of national positive environmental action.

Skillshare International participated in the CIVICUS conference in Beirut, the Global Call to Action against Poverty (GCAP) in 2005 and the white band march held on 2 July in Pretoria. In the UK, we actively participated in the **MAKEPOVERTYHISTORY** campaign, enabling us to support civil society campaigners, develop new and strengthened partnerships, gain greater expertise, and attract new supporters. We also strengthened our commitment to the Stop AIDS Campaign and joined the Trade Justice Movement.

## **Improving our effectiveness**

### **Governance and management**

We restructured our staffing structure in the UK, creating new teams to focus on resources and systems, the development worker programme, and communications. The review and development of our governance structures continues.

### **Strategic partnerships**

In 2005-6 we developed strategic partnerships with a variety of organisations:

#### **◆ *Skillshare International and Responding To Conflict (RTC)***

This partnership bridges the divide between international development and conflict focused NGOs. Skillshare International has experience in capacity building work with partner organisations in Africa and Asia, while RTC brings professional expertise in conflict resolution. Our partnership has resulted in a successful bid for DFID-CHASE to fund an Integrating Development and Conflict Transformation programme (IDCT). Skillshare International and RTC also jointly supported a successful Comic Relief proposal to fund our partner organisation in Kenya, the Coalition for Peace in Africa (COPA).

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

### **Strategic partnerships (continued)**

#### ◆ *Skillshare International and Australian Volunteers International (AVI)*

We signed a Memorandum of Understanding with AVI in October 2005 and subsequently a contract to manage their volunteer programme in Southern Africa for an initial period of approximately three years. We have appointed a Programme Co-ordinator in Southern Africa to support the programme currently in South Africa, Swaziland, Mozambique and Malawi - a country in which we have not had a presence before.

#### ◆ *Tribal Group Foundation*

The Tribal Group Foundation has been working with Skillshare International since 2004 to support partner organisations working in health and education in Africa and Asia and to enable Tribal Group companies to forge direct links with Skillshare International's partner organisations working in the same sectors. In January 2006, the Chair of the Tribal Group Foundation and Skillshare International's CEO visited Southern Africa to meet partner organisations and visit potential new projects. At the same time, a consultant from Tribal Technology completed a short-term placement on HIV/AIDS information technology systems in Lesotho.

## **Financial performance**

The financial objectives set in June 1998 by the Board have been reviewed, and remain current. The annual financial plan is developed in line with the five year plan, which in turn is within these financial objectives. The Board's overall objectives are:

- ◆ to increase total income;
- ◆ to increase the proportion of income from sources other than from DFID;
- ◆ to manage expenditure effectively and within budget;
- ◆ to maintain an adequate level of reserves.

I am pleased to report that this year, all four of these objectives have been met.

Our income in 2005 - 2006 was £3.96 million, compared with £2.95 million in 2004 - 2005: an increase of 34.2%. One receipt of project money distorts this picture: on 29 March 2006, we received a grant of £274 000 from Christian Aid in respect of Tsunami rehabilitation work, all expenditure for which will take place in 2006 - 2007. If this grant is discounted, then the increase in income was 24.9% to £3.69 million, still a considerable improvement on our planned increase.

Our grant from DFID under the new PPA increased by 16% to £2.35 million (£2.03 million in 2004-5). Despite this increase, our success in obtaining funds through other sources has meant that the PPA grant comprised 59.3% of total income (63.7% if the Tsunami rehabilitation grant is discounted) compared with 69.7% in 2004-5. Other significant funders include the European Union, Big Lottery Fund, Comic Relief, the Elton John Foundation and the Tribal Group Foundation. Irish Aid is a major funder through Skillshare International Ireland.

### **Financial performance (continued)**

Overall, Skillshare International has managed these financial resources effectively and within budget. Despite the continuing strength of the South African rand, we have ended the year with a surplus which has enabled us to bring our reserves close to the lower limit of what we consider to be acceptable at present. We will continue to rebuild the reserve under our five year business plan 2005 - 2010. We maintain sufficient reserve as cash or short-term deposits to meet immediate needs.

97.4% of our expenditure is directly related to our charitable objectives, namely meeting the costs of running our programmes in Africa and India. Our partnership approach and the direct involvement of our development workers frequently enables 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.

### **Looking ahead to 2006-7**

The Board has identified the priority activities for the organisation in 2006-7 as:

- ◆ To expand programmes beyond current countries to Ethiopia and Nepal.
- ◆ To increase the Development Worker Programme to 74 with 60 of these financed through core funding.
- ◆ Extend the Leadership Development Programme into India.
- ◆ Increase contingent partner resources in Asia.
- ◆ Implement models of international volunteering appropriate to Social Change.

The main activities identified for learning and growth, and investment for the future are:

- ◆ To establish a framework for organisational learning between our partners at inter-regional level.
- ◆ To review and assess the opportunities for development awareness and produce a revised strategy.
- ◆ To conduct research (evidence based on practice) to inform policy intervention.
- ◆ To implement the governance review.
- ◆ To launch the Institute of Leadership Development.
- ◆ To establish a consultancy company.

### **Supporters and contributors**

On behalf of the trustees, I would like to express my appreciation and gratitude to all the organisations and individuals who have provided financial and human resources for our work. A list of our major donors and funders will be available on our website and in our Annual Review 2005-6.

I would also like to acknowledge the great contribution made by everybody connected with Skillshare International, including staff, development workers, 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.

  
Chair

Board of Trustees

Date: 10 August 2006

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

We have audited the accounts on pages 16 to 34 which have been prepared under the historical cost convention, as modified by the revaluation of investments, and the accounting policies set out on pages 18 to 20.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As described on page 6 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 (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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.

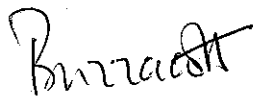
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity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



### **Opinion**

In our opinion the accounts:

- ◆ give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the group and the charitable company's state of affairs as at 31 March 2006 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended;
- ◆ have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information in the trustees' report is consistent with the accounts.



Buzzacott

Chartered Accountants and Registered Auditors

12 New Fetter Lane

London

EC4A 1AG



# Consolidated statement of financial activities Year to 31 March 2006

				Continuing activities	
	Notes	Unrestricted funds £	Restricted funds £	2006 Total funds £	2005 Total funds £
<b>Income and expenditure</b>					
Incoming resources from generated funds:					
. Voluntary income	1	2,379,494	17,664	<b>2,397,158</b>	2,112,778
. investment income		11,778	—	<b>11,778</b>	9,967
Charitable activities	2				
. Development work programme		12,964	105,823	<b>118,787</b>	211,647
. Other programmes		36,674	1,252,683	<b>1,289,357</b>	446,406
. Policy and advocacy		—	100,000	<b>100,000</b>	99,923
Other incoming resources		46,621	—	<b>46,621</b>	73,205
<b>Total incoming resources</b>		<b>2,487,531</b>	<b>1,476,170</b>	<b>3,963,701</b>	<b>2,953,926</b>
<b>Resources expended</b>					
Cost of generating funds					
. Investment management costs	3	2,423	—	<b>2,423</b>	2,280
Charitable activities	4				
. Development work programme		1,082,028	161,724	<b>1,243,752</b>	1,394,248
. Other programmes		873,843	930,378	<b>1,804,221</b>	1,052,340
. Policy and advocacy		324,872	45,514	<b>370,386</b>	420,696
Governance costs	5	93,512	—	<b>93,512</b>	102,957
Other resources expended		—	—	<b>—</b>	1,057
<b>Total resources expended</b>		<b>2,376,678</b>	<b>1,137,616</b>	<b>3,514,294</b>	<b>2,973,578</b>
<b>Net incoming (outgoing) resources before transfers</b>	6	110,853	338,554	<b>449,407</b>	(19,652)
Gross transfers between funds	13	(17,820)	17,820	<b>—</b>	<b>—</b>
<b>Net incoming (outgoing) resources before revaluations and investment asset disposals</b>		93,033	356,374	<b>449,407</b>	(19,652)
Realised gains on disposal of investments		307	—	<b>307</b>	383
<b>Net incoming (outgoing) resources before revaluations</b>		93,340	356,374	<b>449,714</b>	(19,269)
<b>Statement of total recognised gains and losses</b>					
Unrealised gains on investments		20,171	—	<b>20,171</b>	16,923
<b>Net movement in funds</b>		<b>113,511</b>	<b>356,374</b>	<b>469,885</b>	(2,346)
<b>Fund balances brought forward at 1 April 2005</b>		<b>238,331</b>	<b>241,835</b>	<b>480,166</b>	<b>482,512</b>
<b>Fund balances carried forward at 31 March 2006</b>		<b>351,842</b>	<b>598,209</b>	<b>950,051</b>	<b>480,166</b>

	Notes	Consolidated		Charity	
		2006 £	2005 £	2006 £	2005 £
<b>Fixed assets</b>					
Tangible assets	9	315,114	272,909	284,440	253,419
Investments	10	191,099	166,052	191,099	166,052
		<b>506,213</b>	438,961	<b>475,539</b>	419,471
<b>Current assets</b>					
Debtors	11	179,607	133,084	153,576	132,951
Cash at bank and in hand		414,284	174,044	374,408	54,304
		<b>593,891</b>	307,128	<b>527,984</b>	187,255
<b>Creditors:</b> amounts falling due within one year	12	(150,053)	(265,923)	(132,762)	(157,604)
<b>Net current assets</b>		<b>443,838</b>	41,205	<b>395,222</b>	29,651
<b>Total net assets</b>		<b>950,051</b>	480,166	<b>870,761</b>	449,122
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<b>Income funds:</b>					
Restricted funds	13	598,209	241,835	598,209	241,835
Unrestricted funds					
General fund		351,842	238,331	272,552	207,287
		<b>950,051</b>	480,166	<b>870,861</b>	449,122

Approved by the trustees  
and signed on their behalf by:

*Wendy Patutean*  
Trustee

Approved on: 10 August 2006

### **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 2005) have been followed in these accounts.

SORP 2005 has been adopted for the first time in the preparation of these financial statements and has resulted in a number of changes in presentation, categorisation and layout compared to previous year. Where applicable, the presentation and categorisation of amounts shown in respect of previous years has been amended to ensure consistency. The re-presentation does not affect overall amounts included in the 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 companies Skillshare South Africa and Skillshare International (Ireland) at 31 March. Branches of Skillshare International not established as autonomous legal entities are included within the financial statements of the charity itself.

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

### **Incoming resources**

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

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as voluntary income 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 charitable activities comprises direct costs of the volunteer development worker programmes, other programmes in the south and policy and advocacy work in the UK; and support costs which consist of the costs of Skillshare offices around the world and the UK-based international programme department. Governance costs include 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 Voluntary income**

	Unrestricted funds £	Restricted funds £	2006 Total funds £	2005 Total funds £
Donations	29,494	17,664	<b>47,158</b>	82,778
<b>Government grants</b>				
UK government grants				
Department for International Development Programme Partnership Agreement	2,350,000	—	<b>2,350,000</b>	2,030,000
<b>Total</b>	<b>2,379,494</b>	<b>17,664</b>	<b>2,397,158</b>	<b>2,112,778</b>

**Gifts in kind**

In addition to the monetary donations above, the charity has received the following gifts in kind during the year, the value of which is not included in these 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
Consultant from Tribal Foundation	5,000

**2 Incoming resources from charitable activities**

	Unrestricted funds £	Restricted funds £	2006 Total funds £	2005 Total funds £
<u>UK Government Grants</u>				
Department for International Development				
. Regional Strategy for East Midlands	—	100,000	<b>100,000</b>	99,923
Integrating Development to Conflict Transformation	—	187,586	<b>187,586</b>	—
<u>Non-UK government grants</u>				
European Union	—	32,687	<b>32,687</b>	105,610
Ireland				
. Irish Aid	12,964	116,677	<b>129,641</b>	211,647
. Website	—	4,017	<b>4,017</b>	—
Australia				
. Australian Volunteer International	36,674	—	<b>36,674</b>	—
<b>Other institutional grants</b>				
<u>UK institutional grants</u>				
Community Fund	—	99,998	<b>99,998</b>	170,699
Comic Relief	—	202,727	<b>202,727</b>	76,586
Elton John AIDS Foundation	—	69,608	<b>69,608</b>	30,701
Christian Aid	—	582,624	<b>582,624</b>	—
Tribal Foundation	—	10,000	<b>10,000</b>	—
<u>Non-UK Institutional grants</u>				
United States				
. McKnight Foundation	—	—	—	15,046
Botswana				
. US Ambassador Fund	—	30,264	<b>30,264</b>	—
Lesotho				
. World Bank	—	—	—	10,994
Other grants under £10,000	—	22,318	<b>22,318</b>	36,770
	<u>49,638</u>	<u>1,458,506</u>	<u><b>1,508,144</b></u>	<u>757,976</u>
<b>Income by charitable activities</b>				
Development worker programme	12,964	105,823	<b>118,787</b>	211,647
Other programmes	36,674	1,252,683	<b>1,289,357</b>	446,406
Policy and advocacy	—	100,000	<b>100,000</b>	99,923
	<u>49,638</u>	<u>1,458,506</u>	<u><b>1,508,144</b></u>	<u>757,976</u>



**3 Investment management costs**

	Unrestricted funds £	Restricted funds £	2006 Total funds £	2005 Total funds £
Investment manager's fees	2,423	—	2,423	2,280

**4 Charitable activities**

	Unrestricted funds £	Restricted funds £	2006 Total funds £	2005 Total funds £
International programmes				
. Development worker programme	1,082,028	161,724	1,243,752	1,394,248
. Other programmes	873,843	930,378	1,804,221	1,052,340
Policy and advocacy	324,872	45,514	370,386	420,696
<b>Total</b>	<b>2,280,743</b>	<b>1,137,616</b>	<b>3,418,359</b>	<b>2,867,284</b>

Breakdown of costs	Partnership funding £	Volunteer allowances £	Direct staff costs £	Other direct costs £	Support costs £	Total 2006 £	Total 2005 £
International programmes							
. Development worker programme	—	452,358	143,021	—	648,373	1,243,752	1,394,248
. Other programmes	934,021	—	199,651	—	670,549	1,804,221	1,052,340
Policy and advocacy	—	—	159,703	55,609	155,074	370,386	420,696
<b>Total</b>	<b>934,021</b>	<b>452,358</b>	<b>502,375</b>	<b>55,609</b>	<b>1,473,996</b>	<b>3,418,359</b>	<b>2,867,284</b>

Breakdown of support costs	Office costs £	Premises costs £	Financial costs £	Indirect Staff costs £	Other costs £	Total 2006 £	Total 2005 £
International programmes							
. Development worker programme	83,075	100,990	7,412	383,568	73,328	648,373	838,243
. Other programmes	93,460	113,613	8,339	372,642	82,495	670,549	412,216
Policy and advocacy	31,153	37,872	2,780	55,771	27,498	155,074	220,228
<b>Total</b>	<b>207,688</b>	<b>252,475</b>	<b>18,531</b>	<b>811,981</b>	<b>183,321</b>	<b>1,473,996</b>	<b>1,470,687</b>

**Basis for support costs allocation**

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

**5 Governance costs**

	Unrestricted funds £	Restricted funds £	2006 Total funds £	2005 Total funds £
Meeting expenses	13,678	—	<b>13,678</b>	20,562
Legal and professional fees	35,427	—	<b>35,427</b>	45,729
Audit fees	44,407	—	<b>44,407</b>	36,666
	<b>93,512</b>	<b>—</b>	<b>93,512</b>	<b>102,957</b>

**6 Net incoming (outgoing) resources before transfers**

This is stated after charging (crediting):

	2006 Total funds £	2005 Total funds £
Staff costs (note 7)	<b>1,168,528</b>	1,065,970
UK auditors' remuneration		
• Statutory audit services – 2006 audit	<b>9,000</b>	—
• Statutory audit services – 2005 audit	<b>8,750</b>	8,813
• Statutory audit services – 2004 audit	—	1,807
• Other services	—	1,825
Overseas auditors' remuneration	<b>26,657</b>	24,221
Depreciation	<b>92,817</b>	101,489
Operating lease rentals	<b>42,643</b>	34,554

**7 Employees and staff costs**

Staff costs during the year were as follows:

	Staff based in UK & Ireland £	Staff based in Africa & Asia £	2006 Total £	2005 Total £
Wages and salaries	610,674	396,898	<b>1,007,572</b>	913,941
Social security costs	62,743	18,897	<b>81,640</b>	64,466
Other pension costs	60,615	18,701	<b>79,316</b>	87,563
	<b>734,032</b>	<b>434,496</b>	<b>1,168,528</b>	<b>1,065,970</b>

**7 Employees and staff costs (continued)**

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

	Full-time equivalent 2006	Full-time equivalent 2005
International programmes		
· Development worker programme	43.5	43.5
· Other programmes	11.0	9.0
Policy and advocacy	7.0	6.0
Governance	0.5	0.5
	<b>62.0</b>	<b>59.0</b>

No employees earned more than £60,000 per annum during the year, including taxable benefits but excluding employer pension contributions (2005 - nil). Employer contributions to a money purchase scheme in respect of the relevant employee during the previous year amounted to £5,908 (2005 - £5,462).

None of the trustees received any remuneration in respect of their services during the year (2005 - £nil).

During the year out of pocket travelling expenses amounting to £7,956 (2005 - £16,740) were reimbursed to 12 (2005 - 12) trustees.

**8 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.

**9 Tangible fixed assets**

Group	Freehold land and buildings £	Improvements to lease property £	Fixtures, fittings and equipment £	Motor vehicles £	Computers £	Total £
<b>Cost</b>						
At 1 April 2005	100,689	78,639	77,186	255,084	281,102	<b>792,700</b>
Additions	—	22,425	3,461	81,239	36,207	<b>143,332</b>
Disposals	—	(958)	(87)	(58,677)	(35,235)	<b>(94,957)</b>
At 31 March 2006	100,689	100,106	80,560	277,646	282,074	<b>841,075</b>
<b>Depreciation</b>						
At 1 April 2005	17,338	19,140	69,005	171,813	242,495	<b>519,791</b>
On disposals	—	(576)	(87)	(51,453)	(34,531)	<b>(86,647)</b>
Charge for year	2,015	11,421	8,611	44,188	26,582	<b>92,817</b>
At 31 March 2006	19,353	29,985	77,529	164,548	234,546	<b>525,961</b>
<b>Net book values</b>						
At 31 March 2006	81,336	70,121	3,031	113,098	47,528	<b>315,114</b>
At 31 March 2005	83,351	59,499	8,181	83,271	38,607	<b>272,909</b>

**9 Tangible fixed assets (continued)**

<b>Charity</b>	Freehold land and buildings £	Improvements to lease property £	Fixtures, fittings and equipment £	Motor vehicles £	Computers £	<b>Total £</b>
<b>Cost</b>						
At 1 April 2005	100,689	78,639	71,696	239,985	267,463	<b>758,472</b>
Additions	—	22,425	3,265	63,197	32,843	<b>121,730</b>
Disposals	—	(958)	(87)	(58,677)	(34,214)	<b>(93,936)</b>
At 31 March 2006	<u>100,689</u>	<u>100,106</u>	<u>74,874</u>	<u>244,505</u>	<u>266,092</u>	<b>786,266</b>
<b>Depreciation</b>						
At 1 April 2005	17,338	19,140	65,963	169,649	232,963	<b>505,053</b>
On disposals	—	(576)	(87)	(51,453)	(33,510)	<b>(85,626)</b>
Charge for year	2,015	11,421	7,261	38,483	23,219	<b>82,399</b>
At 31 March 2006	<u>19,353</u>	<u>29,985</u>	<u>73,137</u>	<u>156,679</u>	<u>222,672</u>	<b>501,826</b>
<b>Net book values</b>						
At 31 March 2006	<u>81,336</u>	<u>70,121</u>	<u>1,737</u>	<u>87,826</u>	<u>43,420</u>	<b>284,440</b>
At 31 March 2005	<u>83,351</u>	<u>59,499</u>	<u>5,733</u>	<u>70,336</u>	<u>34,500</u>	<b>253,419</b>

**10 Fixed asset investments**

<b>Group and charity</b>	<b>2006 £</b>	<b>2005 £</b>
<b>Listed investments</b>		
Cost at 1 April 2005	<b>158,450</b>	249,317
Additions at cost	<b>45,000</b>	9,000
Disposals at market value (proceeds: £40,467; gain: £307)	<b>(40,160)</b>	(116,790)
Net unrealised investment gains	<b>20,171</b>	16,923
Market value at 31 March 2006	<b>183,461</b>	158,450
<b>Cash held by investment managers for re-investment</b>	<b>7,638</b>	7,602
	<b>191,099</b>	166,052
Historic cost of listed investments at 31 March 2006	<b>162,562</b>	152,992

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

Listed investments held at 31 March 2006 comprised the following:

<b>Group and charity</b>	<b>2006 £</b>	<b>2005 £</b>
UK listed unit trusts	<b>62,082</b>	100,369
Fixed interest government stock	<b>121,379</b>	58,081
	<b>183,461</b>	158,450

**10 Fixed asset investments (continued)**

The following investments constituted a material part of the portfolio at 31 March 2006.

<b>Holding</b>	<b>Market value of holding £</b>	<b>% of total portfolio %</b>
<b>Fixed interest</b>		
Treasury 5% 2008	<b>22,790</b>	12.4%
Treasury 2.5% 2011	<b>19,658</b>	10.7%
Treasury 2.5% 2009	<b>19,634</b>	10.7%
	<b>62,082</b>	
<b>UK unit trusts/OEICs</b>		
HSBC Investment Funds (UK) Income Fund Retail Income	<b>17,340</b>	9.5%
Jupiter UT Managers Income Trust	<b>11,128</b>	6.1%
Merrill Lynch Fund Managers UK Income Fund	<b>26,936</b>	14.7%
Newton Fund Managers Higher Income	<b>29,230</b>	15.9%
Schroder UT Managers UK Equity Fund Income	<b>12,910</b>	7.0%
Schroder UT Managers UK Enterprise Fund Income	<b>12,283</b>	6.7%
Liontrust Inv Funds First Income	<b>11,552</b>	6.3%
	<b>121,379</b>	

**11 Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
<b>Due within one year</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants receivable	<b>132,462</b>	67,103	<b>106,431</b>	67,103
Other debtors	<b>20,553</b>	16,496	<b>20,553</b>	16,496
Prepayments	<b>26,592</b>	49,485	<b>26,592</b>	49,352
	<b>179,607</b>	133,084	<b>153,576</b>	132,951

**12 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdraft	<b>2,953</b>	66,891	<b>2,953</b>	66,891
Other taxes and social security	<b>—</b>	193	<b>—</b>	193
Other creditors	<b>16,812</b>	8,821	<b>16,804</b>	8,639
Accruals	<b>130,288</b>	190,018	<b>113,005</b>	81,881
	<b>150,053</b>	265,923	<b>132,762</b>	157,604

**13 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 2005 £	Incoming resources £	Expenditure £	Transfers £	At 31 March 2006 £
<b>Irish Aid</b>					
DWs – general	—	105,823	(105,823)	—	—
SSO Projects	—	10,854	(10,854)	—	—
Maruje – Construction of hostel	26,055	—	(18,454)	—	7,601
Volunteer challenge fund BCC	26,589	—	(18,920)	—	7,669
Uttaranchal – Community Health Programme	25,537	—	(26,112)	575	—
Website	—	4,017	(4,017)	—	—
<b>Big Lottery Fund</b>					
MCH – Simanjoro	12,824	60,500	(70,713)	20,041	22,652
UNCODET	40,943	39,498	(50,144)	19,447	49,744
ACT	1,101	—	—	—	1,101
TVE	16,227	—	—	—	16,227
<b>Comic Relief</b>					
COPA	—	149,006	(115,004)	—	34,002
LSMHP	—	13,616	(4,775)	—	8,841
As You Sew	18,000	—	(8,316)	—	9,684
TXY	—	11,541	(11,955)	—	(414)
CLASH	2,821	28,564	(27,293)	—	4,092
<b>DFID</b>					
Regional strategy - East Midlands	—	100,000	(100,000)	—	—
IDCT	—	187,586	(125,450)	—	62,136
<b>EC</b>					
KCHL	25,773	—	(12,948)	(12,825)	—
ENABLE	27,091	32,687	(22,194)	(13,252)	24,332
OT training	(3,834)	—	—	3,834	—
<b>Christian Aid</b>					
CECT	—	582,623	(296,724)	—	285,899
<b>McKnight Foundation</b>					
UNCODET	15,046	—	(3,496)	—	11,550
Balance carried forward	234,173	1,326,315	(1,033,192)	17,820	545,116

**13 Restricted funds (continued)**

Funder	At 1 April 2005 £	Incoming resources £	Expenditure £	Transfers £	At 31 March 2006 £
Balance brought forward	234,173	1,326,315	(1,033,192)	17,820	<b>545,116</b>
<b>Elton John Foundation</b>					
Samraksha	—	56,772	(58,444)	—	<b>(1,672)</b>
Karabong Support Network	—	12,836	(2,801)	—	<b>10,035</b>
<b>Tribal Group Foundation</b>					
ENABLE	—	10,000	(10,000)	—	<b>—</b>
<b>American Ambassador Girls' Scholarship Programme</b>					
African Education Initiative	—	30,264	(18,592)	—	<b>11,672</b>
<b>Edith Murphy Foundation</b>					
Lesotho Disability Project	—	15,000	—	—	<b>15,000</b>
<b>Other Funders</b>					
Under £10,000	7,662	24,983	(14,587)	—	<b>18,058</b>
	<b>241,835</b>	<b>1,476,170</b>	<b>(1,137,616)</b>	<b>17,820</b>	<b>598,209</b>

Transfers out of the funds of £26,077 relate to correction of restricted fund balances at the year end.

Transfers into the funds for MCH - Simanjiro (£20,041) and UNCODET projects (£19,447) relate to fixed assets previously treated as unrestricted which were spent out of restricted monies and will need to ultimately be transferred to the partner bodies at the end of the projects.

The two projects with small deficits above are likely to be in surplus balance during the 06/07 financial year following discussions with the relevant funders.

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.
- ◆ **TTY** - To create an enabling environment for Basarwan San living in and around Kang to improve their living condition through sustainable use of natural resources, food production, education and skill's training as well as residential and farming land ownership.
- ◆ **American Ambassador's Girl's Scholarship Programme (African Education Initiative)** - To cover school fees, school uniforms and casual clothes as well as mentoring for girls for both pre-school and primary education level between the ages of 5 to 14 years.

### 13 Restricted funds (continued)

#### 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 Lesotho benefits poverty reduction and the children of those employed.
- ◆ Karabong Support Network - To support and strengthen Karabong Clinic to develop a comprehensive system of treatment care and support for people infected and affected by HIV and AIDS.
- ◆ Lesotho disability project - To contribute towards poverty reduction in Lesotho by improving the socio-economic status and livelihood of persons with disabilities. This will be done by building the capacity of the Ministry of Health to co-ordinate civil society agencies working with disability as service providers with the strategic intent of spreading services across Lesotho.

#### 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.

#### 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.



### 13 Restricted funds (continued)

#### Southern Africa (regional)

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

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

### 13 Restricted funds (continued)

#### 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.
- ◆ **Integrating Development and Conflict Transformation (IDCT)** - Building the capacity of civil society to understand and manage conflict constructively.

#### General

- ◆ **Development workers (DWs)** - Is the Personnel Co-Financing Grant which is a contribution towards the costs of the Skillshare International long-term volunteering programme.
- ◆ **Irish Aid (SSO)** - is a contribution towards the cost of short-term (maximum 3 months) consultancy interventions. In 2005, the following interventions were supported:
  - Botswana - 2 months
  - India - 1 month
  - Lesotho - 2 months
  - East Africa - 2 months
- ◆ **Website** - This is to support in designing and developing the Skillshare International Ireland website under their "Organisational Development Grant" scheme.

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

### 14 Analysis of net assets between funds – group

	General fund £	Restricted funds £	Total 2006 £
<b>Fund balances at 31 March 2006</b>			
<b>Are represented by:</b>			
Tangible fixed assets	243,691	71,423	<b>315,114</b>
Investments	191,099	—	<b>191,099</b>
Current assets	67,105	526,786	<b>593,891</b>
Creditors: amounts falling due within one year	(150,053)	—	<b>(150,053)</b>
<b>Total net assets</b>	<b>351,842</b>	<b>598,209</b>	<b>950,051</b>

## 15 Leasing commitments

### Operating leases

At 31 March 2006 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2006	2005
	£	£
Operating leases which expire:		
Within one year	2,611	6,911
Within two to five years	40,032	35,198
	<b>42,643</b>	<b>42,109</b>

## 16 Contingent liability

As at 31 March 2006, 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 63 development workers and health trainers in post at 31 March 2006 fulfil this condition, the estimated total costs of their return travel would be £37,800.

## 17 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	Total
	£	£	for the year	funds
	£	£	£	£
Action Health	—	—	—	—
Skillshare South Africa	307,331	289,198	18,133	30,064
Skillshare International (Ireland)	200,075	187,709	12,366	10,499

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.

**18 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.