

**THARE MACHI LTD**  
**Education Saves Lives - It's Simple**

**Report and Financial Statements**  
**31 March 2011**

**Charity No 1080131**  
**Company Number 03921677**

WEDNESDAY



\*AMS96ZAC\*

A16

16/11/2011

132

COMPANIES HOUSE

## THARE MACHI LTD: REVIEW OF THE YEAR AND DIRECTOR'S REPORT YEAR ENDED 31 MARCH 2011

### REVIEW OF THE YEAR

#### 1. OBJECTIVES AND ACTIVITIES

The Memorandum of Association provides for three overall areas for charitable activities which can be summarised as

- 1 Education of vulnerable children to prevent prostitution and fulfill potential
- 2 Enabling people to avoid infection with HIV
- 3 Relieving disability through education

The programme has been developed to address these by carrying out activities under the following areas

- 1 Producing interactive DVDs with life-changing messages in English for the world's most vulnerable
- 2 Producing the DVDs in other languages by translating the scripts and recording the soundtracks
- 3 Marketing and distribution of discs through partnerships with organisations and individuals with existing grass roots programmes
- 4 Supporting efforts to counter human trafficking

This is a list of the titles available in English

*HIV/AIDS*  
*Basic Hygiene*  
*Avoiding Malaria*  
*Safe Water*  
*TB Can Be Cured*  
*Having an HIV Test*  
*Living with HIV*  
*Caring For Someone With AIDS*  
*Diarrhoea*  
*Immunisation*

*Breastfeeding*  
*Healthy Eating*  
*When to Have a Baby*  
*Becoming a Man*  
*Becoming a Woman*  
*Looking After Your Teeth*  
*You and Your New Baby*  
*Bednets Can Save Lives*  
*Cholera*  
*High Blood Pressure*

*Dangers of Alcohol*  
*Dangers of Smoking*  
*Say No to Glue and Drugs*  
*Human Trafficking*  
*Safer Sex For Teenagers*  
*TBA Skills - Pregnancy*  
*Planting Trees is Good*  
*Making Compost*  
*Beware of Landmines*

In terms of working plans for the next few years, the above areas of charitable activity have been refined into the following objectives

- Independence in lesson production
- Country plan and distribution mechanism in 10 countries
- Full library of 30 lessons in 17 languages from 6 countries
- 1,000,000 viewings a year by 2015
- Sustainable income to support activities
- Effective and self-sustaining TME India
- 50 Associates all doing one thing each year
- Evaluate effectiveness of the methodology

2010 -2011 has been a year of great activity and one during which TME spent more of our reserves than ever before. Although this appears reckless (there was an operating deficit of nearly £70,000) it has been a strategic intention to utilise the majority of our funds as soon as possible in the pursuit of maximising the impact of our materials. With an ever-increasing library of learning (500 individual titles at the end of the reporting period) and a technological delivery mechanism which will inevitably be time limited, we are resolved to get as many discs produced, distributed and viewed as possible.

In addition, due to the periodic generosity of particular donors, it has been hard to justify an integrated fundraising campaign up to this point.

Following the individual objectives above

#### **Independence In Lesson Production**

This goal relates to the production of the DVD lessons from initial script writing through to selecting the images and video, authoring the DVD in English, translating and recording the script into other languages and producing the new foreign language DVDs. Various methods of production have been tried but it was concluded that, in order to ensure quality control, the production process should be carried out and supervised in-house. This process of developing modular templates, which allow each stage to be done by trained associates, has finally been achieved in 2011.

The library of 29 templates in English has not changed during the year as we have focussed more on the localisation into foreign languages. This involves identifying speakers of the target languages to help with translating the script and recording the audio. Two different people are used for these tasks as a double check on the initial translation. Each English script is written in individual phrases, which are recorded as separate audio files. These can then be easily replaced to produce a new language edition (the authoring of the DVD). This process takes about 4 hours once the audio has been recorded. DVD authoring has been carried out by a variety of Associates and casual workers – mostly between the ages of 18 and 25. This generation is quick to learn and intuitive in problem solving when it comes to IT skills.

#### **Country Plan And Distribution Mechanism In 10 Countries**

This objective will be addressed during the 2011-2012 year but in the reporting period there was a heavy focus on South Africa. Following a seminar on anti-human trafficking measures, which we organised in 2009 in Pretoria, strong links were built with local organisations involved in countering this horrendous sector. In particular Stop Trafficking Of People (STOP) based in Stellenbosch, Western Cape, has been a major partner. We have retained the help of one of STOP's Associates in South Africa on a full time consultancy basis and she has been active in negotiating distribution opportunities as well as resourcing the anti-human trafficking network.

#### **Full Library Of 30 Lessons In 17 Languages From 6 Countries**

Achieving this objective involves

- Creating one new lesson in English
- Obtaining written translations of our 29 English scripts progressively into new languages
- Recording the translations as digital audio files

These audio files then replace their English equivalents in the DVD authoring software templates creating a new lesson in that language.

Throughout the year a variety of people were involved in producing translations and getting them recorded, and the volunteer fairs of Fresher's Week at Coventry and Warwick Universities were particularly fruitful. A mix of volunteer and casual staff created the new DVD discs using apple software.

#### **1,000,000 Viewings A Year By 2015**

The strategy for distribution and promoting usage of the discs will be written into each of the country plans. During the reporting period new local partners (groups or individuals who are using our discs) were recruited through many different means. One of our Associates went to India at his own expense to develop relationships with potential partners in Kolkata, Assam and Tamil Nadu. An agreement was also reached with the South African Government to put 27 lessons into each of the 2,016 schools in Gauteng province. As the total number of students in these schools is over 1.7 million, it seems likely that this goal will be achieved early in 2011/12. The 60,000 discs supplied to Gauteng were manufactured in the UK and air freighted to Johannesburg. Our agent in South Africa then organised the delivery to 15 regional centres from where the discs went to the schools.

#### **Sustainable Income To Support Activities**

Over recent years the income stream has been very unusual. Due to several unexpected donations of over £100,000 the development of a strong, reliable and consistent donor base has previously been hard to justify. Now that this situation has changed, the focus is on developing such a donor base and several significant activities have been carried out to support this. As part of the preparation for a comprehensive project proposal, research was commissioned in 6 countries across 10 languages to evaluate the effectiveness, usability and, to a certain extent, impact of our materials. In addition a fundraising concert was held and a number of trusts were approached, including the Bill and Melinda Gates Foundation and the British government DFID.

### **Effective And Self-Sustaining TME India**

A local Indian charity called Thare Machi has been established in Kolkata by one of our Indian supporters who believes it could provide a tax-beneficial vehicle for the collection of donations for the project from within India. The charity has three Indian trustees and up to now has remained dormant. An initial seed fund of £3,000 is to be provided from within India and it is hoped that this will help establish an organisation that will not only raise funds but is able to produce and promote the Thare Machi material as well. An Associate visited India to explore how the charity could be progressed and a local launch is planned for 2011/12.

### **50 Associates All Doing One Thing Each Year**

Thare Machi Education has 2 full time paid staff but up to 30 self-funded "Associates". These are individuals, approved by the directors, who assist by carrying out a task or a function, thereby reducing the overhead costs. Most contribute intermittently, although some give their time on a regular basis. During 2010/11 Associates were involved in general office administration, recording soundtracks, liaising with partners, strategic planning and the examination of the accounts.

### **Evaluate Effectiveness Of The Methodology**

A major research project was commissioned and carried out this year. Thare Machi Education provided 4 DVD topics - Basic Hygiene, Clean Water, HIV/AIDS and Having an HIV Test - in 10 languages to over 50 organisations in 6 countries. Geneva Global, a philanthropy company in the United States, was then contracted to use the discs in each location and record the response and learning outcomes for comparison. The research was designed to test our premise that simple messages can be taught across cultures using the same essential product but in the relevant local language.

## **2. ACHIEVEMENTS AND PERFORMANCE**

A great deal has been achieved this year including

### **Disc Production**

- Complete independence in lesson production. Each disc can now be made entirely in-house, with new language versions being created in 4 hours once the translated audio is received.
- 100 new foreign language soundtracks recorded and 100 new interactive DVD lessons in 23 languages created.
- Collaboration with Goldman Sachs under their national volunteer day initiative. This day-long collaboration involved 10 GS staff using a studio in London to make 10 completely new lessons over an 8 hour period using previously recorded soundtracks.
- Collaboration with the UK Border Agency which circulated an appeal for language speakers to their many qualified interpreters to help with translation or recording. After a stunning response we have been in touch with 10 speakers of a variety of foreign languages and secured help with new translations.
- Recruitment of 7 new unpaid supporters who have given their time to help with DVD production and general administration.

### **Marketing And Distribution Of Products**

- An agreement with the South African Government to distribute 60,000 discs amongst 2,016 schools and 300 holiday clubs in Gauteng Province, followed by the actual distribution to a potential audience of 1.7 million students. If half the students watch only 5 of the 24 discs supplied to each school this will achieve a cost per viewing for each student of 0.008p – less than 100<sup>th</sup> of a penny to perhaps change or save a life.
- Agreement in principle to use 9,000 peer mentors in the schools of The Western Cape of South Africa to demonstrate our discs in the classrooms.
- Creation of new strong partnerships with Sentabale (Lesotho), Village Africa (South Africa), The Goodwill Centre in Madurai (India) and one of the Community Health Global Network clusters of health projects in North India.
- 9 visits to partners in India, South Africa, Tanzania and Rwanda, with TME paying airfares for only two of these trips.
- Visits within India to 30 NGOs, 5 villages, 11 schools, 2 clinics, and 2 slums.
- New links to South America through the activities of a British Airways pilot who scouted out community groups in Brazil and presented them with a set of discs during a flight lay-over.

- New links to Zimbabwe through a Coventry church whose pastor has translated our HIV text into Shona
- Delivery of 260 DVD/TV combination players to a church in Uganda for use throughout the country. The machines, which were purchased nearly-new, came from the BBC following a change in the technology they use for demonstrating their programmes. The TVs will be used in many locations and were supplied with accompanying sets of DVD lessons
- Dispatch of a total of 76,567 DVDs to partners in 21 countries

Malawi	80	Cambodia	112
South Africa	72,869	Uganda	915
India	1,729	China	61
Kenya	101	Tanzania	121
Botswana	54	Zambia	60
Sierra Leone	28	Sri Lanka	25
Zimbabwe	46	Haiti	41
Nepal	27	Nigeria	104
Pakistan	27	Rwanda	117
Ghana	4	Lesotho	4
Sudan	42		

#### Anti-Human Trafficking

- Support for NGOs and individuals in South Africa fighting human trafficking by consolidating the beneficial outputs of the seminar we organised in 2009 in Pretoria on the same subject
- Assisted the Cape Town Coalition Against Trafficking in devising a "rapid response" protocol and action plan for rescued victims
- Upgraded contact database of interested parties
- Created an affiliation of local agencies in South Africa with Stop The Traffik in UK

#### Project Evaluation

- Major independent research project commissioned in 6 countries to evaluate 4 lessons in 11 languages (Acoli, Swahili, Chichewa, Luganda, Runyankole, Mandarin, Xhosa, Zulu, Afrikaans, Hindi and Marathi). This looked at changes in the built-in quiz score before and after taking the lesson, understanding the main message of the lesson and overall satisfaction with the DVD. The full report is available on request but primarily it showed
  - All participants showed a greater knowledge of the topic after the lesson compared with before
  - Those with least knowledge showed the greatest improvement in their knowledge
  - Over 73% and up to 98% of people in a language group were correctly able to describe the main message of the DVD
  - People were comfortable using the DVDs, found the images helped their learning and found the content mostly relevant to their lives
  - Portable DVD players were the most effective delivery vehicle for the simple messages

#### Finance

- Production of a new showpiece information leaflet designed by an Associate to support the objective of developing a sustainable income stream

## CORPORATE GOVERNANCE REPORT

### 1. STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by the directors who meet four times each year, including a strategic planning away-day in February and the Annual General Meeting, generally held in June. The trust deed allows for up to 10 directors to be appointed. Directors serve until they resign or come up for re-election. One third of the Board of directors retire annually by rotation at the AGM, but are immediately eligible for re-election. New directors 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 directors are provided with information that they need to fulfill their roles, including information about the role of directors and charity law. Of the existing directors, three have been directors since the inception of the charity in the year 2000, and four others for more than one year. During 2010/11 Helen Taylor Thompson and John Hacker retired and were re-elected. The directors are responsible for appointing staff and delegate day to day management responsibility to the executive director. At the end of 2010/11 there were two full-time paid staff plus an accounts administrator working one day a week. The charity also has a self-employed company secretary. The charity benefits from the assistance of some 30 unpaid Associates who are also appointed by the directors but are managed by the staff. 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 fulfill our objectives. Associates are appointed by the directors 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. During the reporting period 18 Associates contributed their time and skills.

The core business of the charity is in producing interactive multilingual audiovisual lessons – currently on DVD – for the benefit of people in the developing world. In addition the charity forms links with other organisations and individuals overseas to distribute and implement on the ground. The charity has no overseas staff members but simply links to existing community groups and networks in the countries concerned. Exceptionally in 2010/2011 the charity retained a consultant in South Africa to maximise the opportunities presented there.

## **2. RISK MANAGEMENT**

The directors, in conjunction with the executive director, have sought to identify and review the major risks, strategic, financial and operational, to which TME is exposed, given the environment in which it operates.

In today's climate for the voluntary sector, the greatest risk for TME, as with many charities, is insufficient income generation on a regular and predictable basis, which could affect the going concern of the charity if not addressed. The directors also consider brand dilution or programme failure major reputational risks. As part of its last strategic away-day, the Board reviewed the systems that are in place to mitigate such risks. The Board and executive maintain a risk management register and conduct a regular review of strategic, financial, and operational risks, as well as risk assessment of individual projects, initiatives, and partnerships.

The review of risk management systems used the following charity commission publications:

- 1 Good Governance – A Code for the Voluntary and Community Sector
- 2 Charities and Risk Management – a Guide for Trustees

Under Good Governance the following principles were considered:

- Directors should understand their role
- Directors should ensure the delivery of organisational purpose
- Directors should work effectively individually and as a team
- Directors should exercise effective control
- Directors should behave with integrity
- Directors should be open and accountable

As a result a programme of activities was requested to strengthen:

- Risk mitigation
- Individual responsibilities for each director
- Terms and conditions for staff
- Monitoring and evaluating progress against objectives
- The understanding of the role of Associates and their accountability
- Records concerning any conflicts of interest

For the risk assessment the likelihood and severity (ie potential consequences) of risks were considered in terms of governance, operations, finances, external and legal compliance risks.

Risks were then scored according to a risk formula and anything above 15 (out of 30) was considered for further action. In all cases actions were already being taken to minimise risks but the following risks were highlighted along with the additional resolved actions

**Quality control of content of products** - scored 15

Improve the documentation of the existing quality control system

**Insufficient funding** – scored 25

The unreliable funding stream which currently exists is already being addressed but will be reinforced by an organised fundraising campaign in 2011

**Staff terms and conditions** – scored 16

Directors to explore more regular appraisal/staff interviews

**Loss of key staff** – scored 20

Succession planning will be carried out to minimise the impact of this eventuality plus standard procedures are already being implemented for critical operations

**Inappropriate financial commitment** – scored 15

Expenditures of over £5,000 require Chairman's permission, over £10,000 requires Board approval

**Some disc content may prove offensive or inaccurate** – scored 15

Improve records for signing off discs especially controversial content, report and investigate complaints

### **3. FINANCIAL RESERVES POLICY**

Reserves are needed to bridge the gap between the spending and receiving of resources

The Board believes that the level of reserves should be equal to six months of expenditure to help smooth the fluctuations arising from the dependence on donations and voluntary income, and have adopted an ethical investment policy to be implemented. At the moment the level of reserves available falls short of this target. The charity is therefore seeking for donors and partners to rectify the reserves position and maintain sustainability of the project in the longer term

### **3. FRAUD**

There were two events of fraud on the charity's bank accounts where standing orders were set up on the internet for services which were then paid for using the TME bank details. A total of four debits were made as a result of bank error in contravention to our mandate with the bank, all of which were refunded. All four incidences were discovered quickly as a result of internal financial procedures and did not arise as a result of any lapse of financial control

## DIRECTOR'S REPORT

The Directors present their report along with the financial statements of the charity for the year ended 31<sup>st</sup> March 2011. The financial statements have been prepared based on the accounting policies set out in note one of the financial statements and comply with the charity's trust deed. Thare Machi Education is a charity registered with the Charity Commission under the registration number 1080131.

### 1. LEGAL AND ADMINISTRATIVE INFORMATION

#### CHARITY NAME

Thare Machi Ltd

#### REGISTERED CHARITY NUMBER

1080131

#### COMPANY LIMITED BY GUARANTEE INCORPORATION NUMBER

03921677

#### WORKING NAMES

Thare Machi Education

TME

*(Formerly The Starfish Initiative)*

#### DIRECTORS

Helen Taylor Thompson (Chairman)

Olu Olasode (Treasurer)

Josephine Munthali

Andrew Croft

John Hacker

Colleen Robinson

Simon Mabley

#### OFFICERS

Stephen Clarke

Executive Director

Tracy Stanbury

Company Secretary

#### PRINCIPLE OFFICE

Connaught House

Morrell Street

Leamington Spa

CV32 5SZ

Tel 01926 422711

[www.tme.org.uk](http://www.tme.org.uk)

#### ACCOUNTANTS

tl first,

1 Copers Cope Road

Beckenham

Kent

BR3 1NB

#### BANKERS

Barclays Bank

1 Church Road

Burgess Hill

Sussex

RH15 9BD

#### SOLICITORS

Pothecary Witham Weld

70 St George's Square

London

SW1V 3RD



## **2. PATRONS**

Duchess of Norfolk  
Lord Bilmoria CBE DL  
Linda Bennett  
Chene Blair  
Lord Boateng LLB (Hons)  
Lady Boateng  
The Rt Hon Baroness Chalker  
Caroline Chartres  
The Rt Hon Lord Carey  
Lady Carey  
Dame Diana Bnttan  
Lord Dholakia OBE DL  
Kulvindir Ghir  
Michele Guinness  
George Harns  
Esme Howard  
K K Jajodia  
Bishop Joseph Kobo  
Marguente Littman  
Lyn Rothman  
H E Joan Rwabyomere  
Kim Samuel Johnson  
Vinod B Tailor  
Nina Wadia

## **3 PRINCIPAL ACTIVITES**

Thare Machi Ltd produces interactive audio-visual lessons - currently on DVD - targeted at the world's most vulnerable and in their own language. This involves writing scripts, selcting images and video to accompany the scripts and producing a lesson which runs for between 20 and 30 minutes.

Thare Machi has created a template based production system that allows very cost effective conversion of an English lesson into another language, provided someone for whom the target language is their mother tongue can translate and record the audio track. This allows multiple versions of a lesson to be made in many other languages.

During the period of this report the library of lessons reached 500, spreading across 29 titles and 53 languages. The lessons are then made available free of charge to individuals and organisations working at grassroots level in over 25 countries.

In addition, Thare Machi is consolidating the production of a disc warning viewers of the danger of human trafficking by supporting networks of agencies involved in this sector. The anti-human trafficking initiative is primarily in South Africa although it does extend periodically to other regions. In 2010 a Thare Machi officer attended and contributed to an international anti-human trafficking conference held in India.

## **4. RESULTS**

This year the presentation of the accounts has been adjusted, better to illustrate the way the charity operates and how the funds are disbursed. Depreciation has been re-calculated and moved to a straight-line basis. A proportion of staff costs have been allocated to direct costs, reflecting the costs of bookkeeping plus 15% of the director's costs to cover time spent on administration. The figures give little insight into the huge amount of support Thare Machi receives from its band of loyal Associates. As an example £700 in accountancy fees were saved this year because of pro-bono help from a local accountant.

Funds received totaled £111,359 whilst funds expended totaled £178,472, a net loss of £67,113. There were exceptional expenses during the year as we concluded a major piece of research in 11 languages across 6

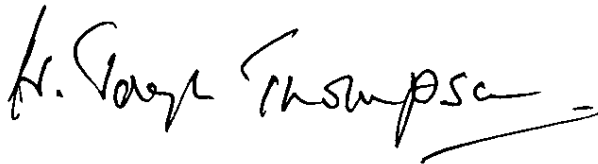
countries In addition there was an exceptional write-down of fixed assets, as previously reported values were inaccurate All incoming resources were unrestricted which means that they could be used for any purpose

The charity owns 350 ordinary shares in Astra Zeneca, which were donated some years ago The historical valuation for 2010 has been brought forward and the value on 31<sup>st</sup> March 2011 was obtained from Astra Zeneca records Over recent years the share value has increased, and the dividends of £614 during 2010 amounted to an approximate 6% return on the total value of £10,133

## **5 PLANS FOR THE FUTURE**

A five year strategic plan which was devised in 2010 is being revised on the basis of recent experience The success collaborating with the government in South Africa will drive attempts to fund the replication in other provinces and countries in the region In addition links are being forged with the government in India as well as in Uganda, Kenya, Rwanda and Cambodia, which are the other focus countries for the next three years New lesson/language combinations will continue to be produced and the ever-increasing opportunities to scale up the impact will be embraced to the extent that funding is secured

Further research to explore the efficacy of the discs will be developed in collaboration with the University of Leicester

A handwritten signature in black ink, appearing to read 'H. Taylor Thompson', with a horizontal line underneath.

Helen Taylor Thompson

June 2011

**STATEMENT OF FINANCIAL  
 ACTIVITIES**

	<b>Notes</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
<b>Incoming resources from generated funds:</b>	<b>2</b>		
Incoming resources		111,359	31,507
<b>Total incoming resources</b>		<b>111,359</b>	<b>31,507</b>
<b>Resources expended</b>	<b>3</b>		-
Cost of generating funds		20,499	-
Charitable Activities		156,740	157,640
Governance Costs		1,233	-
<b>Total resources expended</b>		<b>178,472</b>	<b>157,640</b>
<b>Net incoming / expenditure for the year before transfer</b>		<b>(67,113)</b>	<b>(126,133)</b>
<b>Gains on fixed assets investments</b>	<b>7</b>	<b>1,554</b>	-
<b>Net movement in funds</b>		<b>(65,559)</b>	<b>(126,133)</b>
<b>Total funds brought forward</b>		<b>189,679</b>	<b>315,812</b>
<b>Total funds carried forward</b>		<b>124,120</b>	<b>189,679</b>

All funds received were unrestricted – the donors did not specify exactly how they required their gifts to be used but gave them towards the costs of the project as a whole

THARE MACHI LTD  
ABBREVIATED ACCOUNTS AND DIRECTORS REPORT  
YEAR ENDED 31 MARCH 2011

**BALANCE SHEET**

	Notes	2011 £	2010 £
<b>Tangibles</b>			
Fixed Assets	6	4,121	8,456
Investments	7	10,133	8,579
<b>Current assets</b>			
Debtors & Prepayments	8	2,408	1,105
Cash and Bank	9	107,458	174,509
Current Liabilities	10	-	(2,970)
Net Current Assets		109,866	172,644
<b>Total Assets less liabilities</b>		<b>124,120</b>	<b>189,679</b>
<b>Income funds</b>			
Restricted Fund		-	-
Unrestricted Funds		124,120	189,679
<b>Total Funds</b>		<b>124,120</b>	<b>189,679</b>

For the year ending 2010 the company was entitled to exemption from audit under section 477 of the Companies Act 2006

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

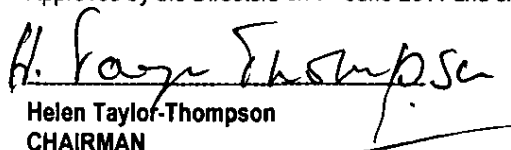
The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts

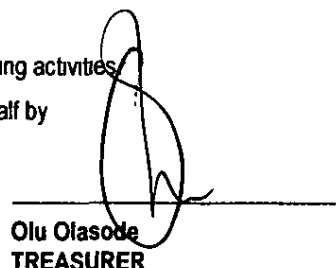
These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime

These accounts are prepared in accordance with the SORP 2005

All incoming resources and resources expended derive from continuing activities

Approved by the Directors on 7<sup>th</sup> June 2011 and signed on their behalf by

  
Helen Taylor-Thompson  
CHAIRMAN

  
Olu Olatode  
TREASURER

**NOTES TO THE FINANCIAL STATEMENTS - 31 March 2011**

**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 over £500 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:

Computer Equipment	25% on a straight-line basis
Other Equipment	10% on a straight-line basis

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

THARE MACHI LTD  
 ABBREVIATED ACCOUNTS AND DIRECTORS REPORT  
 YEAR ENDED 31 MARCH 2011

---

**2. INCOMING RESOURCES**

	NOTES	Total Funds 2011	Total Funds 2010 £
<b>Voluntary Income</b>			
Grants and Donations		52,428	25,035
Trust Income		34,096	800
Tax Efficient Giving		17,686	-
Gift Aid Reclaimed		5,656	3,494
<b>Total voluntary income</b>		<b>109,866</b>	<b>29,329</b>
<b>Investment income</b>			
Bank interest received		879	1,683
Astra Zeneca Dividends	7	614	495
<b>Total other income</b>		<b>1,493</b>	<b>2,178</b>
<b>Total annual income resources</b>		<b>111,359</b>	<b>31,507</b>

THARE MACHI LTD  
ABBREVIATED ACCOUNTS AND DIRECTORS REPORT  
YEAR ENDED 31 MARCH 2011

3 RESOURCES EXPENDED	Cost of Generating Funds £	Cost of Charitable Activities £	Governance Costs	Total 2011 £	Re-allocated Total 2010	Previous Allocation Total 2010 £
<b>Direct costs</b>						
DVD Equipment	-	12,344	-	12,344	9,199	-
Disc Production	-	30,525	-	30,525	15,119	-
Marketing and Distribution of products	-	30,289	-	30,289	13,868	-
Anti-Human Trafficking	-	1,133	-	1,133	17,585	-
Fund raising & marketing	-	1,793	-	1,793	2,255	1,369
Project Evaluation	-	31,307	-	31,307	26,010	-
Staff costs (% allocated to Direct Costs)	-	49,349	-	49,349	59,540	59,540
Donations	-	-	-	-	-	9,199
Project costs	-	2	-	-	-	15,119
Events costs	-	-	-	-	-	886
Trustee costs	-	-	1,233	1,233	1,499	1,499
Professional fees	-	-	-	-	-	<sup>1</sup> 34,010
<b>Total Direct costs</b>		<b>156,740</b>	<b>1,233</b>	<b>157,973</b>	<b>145,075</b>	<b>121,622</b>
<b>Indirect costs</b>						
Staff Costs (% allocated to Indirect Costs)	7,256	-	-	7,256	-	-
Office & admin costs	6,441	-	-	6,441	10,186	7,427
Printing and stationery	-	-	-	4	-	1,454
Depreciation charge	6,802	-	-	6,802	1,785	1,785
Travel	-	-	-	4	594	17,047
Bank charges	-	-	-	4	-	95
Insurance costs	-	-	-	4	-	662
Rent	-	-	-	4	-	5,598
Accounting fees	-	-	-	4	-	1,950
	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total Indirect costs</b>	<b>20,499</b>			<b>20,499</b>	<b>12,566</b>	<b>36,018</b>
<b>Total Resources Expended</b>	<b>20,499</b>	<b>156,740</b>	<b>1,233</b>	<b>178,472</b>	<b>157,640</b>	<b>157,640</b>

For 2010/11, the categories of expenditure have been re-defined, better to illustrate the operations of the charity  
For some categories there are therefore no comparisons with the last reporting period

- <sup>1</sup> Costs of multi-language evaluation now categorised as evaluation costs for the current year
- <sup>2</sup> Split into smaller components for current year
- <sup>3</sup> 15% of Director's time plus bookkeeping and administration
- <sup>4</sup> Consolidated into office and administration costs or apportioned under direct costs

#### 4. NET OUTGOING RESOURCES FOR THE YEAR

2011	2010
£	£

The net movement in funds for the year is stated after charging depreciation of tangible assets owned by the charity amounting to

6,802	-
-------	---

#### 5 STAFF COSTS

2011	2010
£	£

100% of administration salary and and 15% of director's salary allocated to indirect costs  
 balance allocated to direct costs

7,256	
49,349	

Salaries and social security costs

56,605	59,540
--------	--------

The highest remuneration to a director/officer was £22,000 per annum

#### 6 TANGIBLE FIXED ASSETS

Computer Equipment £	Other Equipment £	Total 2011 £
----------------------------	-------------------------	--------------------

##### Cost

At 01/04/10	5,800	6,967	12,767
-------------	-------	-------	--------

Addition	2,468	-	2,468
----------	-------	---	-------

Cost at 31/03/11	8,268	6,967	15,235
------------------	-------	-------	--------

##### Depreciation

At 01/04/10	1,996	2,315	4,311
-------------	-------	-------	-------

Charge for the year *	2,068	4,652	6,720
-----------------------	-------	-------	-------

Adjustment **	82	-	82
---------------	----	---	----

Total depreciation at 31/3/11	4,146	6,967	11,113
-------------------------------	-------	-------	--------

Net book value 31/03/11	4,122	-	4,122
-------------------------	-------	---	-------

Net book value at 31/03/10	3,804	4,652	8,456
----------------------------	-------	-------	-------

#### 7 INVESTMENTS

2010	2011
------	------

350 Shares in Astra Zeneca	10,133	8,579
----------------------------	--------	-------

\* Non-computer equipment has been entirely written off this year due to adopting straight-line depreciation, leaving no items of residual value

\*\* Adjustment applied to match 2009/10 figures following re-assessing the inventory of fixed assets



THARE MACHI LTD  
 ABBREVIATED ACCOUNTS AND DIRECTORS REPORT  
 YEAR ENDED 31 MARCH 2011

<b>8 Debtors &amp; Prepayments</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Inland Revenue - Gift Aid	1,811	605
Insurance	514	500
Payroll site	83	-
	<b>2,408</b>	<b>1,105</b>

<b>9 BANK &amp; CASH BALANCES</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Barclays current account	7,597	2,765
Business saver account	4,090	6,581
Petty cash account	127	354
Dollar petty cash account	103	139
CCLA - COIF	15,164	164,670
Close Brothers 4 month	10,039	-
Close Brothers 6 month	70,338	-
<b>Total</b>	<b>107,458</b>	<b>174,509</b>

The directors have the power to invest such assets as they see fit. As the charity has benefited from the generosity of significant benefactors in the past reserves have been held in a high interest deposit account. Following the collapse of interest rates on deposit accounts two new medium term deposit accounts were opened with Close Brothers to access more beneficial rates.

THARE MACHI LTD  
ABBREVIATED ACCOUNTS AND DIRECTORS REPORT  
YEAR ENDED 31 MARCH 2011

---

10 Current Liabilities	2011 £	2010 £
Accruals	-	2,970
	-	<u>2,970</u>

**11 Going Concern Status**

Although Thare Machi Ltd has shown several years of net losses, this has been part of a strategic intention to reduce reserves whilst developing a predictable income stream. For 2011/12 a fundraising campaign based on a five year plan and the major research carried out in 2010, which demonstrated the effectiveness of the educational DVDs, will be implemented.

The history of a variety of unpredictable large one-off donations has been crucial to our operations but has also precluded major fundraising. At present the charity has sufficient funds for the next 12 months and will seek funds to cover the ambition to build the interventions and increase impact.

### Independent Examiner's Report

I report on the accounts of the Trust for the year ended 31<sup>st</sup> March 2011, as are set out on the preceding pages

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE EXAMINER

As the Chanty's Directors 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 Chanty 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 Chanty 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 directors 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

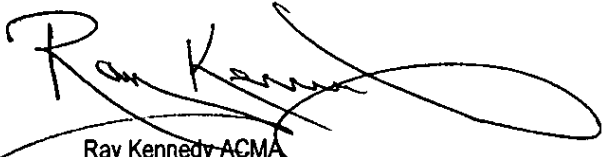
In connection with my examination, no matter has come to my attention,

(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  
Independent Examiner

ACMA