

THARE MACHI LTD
Education Saves Lives - It's Simple

Report and Financial Statements
31st March 2014

Charity No. 1080131
Company Number 03921677

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FINANCIAL STATEMENTS

INDEPENDENT EXAMINER'S REPORT

THARE MACHI LTD: REVIEW OF THE YEAR AND DIRECTORS' REPORT YEAR ENDED 31 MARCH 2014

1.0 REVIEW OF THE YEAR

1.1 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 audio visual lessons with life-changing messages in English for the world's most vulnerable
2. Producing the AV lessons 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

HIV/AIDS
Having an HIV Test
Living with HIV
Caring For Someone With AIDS
How to Take Your HIV Medicine
Guide for Children

HEALTH

Avoiding Malaria
TB Can Be Cured
Bednets Can Save Lives
Diarrhoea
Cholera
High Blood Pressure
Immunisation

MOTHER AND BABY

When to Have a Baby
You and Your New Baby
TBA Skills - Pregnancy
Breastfeeding

HEALTHY LIVING

Looking After Your Teeth
Basic Hygiene
Safe Water
Healthy Eating

HUMAN TRAFFICKING

Human Trafficking

ADDICTION

Dangers of Alcohol
Dangers of Smoking
Say No to Glue and Drugs

SEX EDUCATION

Becoming a Man
Becoming a Woman
Safer Sex For Teenagers

AGRICULTURE

Planting Trees is Good
Making Compost

OTHER

Beware of Landmines

1.2 ACHIEVEMENTS AND PERFORMANCE

Lesson Production

One of the major activities of the organisation during the year was to develop the quantity of digital lessons available to our overseas partners. Up to this year this has exclusively involved the following steps for each new lesson.

- Translation of the English script of one of our lessons into a new language
- Recording of the translated script
- Replacing the English soundtrack with the newly recorded audio
- Authoring a DVD ready for distribution to partners where that language is spoken.

In this way the number of lessons has risen to 730 at the end of the reporting period.

However in 2013 a major leap forward was achieved when one of the Charity's Associates succeeded in creating an electronic format which will eventually allow all of our lessons to be viewed online or downloaded onto mobile smartphones.

During the year this new format was refined so that at the end of March 2014 a working model was ready for uploading to our website. It is hard to overstate the significance of this as at a stroke it increases our potential audience and introduces the possibility of viewers being able to learn without the need for outside equipment.

Lesson Distribution

Historically all lessons have been distributed on DVD and we respond to requests from all over the world with increasing frequency. DVD lessons are provided free of charge and although we request a contribution to freight costs this is not often forthcoming. However it remains a fundamental principle that our potentially life-saving materials should be free to all who need them.

During the year stronger links were forged with individuals in Rwanda and Uganda and some funding was committed to allow them to focus on getting our DVDs out in greater numbers to other groups.

During the year a total of 5612 DVD discs were sent out to 33 countries

Kenya	Bangladesh	Pakistan	India
Romania	China	Nigeria	Congo
Chile	Russia	Columbia	Ghana
Cambodia	Rwanda	Ivory Coast	Nepal
Uganda	Moldova	Nicaragua	Sri Lanka
Malawi	Syria	Vietnam	The Philippines
Panama	Ethiopia	South Africa	Sierra Leone
Thailand	Zambia	Ecuador	Cameroon
Tanzania			

We assume (conservatively) that each DVD is seen by 200 people during its lifetime although in practice a DVD may be watched by 200 people at one go in some contexts. This assumption means that the 5612 DVDs sent out will generate a total of 1,122,400 viewings. This year's expenditure was just under £47,000 or less than 5p per viewing. This does not account for the increasing number of people viewing on-line and downloading the lessons for viewing on their own computer, both of which will bring that cost per viewing down even further.

Cost Efficiency

During the year the net number of paid staff reduced to 2 part-time with one full-time staff member leaving and a new part-time Chief Operating Officer being appointed. In spite of this, progress was not only maintained but accelerated through increased use of volunteer Associates. Two formerly paid staff continue to be actively involved in a voluntary capacity. In addition the charity benefitted from an intern who worked for 6 months and has completely re-developed the website.

New Developments

In 2013 an application was submitted to the Government of the Isle of Man to register Thare Machi as a charity there. On 28th August this application was accepted and Thare Machi became a charitable non-incorporated organisation registered on the Isle of Man. This is completely independent and has its own Trustees but will work collaboratively to increase the impact of TME resources. In September 2013 the Isle of Man awarded a grant of £30,000 to the new charity for use in Uganda and Kenya.

A new UK registered charity was also created by supporters of Thare Machi Education with the specific intention of investing in property in order to create a sustainable income to support Thare Machi's core

costs into the future. There is no financial link to Thare Machi Ltd and so no risks are involved. It does however provide the possibility of a more reliable unrestricted income in the foreseeable future.

Improved visibility for Thare Machi was achieved during the year through developing the use of a Facebook page and a twitter stream creating 250 Facebook likes and 150 twitter followers. These have provided new ways of communicating with people and groups potentially interested in our products as well as keeping them informed of developments.

We also continued to network with other organizations such as Computers4Africa, who carried our DVDs with their own shipments of reworked computers for use in Tanzania, Cameroon and Kenya.

Fundraising

In April 2013 a reception was hosted at the River Room of the House of Lords by the Lord Speaker with a view to raising interest and support for the TME India programme. This was well attended and generated significant interest although few concrete outcomes yet.

Following a period of declining income and increasing expenditure Thare Machi Ltd received a grant of £140,000 from an unexpected Trust Fund. This exceptional income camouflages the underlying weakness in TME regular income. As a response to this weakness TME engaged a proposal writer to craft documents for submission to grant awarding bodies. The target over 2 years is £200,000. This initiative was funded by a specific donation.

Project Evaluation

Over more than ten years we have explored various routes to test whether our lessons actually change people's knowledge and behaviour. In 2012 TME commissioned an extensive study across 6 countries and 7 languages. This demonstrated that immediately after viewing a lesson almost everybody's knowledge had increased and that those who know least learn most. It did not test whether they act on that new knowledge or how durable the learning was.

This year we have proposed using our new partner in Rwanda to do a pilot study looking at health statistics in two adjacent districts, one where our DVD on basic hygiene has been used and the other where it has not. With the assistance of a retired senior researcher from Leicester University, we plan to implement this in 2014/15. If that study produces significant positive results funding will be sought for a wider more robust study.

Finance

We continue to apply to relevant grant awarding trusts as time and opportunity allow. However we have been very unsuccessful in securing large grants and so as mentioned earlier we have contracted a consulting firm to prepare funding bids on our behalf. In addition we are hopeful that the support of a new trust fund set up specifically to support TME core costs will generate additional regular income. Up to this point the most reliable regular support has come from individual private donors. There are 30 regular givers bringing in a yearly income of £9,000.

2.0 CORPORATE GOVERNANCE REPORT

2.1 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 fulfil 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 2013/14 Olu Olasode and Colleen Robinson retired and were re-elected. The directors are responsible for appointing staff and delegate day to day management responsibility to the honorary executive director. At the end of 2013/14 there were two part time paid staff, the Chief Operating Officer working 3 days a week and an accounts administrator working 1 day each week. The charity also has a self-employed Company Secretary. In addition an intern was retained for 8 months to assist with research and development of the product. 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 and the Executive Director's house in France. No remuneration is paid for the use of either the Chairman or the Director's facilities.

The "Associates" comprise 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.

The core business of the charity is in producing interactive multilingual audiovisual lessons on DVD and digital download 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. During the reporting period the goal of uploading TME lessons to the web was finally realised building on the development of browser based versions in 2012/13. This ongoing process will eventually see over 750 lessons available - either for viewing online or for download onto computers and android smartphones. This massively increases the potential audience and means that lessons will be viewable without needing to necessarily have some outside equipment to play them on.

2.2 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.

2.3 FINANCIAL RESERVES POLICY

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

The Board believes that the level of free 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.

2.4 FRAUD

No fraud was detected during the year.

3.0 DIRECTORS' REPORT

The Directors present their report along with the financial statements of the charity for the year ended 31st March 2014. 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.

3.1 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)

Andrew Croft (Treasurer)

Colleen Robinson

Forbes Madziya

John Hacker

Simon Mabley

Olu Olasode

OFFICERS

Stephen Clarke

Tracy Stanbury

Rachel Butt

Executive Director

Company Secretary

Chief Operating Officer

PRINCIPAL OFFICE

Unit 14

Althorpe Street

Leamington Spa

CV32 2AU

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

3.2 PATRONS

Lord Bilimoria CBE DL
Linda Bennett
Cherie Blair
Lord Boateng LLB (Hons)
Lady Boateng
Dame Diana Brittan
The Rt Hon Lord Carey
Lady Carey
The Rt Hon Baroness Chalker
Caroline Chartres
Lord Dholakia OBE DL
Kulvindir Ghir
Michele Guinness
Michael Hastings
George Harris
Esme Howard
K.K.Jajodia
Bishop Joseph Kobo
Marguerite Littman
Duchess of Norfolk
Josephine Munthali
Lyn Rothman
H.E. Joan Rwabyomere
Kim Samuel Johnson
Vinod B. Tailor
Nina Wadia

3.3 PRINCIPAL ACTIVITIES

Thare Machi Ltd (TME) produces interactive audio-visual lessons and publishes them on DVD and through digital download from the website. The lessons are targeted at the world's most vulnerable and in their own language. A total of 31 topics are available all designed to teach people how to live safer, longer more fulfilling lives. The topic list was initially drawn up by a consultation with potential beneficiary groups as to the most critical areas where there are extensive knowledge gaps.

This illustrates how the principal activities of Thare Machi Education produce benefit.

Creating a completely new topic in English involves writing scripts, selecting images and video to accompany the scripts and producing a lesson which runs for between 20 and 30 minutes.

TME 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 700, spreading across 53 languages. The lessons are then made available free of charge to individuals and organisations working at grassroots level in over 25 countries.

This illustrates how the principal activities of Thare Machi Education deliver benefit to the public.

3.4 PUBLIC BENEFIT

In carrying out their duties, the Trustees have given due regard to guidance given by the United Kingdom Charity Commission on public benefit.

3.5 RESULTS

The year was a great improvement on previous years largely as a result of a grant without strings from the Benjamin Trust giving a carry forward of funds totalling £164,616.

A proportion of staff costs has been allocated to direct costs, reflecting the costs of book-keeping plus 15% of the Chief Operating Officer's' costs to cover time spent on administration. The figures give little insight into the huge amount of support TME receives from its band of loyal Associates.

Funds received totalled £196,724 whilst funds expended totalled £46,707 a net change of £150,041. All incoming resources were unrestricted which means that they could be used for any purpose. £164,616 was carried forward for use during 2014/15 and beyond.



Helen Taylor Thompson

November 2014

THARE MACHI LTD REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2014	2013
Incoming resources from generated funds:	2	£	£
Incoming resources		196,749	58,914
Total incoming resources		196,749	58,914
 Resources expended	3		
Cost of generating funds		16,207	18,456
Charitable Activities		28,889	63,562
Governance Costs		1,611	660
Total resources expended		46,707	82,679
 Net incoming/expenditure for the year before transfer		150,041	-23,765
Loss/Gain on fixed assets investments		0	512
Net movement in funds		150,041	-23,252
Total funds brought forward		14,574	37,827
 Total funds carried forward		164,616	14,574

BALANCE SHEET

	Notes	2014	2013
Tangibles			
Fixed Assets	6	0	617
Investments		0	0
Current assets			
Debtors & Prepayments	7	1,688	952
Cash and Bank	8	162,928	13,064
Current Assets		164,616	14,017
Current Liabilities	9		60
Total Assets less liabilities		164,616	14,574
Income funds			
Restricted Fund			
Unrestricted Funds		164,616	14,574
Total Funds		164,616	14,574

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.

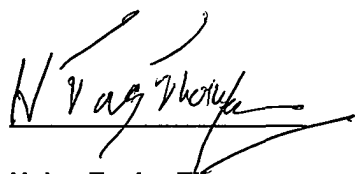
The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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 30th September 2014 and signed on their behalf by:



Helen Taylor Thompson
Chairman



Andrew Croft
Treasurer

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2014

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.

2. INCOMING RESOURCES

	Total Funds 2014 £	Total Funds 2013 £
Grants and Donations	19,399	11,954
Trust Income	145,930	5,850
Tax Efficient Giving	25,442	32,907
Gift Aid Reclaimed	5,952	6,984
Events	0	1,000
Total voluntary income	196,724	58,694

Investment income

Bank interest received	25	16
Astra Zeneca Dividends	0	203
Total Investment income	25	219

Total annual income resources

196,749	58,914
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3. RESOURCES EXPENDED

	Cost of Generating Funds	Cost of Charitable Activities	Governance Costs	Total 2014	Total 2013
	£	£	£	£	£
Direct costs					
DVD Equipment					0
Disc Production		5,735		5,735	3,289
Marketing and Distribution		2,544		2,544	9,775
Fund raising & marketing	4,494			4,494	2,841
Project Evaluation				0	0
Staff costs		20,610		20,610	50,498
Events costs				0	0
Trustee costs			1,611	1,611	660
Professional fees				0	0
Total Direct costs	4,494	28,889	1,611	34,994	67,063
					0
Indirect costs					
Staff Costs*	4,806			4,806	6,613
Office & admin costs	6,290			6,290	7,565
Depreciation charge	617			617	1,438
Total Indirect costs	11,713	0	0	11,713	15,616
Total Resources Expended	16,207	28,889	1,611	46,707	82,679

*15% of Chief Operating Officer's time plus bookkeeping and administration

4. NET OUTGOING RESOURCES FOR THE YEAR

	2014 £	2013 £
The net movement in funds for the year is stated after charging depreciation of tangible assets owned by the charity amounting to	617	1,438

	2014	2013
	£	£
5. STAFF COSTS		
100% of administration salary and 15% of Chief Operating Officer's salary allocated to indirect costs	4,806	6,613
Balance allocated to direct costs	20,610	50,498
Total salaries and social security costs	25,416	57,111
The highest remuneration to a director/officer was less than £18,000 pro rata per annum.		
6. TANGIBLE FIXED ASSETS		
Computer Equipment	2014	
	£	
Cost		
At 1st April 2013	617	
At 31st March 2014	617	
Depreciation		
At 1st April 2013	7,651	
Charge for the year	617	
Total depreciation at 31st March 2014	8,268	
Net book value at 31st March 2014	0	
Net book value at 1st April 2013	617	
7. DEBTORS & PREPAYMENTS		
	2014	2013
	£	£
Inland Revenue - Gift Aid		
Insurance	1,163	438
Payroll site	442	431
	83	83
	1,688	952
8. BANK & CASH BALANCES		
	2014	2013
	£	£
Barclays current account	53,157	5,897
Business saver account	57,625	5,109
Petty cash account	197	119
Close Brothers 4 month	156	155
Close Brothers 6 month	51,794	1,785
Total	162,928	13,065

9. CURRENT LIABILITIES

2014
£

2013
£

60

0	60
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INDEPENDENT EXAMINER'S REPORT

I report on the accounts of the Trust for the year ended 31st March 2014, as are set out on the preceding pages.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE EXAMINER.

As the Charity'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 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 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