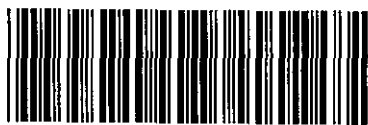


THARE MACHI LTD
Technology Bringing Knowledge and Hope

Abbreviated Accounts
31 March 2006

Charity No. 1080131

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COMPANIES HOUSE

THARE MACHI LTD;THE STARFISH INITIATIVE
ABBREVIATED ACCOUNTS AND TRUSTEES REPORT
YEAR ENDED 31 MARCH 2006

ADDRESS: Box 4040 Leamington Spa CV32 5YJ

REGISTERED 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
Ly Kim Samuel Johnson n Rothman
Robin Rowland
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

COMPANY SECRETARY

Tracey Stanbury

EXECUTIVE DIRECTOR

Stephen Clarke

SOLICITORS

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

**Thare Machi
The Starfish Initiative**

TRUSTEES REPORT

Overview

This review covers the sixth year of Thare Machi's existence as a registered charity and limited company. During that time the idea of using technology to convey life-changing messages to people in their own language has been refined but not perfected. The original idea of producing many lessons in many languages quickly and cheaply, devised with our commercial partners Euro talk, remains frustratingly illusive. However following efforts to develop more options for production there are encouraging signs for an exciting period ahead. We must here pay tribute to the generosity of Euro talk – the media company which has produced the majority of our current lesson titles without any charge. At the beginning of the year we adopted a major objective of prioritising the development of new lesson titles and eighteen have now been completed in English. The focus is now switching to converting these existing lessons in English into the languages of our local community partners around the world. Discs and players will be distributed to the partners to support and develop their activities with the poor.

Some numbers of interest for 2005/2006

Existing Lessons in English	18
Existing Lessons in other languages	9
Number of countries with partners	4
Number of local partners	15
Planned new foreign language lessons next year	133
Planned new lessons in English next year	8
Staff	2.5
Trustees	5
Associates	25
Patrons	22

Organisational Structure

Thare Machi has small centre with a long reach. The trustees remain committed to restricting overheads and maximising impact. The organisational structure is represented by a series of concentric rings with the end user of the technology in the middle. This illustrates the commitment to being driven by the needs of the end user and not external influences. Operationally two offices are maintained with two full time and one part time staff members. The staff are assisted by a team of "Associates" and by the patron group. All are supervised by the Trustees of the charity who are also directors of the limited company.

The Trustees

Three of our Trustees resigned during the year due to pressure of other responsibilities, and two new Trustees were appointed. Iain Taylor, Robert Anderson and Andrew Ashe were all founder members of the Trustee group and we take this opportunity to pass on our thanks for all their contributions. Sybilla Hart was appointed in November, and right at the end of the period, John Hacker agreed to become a Trustee.

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The Trustees are thus:

Helen Taylor Thompson OBE Chairman
Olu Olasode Treasurer
Colleen Robinson Vice chair
Lady Sybilla Hart
John Hacker

This means the Trustee profile is now as follows:

Total Number:	5		
Male	2	Female	3
Under 40	1	Over 40	4
Caucasian	4	African	1

The skills, abilities and experience of the Trustees cover, financial management, project management, public relations, business, HIV/AIDS. It remains a strategic objective to develop the diversity of the Trustee group and improve functionality.

The Associates

One of the core features of the operation of the charity has been the recruitment of a team of "Associates" who are key to keeping overheads down. These are high calibre, largely self-funded people who take on packages of work or functions within the organisation. They are approved by the Trustees on the basis of a simple application form and supervised by the Director. At the end of March 2006, 25 Associates had been approved possessing experience and skills ranging from legal training, management consultancy, public relations, electronics, business skills and fundraising. Although no formal records have been kept this year as to the value of their input, it is likely to have exceeded £20,000.

In April, one of our Associates, **Clive Dove Dixon**, did a presentation to the business community in KwaZulu Natal in South Africa with a view to raising funds and attracting interest in the future. There remains interest in developing this link as the 6000 schools in KwaZulu natal have been targeted for technological development by the government.

Anne Loscombe, also an Associate, has developed a database and entered the names and details of our supporters laying the foundations for a very useful tool for the organisation.

Jonathan Hattersly another Associate, provided two afternoons a week for two months and set up the essential administrative systems for Staff care and support. This included drawing up written terms of reference for employment and contracts.

Joy Briffa, another Associate came to work for two weeks to help with designing promotional events and designing publicity

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Other Associates assisted with drafting new scripts in English and translating and recording them into other languages.
 The full list of Associates is as follows:

Dr Ted Lankester	International medical doctor
Mrs. Christine Wheatley	Health visitor
Ms Elizabeth Nyaruai	Teacher and nurse
Mr. Richard Mallinson	Management Consultant
Mr. Carl Lewis	Musician/entrepreneur
Ms Caroline Pack	Director of University Overseas Students Office
Mr. Andrew Williams	Consultant paediatrician
Mr. John Hacker	Company Director
Mrs. Stephanie Hacker	Occupational therapist
Mr. Nigel Briggs	Engineer
Mr. William King	Lawyer
Mr. Clive Dove-Dixon	Commercial Director of Warwick University
Mr. Jeffrey Burgess	Engineer
Rev. Richard Suffern	Priest
Mrs. Kay Bugg	Human resources specialist
Mr. Richard Berry	IT consultant
Ms Barbara Crowther	University lecturer
Mr. Jonathan Hattersley	Lawyer
Mrs. Ann Loscombe	Artist
Mr. Richard Wood	Electronics specialist
Ms Joy Briffa	Geography student
Mr. Mark Harrington	Mechanic
Ms Rachel Duncan-Brown	Overseas development consultant
Mr. Reynold Peterson	Engineer
Mr. Gareth Eastgate	Solicitor

The Patrons

Three new patrons have joined us this year:

Lord and Lady Carey and Fazeelah Jeerooburkhan

The full list of Patrons is thus as follows:

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

The patrons play a largely figurehead role with some being more active than others Mrs Jeerooburkhan for example is very active in fundraising with plans for an auction next year, and Kim Samuel Johnson has been instrumental in introducing us to new contacts in North America.

The Staff

Stephen Clarke	Director
Beverly Pettie	Project Manager
Kay Bugg	Administrator

Regional Review.

During the year the programme was developed in each country.

In INDIA we maintained contact with our 3 partner organisations these are:

1. Action India – an HIV/AIDs care organisation in Delhi
2. Women's Development Centre, Guwahati, Asom (Formerly Assam). A training centre run by roman catholic nuns
3. Assam Company Ltd. A commercial tea company.

Geeta Sarcar an Associate visited India in December and identified a new partnership with a Leprosy centre called Sumanahali in Bangalore.

In February Stephen Clarke visited Delhi, Kolkotta and Mumbai with a view to exploring local production opportunities. This was supported by British Airways which provided the free flights. Whilst there contacts were made with film and video production companies, DVD authoring companies and other general supporters.

The Shanti tea company which is based in Kolkotta has offered to help form an Indian branch of starfish in order to raise funds tax efficiently in South Asia to help fund production there. This will be considered by the Trustees during 2006. Opportunities for DVD production in India appear to be very hopeful.

Karan Bilamoria, patron of Thare Machi and Founder of Cobra Beer in the UK offered to host a drinks evening in London with the strategic objective of attracting the interest of the Asian Community in England. This will be held on November 30th in the evening with a view to getting coverage in the Asian press on December 1st which is world AIDS day.

In CAMBODIA contact was maintained with our three partners there. These are:

1. PNKS or "Light of Hope" A community based organisation in PreyVeng province
2. Homeland. A street children's project in Battanbong
3. M'lop Tapang A street children's project in Sihanoukville

Beverly Pettie, Project Manager, visited Cambodia in September and recorded three audio sound tracks in Khmer for new discs.

In SOUTH AFRICA A new Container classroom was opened at Amoibe School near Rorkes Drift in Kwa Zulu Natal. This was funded by the Euro talk Junior Language Challenge and was opened by the competition winner in the presence of the Zulu King - Goodwill Zwelethini. A further classroom was opened at God's Golden Acre in KwaZulu-Natal These schools join Jane Furse Hospital as a Starfish partners in South Africa. A portable DVD player was also left at Elandsdraal store again near Rorkes drift. This is a place where many people come to collect their monthly stores and often hang around with little to do - a great opportunity to try out the discs. Links have also been formed with a community group near Cape town where a future classroom is planned.

In March Helen Taylor Thompson, Stephen Clarke and Tracy Stanbury made a partnership development visit to Eastern Cape, Kwa Zulu Natal and Limpopo provinces. Two new translations and audio recordings were made in Xhosa, Two new recordings were made in Zulu and two new audio recordings were made in Northern Sotho. Test discs were made on return and sent out for trial by the partners. The Word of Hope Church in Eastern Cape (AVOAM) was recruited as a new partner and they will use their community based pastors to distribute DVD discs and players as they become available. Further possible partnerships were discussed with "Rally to Read" and the Wetlands Ecological Partnership.

Meetings were held with Transafrica media in Johannesburg exploring local DVD production. As a result a contract will be placed in 2006 to produce 5,000 copies of a 2 Disc set. The discs will carry our 4 HIV/AIDS titles in all 11 official South African Languages plus Swahili and French.

In MALAWI we have linked with a community group called the Dalitso Trust and will supply them with our current titles when they are made into Chichewa. Eurotalk have linked with the Ministry of Education and the 2005/6 Eurotalk Junior Language Challenge will fund a classroom equipped with starfish materials equipment at Dedza in May 2006.

This means that we now have the following partnerships overseas operating DVD equipment.

India	4
Malawi	2
South Africa	6
Cambodia	3

In UK we recruited Kay Bugg - a third person for the Leamington Spa office - to help with the finance and Administration. Kay works two afternoons a week and helps voluntarily at other times. This means there are now three paid staff members with Bev Pettie, the Project Manager and Stephen Clarke Director working full time.

LESSON PRODUCTION

Much of the year has been spent on trying to get the process for producing new lessons refined. There are inevitable tensions between the market demands for Eurotalk and the practical requirements for Thare Machi. At the moment the agreed process comprises:

- Stating target audience
- Researching the topic
- Writing the learning objectives for that topic
- Drafting the script in English
- Simplifying the English
- Obtaining approval from a subject expert
- Selecting images
- Recording the soundtrack in English
- Making a test DVD
- Amending test DVD
- Signing it off
- Translating English script
- Recording the foreign language soundtrack
- Making a foreign language DVD

This process is complex even if each stage goes smoothly so effort has been put into streamlining each stage.

EVENTS IN THE UK

The Stratford half marathon was run by staff and Associates - a total of 12 people taking part. This raised nearly £3,000 which was towards two laptop computers for recording soundtracks around the world.

An evening of Jazz with a presentation about Thare Machi was held in Sussex in July, attracting new support and also raising awareness and money!

The Warwick University volunteering fair was attended in October which attracted a good number of students who has helped in

several ways. In particular the large number of International students has been a great resource for translations into Mandarin and French.

As mentioned earlier Eurotalk ran the Junior Language Challenge competition for primary schools. Over 2,500 children took part with each child's £2 entry fee coming to Thare Machi. The £5,000 raised will build a container classroom for the ministry of health in Malawi.

The design of the Starfish Controller which is supplied to partners for operating the DVD players has been finalised. After several generations it has emerged as a six button controller which has a programmable chip. Depending on the programming of the chip a controller can be built to operate any DVD player on the market. Rik Wood from Leamington Spa has done all the design work and we now need to find a way of spreading the production in order to keep pace with the development of new partnerships.

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PLANS FOR THE FUTURE

This year the focus has been on producing finished lessons in English. With 18 complete and another two more very nearly finished, the challenge now becomes obtaining translations and audio recordings in other languages and making and distributing localised versions of the discs.

With 20 titles and 8 languages, both of which are growing this will require a lot of work. It is expected that the Associates will assist in this task by taking on regions of a continent or individual countries and servicing the partners in that area.

We have had contact with two groups in Uganda who are already working on translations of English lessons. We aim to produce two lessons in the Ateso language and then make a visit to Uganda to develop partnerships there.

The main strategic aims for the coming year will be three fold:

1. To establish a workable alternative for the production of new lesson titles in a way which can be replicated in other languages cost effectively.
2. To develop new partnerships in new and existing countries
3. To localise as many of our existing English lessons into other relevant languages as possible.

Developing the capacity of our Trustees, Patrons and Associates to assist with this will also be very important.

The Targets for 2006/2007 in our organisational budget are as follows:

- Write 6 new Scripts and make these lessons in English
- Obtain 152 translations and audio recordings for localising Eurotalk lessons
- Commission two partnership visits for capturing images and footage
- Distribute 250 portable DVD players
- Manufacture 250 Starfish controllers
- Commission New discs from an alternative manufacturer
- Research new production methods
- Grow the Associate group to 50 people

A complication that has arisen is increasing confusion with other organisations with the name "Starfish". In particular there is Starfish Greathearts Foundation which works with AIDS victims in South Africa and we are often confused with them. After much deliberation it is expected that we will undergo a consultation to re-brand ourselves focussing more on our registered Charity and company name of Thare Machi. This will minimise the risk of confusion in the minds of the public.

FINANCIAL DETAILS

We were very fortunate to receive a substantial private donation during the year which, together with the regular support from other donors and has enabled the programme to go ahead without undue concern for cash flows during the year. Our Statement Of Financial Activities shows incoming resources of £178,918 and outgoing resources of £89,180. Our budget for the next five years however envisages spending rising from £238,000 this year to £404,000 in 2010/11. This means that substantial additional funds will have to be raised in the coming 12 months to secure the impact that we hope for.

H. Kay & Thompson
Chairman.

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Statement of Financial Activities

	2006	2006	2006	2005
	Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	£	£	£	£
Incoming resources				
Grants and Donations		167,423	167,423	40,919
Income from Sales and Services		1,093	1,093	684
Other Income		5,096	5,096	166
Bank Interest Received		5,306	5,286	4,652
Total incoming resources		178,918	178,918	46,421
Resources expended				
Direct Charitable Expenses (Note 2)		80,910	80,910	63,410
Management and Administration (Note 3)		8,270	8,270	9,666
Total resources expended		89,180	89,180	73,076
Net Incoming/ (Outgoing) resources		89,738	89,738	(26,655)
Total funds brought forward		224,290	224,290	250,945
Total funds carried forward		314,028	314,028	224,290

BALANCE SHEET

2005	2006	2006	
	£	£	£
Tangibles (Note 4)			
Fixed Assets		61,820	
63,585			
Current assets			
Debtors	0		
0			
Cash and Bank	252,208		
160,705			
	252,208		
160,705			
Creditors: amounts falling due			
Within one year	(0)		
(0)			
Net Current Assets		252,208	
160,705			
Net Assets		314,028	
224,290			

Represented By:-

Funds

Restricted Fund

Unrestricted Funds

224,290

314,028

For the year ended March 31st 2006 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249(2). The directors acknowledge their responsibility for i) Ensuring that the company keeps accounting records which comply with section 221; and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts so far as applicable to the company.

APPROVED BY THE BOARD OF TRUSTEES ON

5th December 2005


CHAIRMAN


TREASURER

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2006

1 ACCOUNTING POLICIES

(A) Accounting Convention & Compliance

These accounts have been drawn up on the basis of a going concern and the financial statements prepared under the historical cost convention in accordance with applicable Standards, Financial Reporting Standards and the Charities Acts 1992 & 1993. The statements comply with best practice and reflect the requirements of the revised Statement of Recommended Practice (SORP) 2 "Accounting for Charities"

(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:

<i>Fitting Container</i>	<i>10% on the reducing balance</i>
<i>Classroom Contents</i>	<i>10% on the reducing balance</i>
<i>Equipment</i>	<i>10% on the reducing balance</i>

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

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2. Direct Charitable Expenditure

	2006	2005
	£	£
Project Costs	13,680	15,683
Partnership Costs	12,755	0
Travel & Administration	2,163	302
Fundraising Costs	2,042	940
Staff Costs	40,587	29,143
Rent	4,406	5,056
Printing & Stationery	107	1,695
Other Office & Administration Expenses	4,376	4,783
Insurance	794	1,658
	80,910	63,410

3. Management and Administration

	2006	2005
	£	£
Accountancy & Professional Fees	0	0
Bank Charges	21	134
Events	1,381	967
Depreciation	6,868	7,065
Sundries	0	1,500
	8,270	9,666

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4. TANGIBLE FIXED ASSETS (2006 IN £'S)

	Fitted Container	Classroom Contents	Equipment	Total
	£	£	£	£
COST:				
At 01/04/2005	6,817	71,908	3,492	82,217
Additions	0	1,533	3,570	4,905
 Cost at 31/03/2006	 6,817	 73,441	 7,062	 87,122
DEPRECIATION:				
At 01/04/2005	1,847	16,384	401	18,632
Charge for the year	497	5,705	666	6,868
	2,344	22,089	1,067	25,500
 Net book Value 31/03/2006	 4,473	 51,352	 5,995	 61,820
 Net book Value 31/03/2005	 4,970	 55,524	 3,091	 63,585

INDEPENDENT EXAMINER'S REPORT

Thare Machi

I report on the accounts of the Trust for the year ended 31 March 2006, as are set out on pages 8 to 12.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE EXAMINER

As the charity's Trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

INDEPENDENT EXAMINER'S STATEMENT


In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 41 of the Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Ray Kennedy (ACMA)