

THARE MACHI LTD
Global Hope through Knowledge

Report and Accounts for the year ended
31 March 2007

Charity No. 1080131

ADDRESS: Jessops, Bell Lane, Nutley, Sussex

REGISTERES CHARITY NUMBER 1080131
Company Limited by Guarantee Incorporation Number 03921677

PATRONS

Duchess of Norfolk
The Rt Hon Baroness Chalker
Caroline Chartres
Lord Dholakia OBE DL
Kulvindir Ghir
Michele Guinness
George Harris
Esme Howard
K.K.Jajodia
The Rt Hon Lord Carey
Lady Carey
Marguerite Littman
Lyn Rothman
Robin Rowland
Kim Samuel Johnson
Dr L.M. Singhvi (MP New Delhi)
Vinod B. Tailor
Karan Bilimoria CBE
Dame Diana Brittan
Nina Wadia
L.K. Bennett
Fazeelah Jeerooburkhan

TRUSTEES /NON EXECUTIVE DIRECTORS

Helen Taylor Thompson FRSA MBE (Chair)
Colleen Robinson
Olu Olasode B Sc M Sc MBA IPSM FCCA
Andrew Ashe (resigned October 2006)
John Hacker (appointed May 2006)
Carol-Anne Slater (appointed October 2006)
Josephine Munthali (appointed December 2006)

COMPANY SECRETARY

Tracey Stanbury

EXECUTIVE DIRECTOR

Stephen Clarke

SOLICITORS

Pothecary and Barratt
Talbot House, Talbot Court, Gracechurch Street, London EC2

Thare Machi Ltd
Technology Bringing Knowledge and Hope

Trustees Report Year Ended 31 March 2007

The Trustees present their report along with the financial statement of the charity for the year ended the 31st March 2007. The financial statement has been prepared based on the accounting policies set out in note one of the financial statement and comply with the charity's trust deed. Thare Machi Education is a charity registered with the Charity Commission under the registration number 1080131.

Legal and administrative information

TRUSTEES

Helen Taylor Thompson	Chairman
Colleen Robinson	
Olu Olasode	Treasurer
John Hacker	
Carol Anne Slater	
Josephine Munthali	

OFFICERS

Stephen Clarke	Executive Director
Tracy Stanbury	Company Secretary

PRINCIPAL OFFICE

Connaught House
Morrell Street
CV32 5SZ

Tel: 01926 422711
www.tme.org.uk

AUDITORS

Michael Hardwood and Co
Greville House
10 Jury Street
Warwick
CV34 4EW

Tel: 01926 419444
Fax: 01926 419844

BANKERS

Barclays Bank
1 Church Road
Burgess Hill
Sussex
RH15 9BD

SOLICITORS

Pothecary and Barratt
Talbot House
Talbot Court
Gracechurch Street
London EC2

Structure, Governance and Management

The Trustees that held office during the financial year and at the date of this report are set out above. The Trust deed allows for up to 10 Trustees to be appointed. Trustees serve until they resign or come up for re-election. One third of the board of Trustees retire annually by rotation, but are immediately eligible for re-election. New Trustees are nominated by existing members of the board and are appointed, where they have the necessary skills to contribute to the charity's management and development. New Trustees are provided with information that they need to fulfil their roles, including information about the role of Trustees and charity law. Of the existing Trustees, three have been Trustees since the inception of the charity in the year 2000 and the other three for more than one year.

The Trustee group meets four times a year with one of these sessions being in January and taking the form of a full day for strategic planning of the forthcoming financial year. (April - March) Although Trustees have not been allocated specific areas of responsibility in the past, this remains an aspiration for the next financial year.

The charity's Chief Executive is responsible for the day- to- day running of operations within the charity and managing the three other staff members of the charity on behalf of the Trustees.

The charity has its main office in Leamington Spa in Warwickshire with supporting activities being carried out at the Chairman's house in Sussex. No remuneration is paid for the use of the Chairman's facilities.

In addition there is a strong group of "Associates" comprised of self funded people who assist, either with a function in the organisation or a particular task in order to help us fulfil our objectives. Associates are appointed by the Trustees on the basis of an application form and the recommendation of the Executive Director. The Executive Director is responsible for allocating duties to, and supervising the activities of the Associates.

The core business of the charity is in producing interactive audiovisual lessons - currently on DVD - for the benefit of people in the developing world. In addition the charity is also aiming to form links with other organisations and individuals overseas with a view to distribution and implementation on the ground. The charity has no overseas staff members but simply links to existing community groups and networks in the countries concerned. During 2006/2007 Thare Machi Education has active links with partners in the following countries: Cambodia, India South Africa, Kenya, Malawi and Uganda.

The relationship between Thare Machi Education in the UK and local partners overseas is one of a true partnership. Our ideal model involves working with the local partners so that they produce translations and recordings from our English scripts. These are often exchanged for hardware and equipment in which to play the educational DVDs.

The DVDs themselves are produced by Eurotalk interactive, a new media company based in London, which remains one of our major supporters. At present the discs are provided at no cost to ourselves.

Risk Management

The activities of the charity have been subjected to a risk assessment and these can be categorised into risks, which have low possible consequences, and risks, which have high possible consequences.

The risks have been identified as follows:

Risks to do with the product (educational DVDs).

- Functionality of players and functionality of discs.
- The quality of production.
- The reliability of production.
- The quality of English scripts.
- The quality of translated scripts.
- The quality of lessons and images
- The appropriateness of lessons images.

Risks to do with the organisation: Thare Machi Education and subdivisions of this would be a

- Quality and number of partner's,
- Availability of funding,
- Quality and reliability of staff,
- Quality and reliability of Associates
- Quality and reliability of Trustees.

The **MAJOR** risks to the progress and development of the charity have been identified as:

- The quality and reliability of production
- The quality of the content of the discs
- The quality of the staff.

These risks have been mitigated by the following activities:

- Exploration of alternative methods of production, to avoid over reliance on Eurotalk.
- Peer review and cross checking of lesson content.
- Development and training of staff to avoid reliance on any one individual.

The trustees review these risks on an annual basis and the following principles are embedded in the organisation to minimise the risks.

- Strong emphasis on relationships running horizontally and vertically throughout the organisation.
- Maintaining adequate reserves.
- Appropriate insurance cover

In assessing risk, the Trustees recognise that any international operation requires the acceptance of, and management of risks, if the key objectives of the charity are to be achieved.

Objectives and Activities

Thare Machi Education is a UK based, non-governmental, non political and non religious organisation established in 2000, it is constituted under a Memorandum of Association dated 29 January, 2000 and is registered as a charity with the Charity Commission. The Memorandum of Association defines the charity's objectives as being:

- To educate and train young people and children (the beneficiaries) in any part of the world where social and economic conditions put them at risk of exploitation, particularly from prostitution or forced labour, so that they may fulfil their potential and their conditions of life may be improved.
- To promote the protection and preservation of health amongst the beneficiaries by informing and assisting them in avoiding the Human Immunodeficiency Virus
- To relieve disability and to relieve disability amongst the beneficiaries in any part of the world by the provision of medical and surgical treatment and by providing education and training designed to enable them to overcome their disability".

In pursuing these objects, Thare Machi Education has focused on producing and developing a growing library of interactive audiovisual lessons that are currently being published on digital versatile discs (DVDs). Initially, these were focused on the prevention of infection of HIV/AIDS, but they have grown to include the wider social context of the disease in a number of different geographical and cultural locations.

The activity of the charity is the publication of educational content. This involves the following:

- Drafting, reviewing and finalising the scripts for new lessons in English.
- Selecting appropriate images to illustrate the teaching content of each new lesson.
- Refining and signing off a new interactive DVD in English.
- Translating the English script of that new lesson into the languages of our partners.
- Recording the sound track of the new lesson in the languages of our partners.
- Producing and signing off a new interactive DVD of a new topic for our partners.
- Forming links with new partners in developing countries and inviting them to implement and use the DVDs on the ground.
- Operations associated with the efficient running of the charity including fund raising, reporting and accounting.

THARE MACHI LTD; THE STARFISH INITIATIVE
ACCOUNTS AND TRUSTEES REPORT
YEAR ENDED 31 MARCH 2007

The charity delivers its activities through the use of our own staff and through and the previously mentioned Trustees and Associates. Thare Machi Education has three full time and one part time staff members:

Stephen Clarke	Executive Director
Bev Pettle	Project Manager
Emma Osborne	Office Manager
Kay Bugg	Accounts Assistant.

A major component of our modus operandi is to co-opt the skills, abilities and time of the growing group of "Associates". This means that a vast proportion of the activities of the charity are achieved through donations in kind and during the year 2006/2007 these activities are not fully reflected in the balance sheet. It is intended in the financial year these activities will be increasingly valued and appear in the accounts.

Activities and Achievements

This Trustees report covers the seventh year of Thare Machi Education's existence as a registered charity and limited company. During 2005/2006 the efforts to create new English lessons and to translate them into the language of our partners were the main priorities. But the end of the reporting period 20 lessons existed in English with a rapidly growing number being translated, recorded and produced in other languages. During the reporting period we were linked to the following countries: India, Cambodia, Malawi, Kenya, South Africa and Uganda.

In many of these countries we are working with partners speaking a number of different languages. For example; in Uganda we have links to groups speaking five different languages and at the end of the reporting period translations were being worked on in all five languages. Throughout the year we maintained our links with existing partners and developed a number of new ones as well.

Consistent with the objective of developing new sources of production of the discs, a contract was placed with a Johannesburg based media company "Transafrica Media" to produce a specialist product for Africa. This will be our four HIV and AIDS titles in all 11 official languages of South Africa, plus French and Swahili. This is a major contract and although not complete at the time of reporting, will produce a resource that can be used through out much of Africa, where these languages are spoken.

Change of name

One of the major events of the reporting period was the decision to adopt Thare Machi Education as our formal working name. This followed increasing confusion between the former working name of "The Starfish Initiative" and other organisations with the name Starfish in their title. As the Charity was originally registered with the Charity Commission under the name "Thare Machi Limited" and in the absence of any alternative obvious appropriate names, we have agreed to use Thare Machi Education as our working name and to market ourselves as tme. A new logo and strap line was commissioned which resulted in our slogan becoming "Technology Bringing Knowledge and Hope" The Starfish emblem will continue to be discreetly used for continuity for the immediate future.

Investment Policy

The Trustees have the power to invest such assets as they see fit. As the Charity has benefited from the generosity of significant benefactors, our cash reserves have been held in a high interest deposit account. The question of investing our donated resources will be considered at the trustee's strategic planning day in 2008.

Plans for the Future

During the Trustee's strategic planning in February 2007, objectives for 2007/2008 were agreed. 26 languages were identified as the "base" languages with which we will work. The objectives are as follows:

- 1) To complete the translation and recording of five lessons (4 HIV lessons plus TB) in each of the base languages during the year.

- 2) To produce 12 new lessons in English.

- 3) To produce a monthly email update for internal circulation.

- 4) To produce a printed annual report.

- 5) To commission an evaluation study.

- 6) To allocate areas of responsibility to individual Trustees.

- 7) To produce more comprehensive supporting literature.

- 8) To identify new corporate sponsors.

- 9) To organise an event to involve and inform the Patrons.

It is intended that at the end of 2007/2008 the Charity will be on a firmer administrative footing with a full family of supporting literature and greater clarity of the roles of Trustees, staff and Associates. The opportunities are immense and our ability to tackle them needs to be continually reviewed creatively on an annual basis.

Financial Review

The results for the year are shown in the Statement of Financial Activities on page 10. Income has increased significantly compared to 2006 as a result of a large donation received in the year. Expenditure has also increased significantly principally due to donations and write offs of assets.

Reserves Policy

The income of the charity can fluctuate greatly year on year. The trustees aim to maintain reserves sufficient to continue operations in the long term and meet unexpected shortfalls in income as they occur.

Trustees' Responsibilities In Relation to the Financial Statements

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the surplus or deficit for that period. In preparing these statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Michael Harwood & Co have expressed their willingness to continue in office, and a resolution to re-appoint them will be submitted at the next Annual General Meeting in accordance with Section 384 of the Companies Act 1985.

Trustee

Date:

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THARI MACHI LIMITED
(Limited by guarantee)**

For the year ended 31 March 2007

We have audited the financial statements for the year ended 31 March 2007 on pages 10 to 16. These financial statements have been prepared under the accounting policies set out therein. The financial statements for the year ended 31 March 2006 did not require an audit and as such the comparative figures in the financial statements are unaudited.

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

The trustees' (who are also the directors for the purposes of company law) responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 Directors remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and,
- the information given in the Trustees' Report is consistent with the financial statements.

Michael Harwood & Co Registered Auditors
Greville House
10 Jury Street
Warwick
CV34 4EW

29th January 2007

THARE MACHI LTD; THE STARFISH INITIATIVE
 ACCOUNTS AND TRUSTEES REPORT
 YEAR ENDED 31 MARCH 2007

Statement of Financial Activities	Notes	2007 Restricted Funds £	2007 Unrestricted Funds £	2007 Total Funds £	2006 Total Funds £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	0	271,507	271,507	167,423
Investment income	2	0	9,636	9,636	5,306
Incoming resources from Charitable Activities		0	0	0	0
Other Incoming Resources	2	0	12,398	12,398	6,189
Total incoming resources		0	293,541	293,541	178,918
Resources expended					
Cost of generating funds					
Cost of generating funds	3	0	357	357	2,042
Cost of charitable activities	3	0	205,923	205,923	87,138
Cost of goods sold		0	0	0	0
Investments management costs		0	0	0	0
Governance costs		0	2,370	2,370	0
Total resources expended	3	0	208,650	208,650	89,180
Net incoming resources for the year being net income for the year		0	84,891	84,891	89,738
Gains on revaluation of fixed assets		0	0	0	0
Net movement in funds		0	84,891	84,891	89,738
Total funds brought forward		0	314,028	314,028	224,290
Total funds carried forward		0	398,919	398,919	314,028

BALANCE SHEET

	Notes	2007 £	2007 £	2006 £
Tangibles				
Fixed Assets	7		2,479	61,820
Investments			0	0
Current assets				
Debtors	8	1,585		0
Cash and Bank	9	<u>396,855</u>		<u>252,208</u>
		<u>398,440</u>		<u>252,208</u>
Creditors: amounts falling due within one year	10	(2,000)		0
Net Current Assets			<u>396,440</u>	<u>252,208</u>
Total Assets less liabilities			<u>398,919</u>	<u>314,028</u>
Income funds :				
Restricted Fund			0	0
Unrestricted Funds			<u>398,919</u>	<u>314,028</u>
Total Funds			<u>398,919</u>	<u>314,028</u>

APPROVED BY THE BOARD OF TRUSTEES ON -----

CHAIRMAN

TREASURER

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2007

1 ACCOUNTING POLICIES

(A) Accounting Convention & Compliance

These accounts have been drawn up on a going concern basis and have been prepared under the historical cost convention in accordance with applicable Financial Reporting Standards, the Charities Act 1993 and the Companies Act 1985. The statements comply with best practice and reflect the requirements of the revised Statement of Recommended Practice (SORP) 2 "Accounting and Reporting by Charities (Revised 2005)"

The financial statements for the year ended 31 March 2006 did not require an audit and the comparative figures in these accounts are unaudited

(B) Recognition of Income and Expenditure

Income and Expenditure are recognised on an accrual basis. Donations and legacies are accounted for as received and accrued only when a value can be established before payment is received.

General Funds

Revenue grants and other income and expenditure associated with the general operations of the charity and its international projects are dealt with in the General Funds.

Restricted Funds

These comprise donations, legacies or other income, the use of which has been specified by the donor. There is currently no restricted fund.

Endowment Funds

There is currently no endowment fund.

(C) Depreciation

All fixed assets are capitalized. The charge for depreciation is calculated to write off the cost of the fixed assets over their useful lives on the following bases:

Fitting Container	10% on the reducing balance
Classroom Contents	10% on the reducing balance
Equipment	10% on the reducing balance

Assets are depreciated from the time at which they are brought into use.

2. INCOMING RESOURCES

Voluntary Income	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Designated Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Grants and Donations	194,197	0	0	194,197	167,423
Gifts in kind	0	0	0	0	0
Legacies	0	0	0	0	0
Gift aid reclaimed	77,310	0	0	77,310	0
Total voluntary income	271,507	0	0	271,507	167,423
Investment income					
Bank interest received	9,636	0	0	9,636	5,306
Other income					
Income from sales and services	4,941	0	0	4,941	1,093
Sundry income	7,457	0	0	7,457	5,096
Total other income	12,398	0	0	12,398	6,189
Total annual income resources	293,541	0	0	293,541	178,918

3. RESOURCES EXPENDED

	Cost of Generating Funds £	Cost of Charitable Activities £	Governance Costs £	Total 2007 £	Total 2006 £
Direct costs					
Staff costs	0	43,261	0	43,261	40,587
Trustees costs	0	0	370	370	0
Fund raising & marketing	357	0	0	357	2,042
Project costs	0	69,478	0	69,478	13,680
Partnership costs	0	2,398	0	2,398	12,755
Donations	0	73,363	0	73,363	0
Events costs	0	2,144	0	2,144	1,381
Total Direct costs	357	190,644	370	191,371	70,455
Support costs					
Office & admin costs	0	4,394	0	4,394	4,366
Printing & stationery	0	581	0	581	107
Depreciation charge	0	276	0	276	6,868
Travel	0	2,684	0	2,684	2,163
Bank charges	0	0	0	0	21
Insurance costs	0	0	0	0	794
Rent	0	7,344	0	7,344	4,406
Audit	0	0	2,000	2,000	
Total Support costs	0	15,279	2,370	17,279	18,725
Total Resources Expended	357	205,923	2,370	208,650	89,180

4. Donations

Donated assets were to the following recipients. It is not practical to assign a value to each asset.

Gods Golden Acre Orphanage South Africa
 Jane Furse Hospital South Africa
 Amoibe School South Africa
 Action India New Delhi
 Sisters of the Cross Guwahati India
 The Assam Company India
 PNKS Prey Veng Cambodia
 Dedsa Primary School Malawi

5. NET OUTGOING RESOURCES FOR THE YEAR

	2007	2006
	£	£
The net movement in funds for the year is stated after charging:		
Depreciation	276	6,868
Auditors' remuneration	2,000	0

6a. STAFF COSTS

	2007	2006
	£	£
Salaries	40,404	37,907
Social security costs	2,857	2,680
	<u>43,261</u>	<u>40,587</u>
Average number of employees:		
Project work	2	2
Administration	1	1

No employee received remuneration of more than £60,000 per annum.

6b. TRUSTEES REMUNERATION

The trustees received no remuneration for their duties to the Charity during the year. Expenses of £370 were paid during the year to 1 trustee.

7. TANGIBLE FIXED ASSETS (2007 IN £'S)	Fitted container £	Classroom Contents £	Equipment £	Total £
Cost				
At 01/04/06	6,817	73,441	7,062	87,320
Addition	0	0	2,755	2,755
Asset written off during the year	(6,817)	(73,441)	(7,062)	(87,320)
Cost at 31/03/07	0	0	2,755	2,755
Depreciation				
At 01/04/06	2,344	22,089	1,067	25,500
Charge for the year	0	0	276	276
Written off	(2,344)	(22,089)	(1,067)	(25,500)
Total depreciation at 31/3/07	0	0	276	276
Net book value 31/03/07	0	0	2,479	2,479
Net book value at 31/03/06	4,473	51,352	5,995	61,820
8. Cash at bank			2007 £	2006 £
Barclays current account			6,428	24,638
E- deposit account			390,279	226,643
Petty cash account			117	416
Dollar petty cash account			31	511
			396,855	252,208
9. Prepayments			2007 £	2006 £
Rent deposit paid			1,585	0
10. Creditors: amounts falling due within one year			2007 £	2006 £

THARE MACHI LTD; THE STARFISH INITIATIVE
ACCOUNTS AND TRUSTEES REPORT
YEAR ENDED 31 MARCH 2007

Accruals

2,000

0