

**Charity number: SC022140**  
**Company number: SC265941**

**Scottish International Relief**  
**(A company limited by guarantee)**

**Directors' report and financial statements**  
**for the year ended 30 November 2010**

**Scottish International Relief**  
**(A company limited by guarantee)**

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**Scottish International Relief**  
**(A company limited by guarantee)**

**Legal and administrative information**

**Charity number** SC022140  
**Company registration number** SC265941

**Business address** Craig Lodge  
Dalmally  
Argyll  
PA33 1AR

**Registered office** Craig Lodge  
Dalmally  
Argyll  
PA33 1AR

**Directors** Kenneth Black  
Calum MacFarlane-Barrow  
Mary MacFarlane Barrow  
Julie MacFarlane-Barrow  
Graeme Pagan  
Mark McGreevy  
David Clayton

Christian Selzer Appointed April 2011  
Zeljka Markic Appointed April 2011

**Secretary** Julie MacFarlane-Barrow

**Chief executive** Magnus MacFarlane Barrow

**Auditors** R A Clement Associates  
Registered Auditors  
5 Argyll Square  
Oban  
Argyll  
PA34 4AZ

**Scottish International Relief  
(a company limited by guarantee)**

**Chair's Report  
for the year ended 30 November 2010**

This has been another wonderful year for Scottish International Relief, with our cash income increasing by 24% (17% including value of material aid donations).

This has allowed us to continue expansion of our Mary's Meals projects to reach many more of the world's poorest children and we continue to do this by working with and through the local communities in which these children live. We currently provide Mary's Meals in 16 countries and wherever we do this we find the provision of one meal everyday in a place of education transforms the lives of the world's poorest children.

We remain firmly committed to being good stewards of all resources entrusted to us and to keeping our overheads very low. Once again this year we remained well below our 6% limit of expenditure on fundraising (excluding our charity shops) and 1% on governance.

I would like to express again my thanks to my fellow directors for their hard work and diligence. I would also like to thank all our staff and thousands of volunteers. Without their dedication and hard work none of this work would be possible

**Dr Kenneth Black  
Chair**

**Scottish International Relief**  
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**Chief Executive's Report**  
**for the year ended 30 November 2010**

The year ended 30 November 2010 has been one of continued growth for Scottish International Relief. The early part of the year was dominated by the emergency in Haiti caused by the earthquake and, using the donations given us for the purpose, we were able to carry out hugely effective emergency response work through our partners in Port-au-Prince.

By the end of the year virtually all our emergency projects in Haiti had been completed and we had reverted to our goal of reaching more children there, and in other countries, with Mary's Meals. By the end of the year, globally, we were feeding 459,621 children with daily meals in places of education, compared with 379,000 at the start of the year.

To roll out the programme to a further 80,000 of the world's poorest children during a year in which we also did so much unplanned, but vital, work in Haiti, was an incredible achievement. Meanwhile we also continued to work hard to build the capacity of our organisation in different parts of the work so that we are able to continue to expand the work into new communities in desperate need as funds allow.

Of the 16 countries where we provide meals, Malawi is the one where we have by the far the biggest project.

By the end of the year we were providing 14% of the primary school population in that country with school meals and we can see what a massive impact our work is having there in terms of increased enrolment, improved attendance rates and improved academic performance. In Malawi the cost to provide a school meal per child per annum is currently £6.15 (global average is £ 9). Here, and in most of the communities in which we provide Mary's Meals, the daily work involved in cooking and serving the meals is done by unpaid local volunteers.

None of this growth in our work would have been possible without a parallel increase in public support. Most of this work of Raising Awareness and Fundraising is also carried out by unpaid people who volunteer their time and talents in many different ways in many different countries. They enable our work to grow whilst we maintain our commitment to very low expenditure on fundraising.

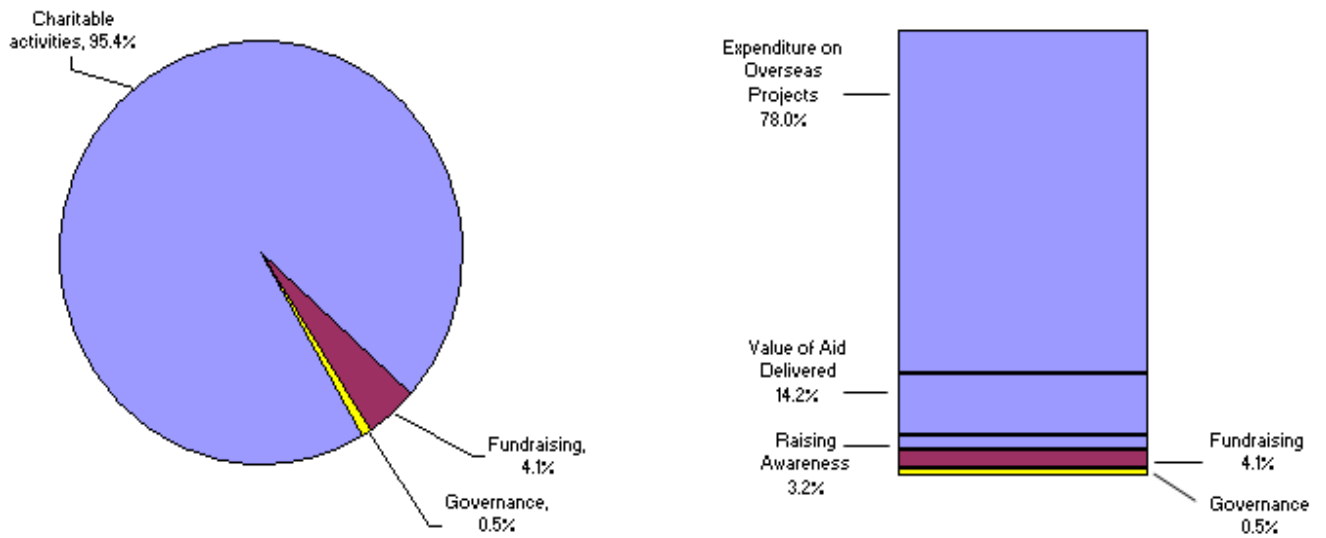
Individual donors, Grant Making Bodies, Corporate Bodies, Churches, Schools, Donors, Volunteers Speakers, Fundraisers, Cooks, Paid staff and those who pray for our work, are all helping to make our vision a reality, that every child receives one daily meal in their place of education .

On behalf of the children who are receiving these benefits I want to thank each one of you who make it possible.

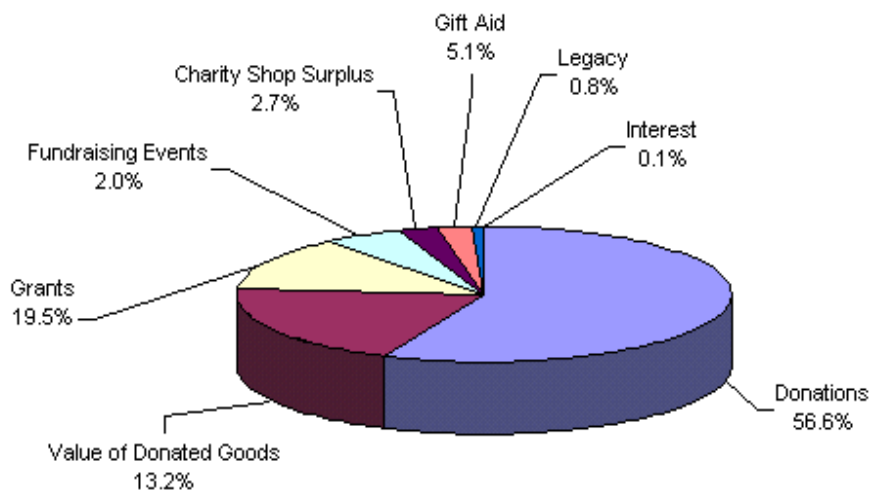
**Magnus MacFarlane-Barrow**  
**Chief Executive**

**Scottish International Relief**  
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**Analysis of 2010 Expenditure**

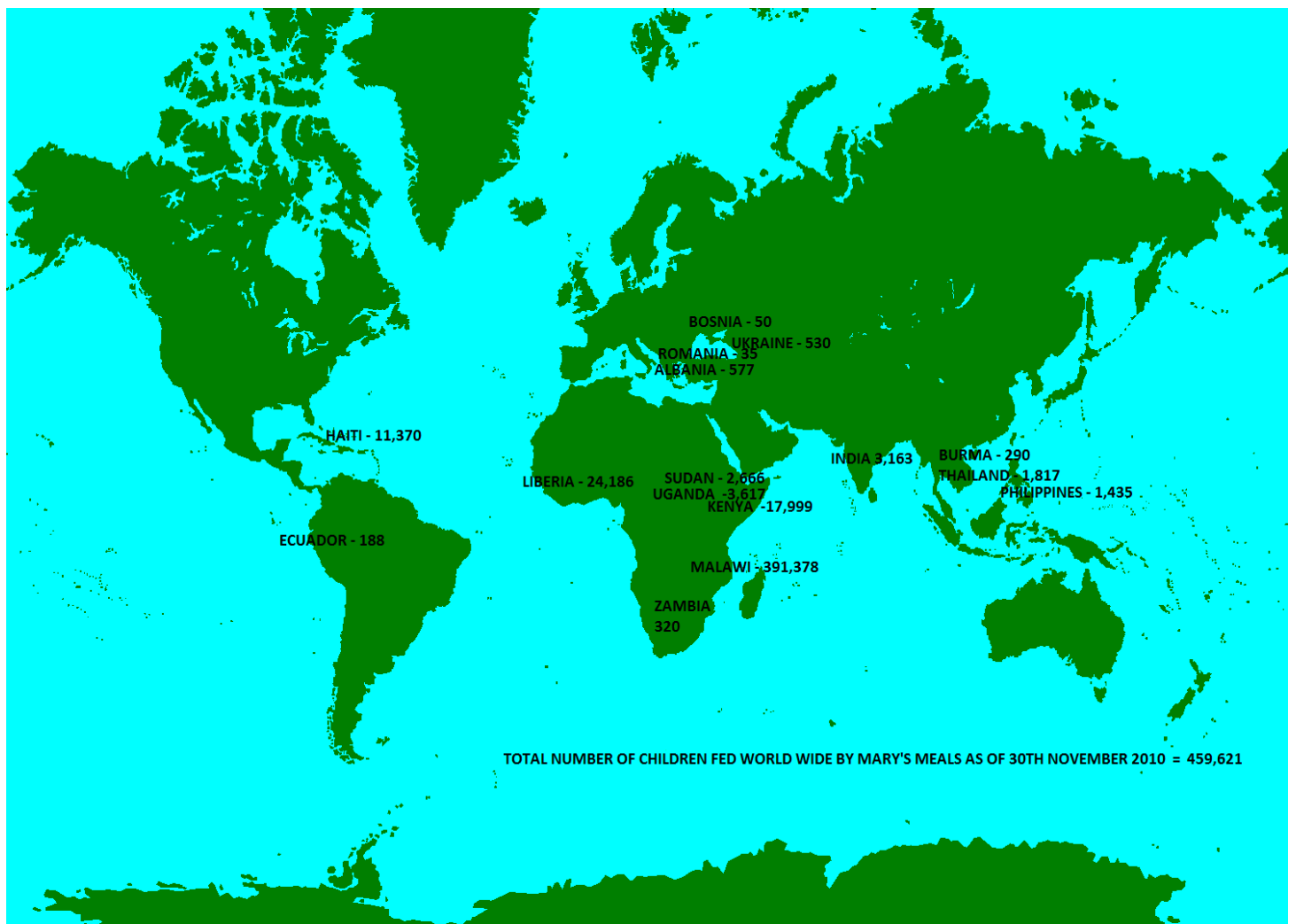


**Analysis of 2010 Income**



**Scottish International Relief  
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Map Showing the Number of Children Fed per Country, per Day in 2009/10



**Scottish International Relief**  
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**Report of the directors (incorporating the trustees' report)**  
**for the year ended 30 November 2010**

The directors present their report and the financial statements for the year ended 30 November 2010. The directors, who are also trustees of Scottish International Relief for the purposes of charity law and who served during the year and up to the date of this report are set out on page 1.

**Structure, governance and management**

*Management of the charity*

The Charity is governed by the Board of Directors. The Board meets quarterly. The composition of the Board is monitored on a regular basis to ensure that the members of the Board have the necessary skills and expertise required to govern the Charity. A budget is set annually in advance and submitted to the Directors for approval.

*Day to Day management*

The day to day running of the Charity is managed by the Chief Executive supported in the three key areas of fundraising, overseas aid and finance by the following departments;

- a) Fundraising department responsible for raising donations from individuals, groups, companies and legacies
- b) Programmes department coordinates new applications and is responsible for supporting and monitoring all projects. This department also coordinates collection of Material Aid and the shipping thereof
- c) Finance department: supports the charity and is responsible for financial reporting and management.

*Director/trustee recruitment and induction*

New Directors are thoroughly vetted prior to appointment. They are briefed on their legal responsibilities and supplied with a copy of The Memorandum and Articles of Association. They are advised on the aims and values of the Charity through the Vision Mission and Values Statement.

In respect of this and to reflect the growing International Support, in 2011 a further two directors have accepted an invitation to join the Board. They are Dr Christian Stelzer from Austria and Dr. Zeljka Markic from Croatia

*Retirement of Directors*

In accordance with the Memorandum & Articles of Association, one third of the directors are due to retire at the AGM in June 2011, and are eligible to seek to be re-appointed. The following directors being due to retire are seeking to be reappointed to the Board.

Dr Kenneth Black  
Calum MacFarlane Barrow  
David Clayton

*Reserves Policy*

The policy of the charity is to retain sufficient funds required to meet three months running costs in respect of salaries, premises costs etc, and between 1.5 - 2 months of committed project expenditure. This committed expenditure includes not only the funding of the Children's Homes in Romania, but also its commitments to providing Mary's Meals. On this basis, the charity would expect to hold minimum reserves of £1,350,000. The unrestricted reserves at 30 November 2010 were £1,362,133. A further £837,666 is held in restricted Funds for on going established programmes as per Note 17. As shown in note 22 to the accounts, in the first three months of 2011 a total of £1,287,411 was transferred to meet grant aid obligations. As a result, the Board is of the opinion that the balances held at the year end by the charity were prudent and necessary to ensure that commitments could be met.

**Scottish International Relief**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 30 November 2010**

***Investment powers, policy and performance***

In accordance with the Memorandum and Articles of Association, the directors have the power to invest in such stocks, shares, investments, and property in the UK and overseas as they see fit. The directors have considered the most appropriate policy for investing funds and have decided that surplus funds should be held in a mixture of current and investment accounts to minimise bank charges, optimise interest earned and accessibility, and minimise risk. This policy is under constant review.

***Related Parties***

The charity's administration is based at Craig Lodge, which is owned and operated by the Craig Lodge Trust. The Trustees of the Craig Lodge Trust include Magnus MacFarlane-Barrow, who is employed by Scottish International Relief as Chief Executive, and Ruth Black who is the SIR fundraising co-ordinator. Two of the directors of SIR, Mr and Mrs MacFarlane-Barrow are volunteer managers of the Craig Lodge Trust. The office accommodation is currently provided free to Scottish International Relief, with the exception of a charge for a share of the direct costs such as power, heat and light. See also note 24 for further details.

***Risk assessment***

The directors have overall responsibility for ensuring that the charity has assessed the major risks to which it is exposed, in particular to the operations and finances of the charity.

The directors recognise that the systems in place are designed to manage rather than eliminate the risk of failure to achieve the charity's objectives.

In order to improve the formal risk management process, a review of systems in place, which commenced in 2008, continues to be reviewed on an annual basis, and has:

- identified and evaluated the risks on an ongoing basis
- considered the types of risk to which the charity is exposed
- identified the level of acceptable risk
- assessed the likelihood of the risks concerned materialising
- assessed the charity's ability to reduce the incidence and impact of risks that do materialise
- compared the costs of implementing controls to the benefits obtained
- put in place a system for monitoring and reporting on risk and details of corrective action taken

**Objectives and activities**

- a) To provide relief for those suffering, in any part of the world, as a result of humanitarian crises or poverty, to help people escape poverty and to provide care for orphaned, abandoned and vulnerable children.
- b) To raise awareness in the UK and worldwide of world poverty issues through education.

**Statement as to disclosure of information to auditors**

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Scottish International Relief**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 30 November 2010**

**Statement of directors' responsibilities**

The directors (who are also trustees of Scottish International Relief under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

R A Clement Associates are standing down as auditors at the forthcoming AGM and a new auditor will be appointed at that time.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**On behalf of the Board**  
**Julie MacFarlane-Barrow**

**Scottish International Relief**  
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**Independent auditor's report to the trustees and members of Scottish International Relief**

We have audited the financial statements of Scottish International Relief for the year ended 30 November 2010 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made exclusively to the directors of the company, as a body, who are the trustees of the charity, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, s44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the directors 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 company and the directors as trustees of the charity, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and auditors**

The trustees' (who are also directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of directors' responsibilities.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts. 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 United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether the information given in the directors' annual report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the directors' report, and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

**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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

**Scottish International Relief**  
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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 of the state of the charitable company's affairs as at 30 November 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and
- and the information given in the directors' report is consistent with the financial statements.

**5 Argyll Square**  
**Oban**  
**Argyll**

**PA34 4AZ**

**Fiona McGlynn**  
**Senior Statutory Auditor**

**For and on behalf of**  
**R A Clement Associates**  
**Chartered Accountants and Statutory Auditors**

**(Eligible to act as auditor in terms of section 1212 of the Companies Act 2006)**

**Scottish International Relief**  
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**Statement of financial activities (incorporating the income and expenditure account)**

**For the year ended 30 November 2010**

	Notes	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
<b>Incoming resources</b>					
Incoming resources from generating funds:					
Voluntary income	2	2,430,924	3,235,275	5,666,199	4,446,282
Activities for generating funds	3	1,558,938	17,177	1,576,115	1,801,018
Investment income		4,194	-	4,194	3,311
Incoming resources from charitable activities		5,758	-	5,758	7,100
Tax reclaimed on gift aid		356,760	15,400	372,160	291,932
<b>Total incoming resources</b>		<u>4,356,574</u>	<u>3,267,852</u>	<u>7,624,426</u>	<u>6,549,643</u>
<b>Resources expended</b>					
Costs of generating funds:					
Cost of generating voluntary income	4	281,060	-	281,060	254,321
Fundraising trading:					
cost of goods sold and other costs	5	238,964	-	238,964	254,692
Charitable activities	6	1,270,725	5,300,434	6,571,159	5,328,193
Governance costs	8	32,478	-	32,478	22,370
<b>Total resources expended</b>		<u>1,823,227</u>	<u>5,300,434</u>	<u>7,123,661</u>	<u>5,859,576</u>
<b>Net incoming/(outgoing) resources before transfers</b>					
		2,533,347	(2,032,582)	500,765	690,067
Transfer between funds					
		(1,951,534)	1,951,534	-	-
<b>Net movement in funds/Net income/(expenditure) for the year</b>					
		581,813	(81,048)	500,765	690,067
Total funds brought forward					
		780,320	918,714	1,699,034	1,008,967
<b>Total funds carried forward</b>		<u>1,362,133</u>	<u>837,666</u>	<u>2,199,799</u>	<u>1,699,034</u>

The notes on pages 13 to 30 form an integral part of these financial statements.

**Scottish International Relief**  
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**Balance sheet**  
**as at 30 November 2010**

SC265941

	Notes	2010		2009	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		40,646		44,822
<b>Current assets</b>					
Debtors	15	130,703		87,645	
Cash at bank and in hand		2,085,142		1,615,800	
		<u>2,215,845</u>		<u>1,703,445</u>	
<b>Creditors: amounts falling due within one year</b>					
	16	<u>(56,692)</u>		<u>(49,233)</u>	
<b>Net current assets</b>			<u>2,159,153</u>		<u>1,654,212</u>
<b>Net assets</b>			<u>2,199,799</u>		<u>1,699,034</u>
<b>Funds</b>					
	17				
Restricted income funds			837,666		918,714
Unrestricted income funds			<u>1,362,133</u>		<u>780,320</u>
<b>Total funds</b>			<u>2,199,799</u>		<u>1,699,034</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on

and signed on its behalf by

**Kenneth Black**  
**Director**

**The notes on pages 13 to 30 form an integral part of these financial statements.**

**Scottish International Relief**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 30 November 2010**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

**1.1. Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

**1.2. Basis of consolidation**

SIR Liberia is registered as a non governmental organisation operating in Liberia, but the activities of this organisation are wholly carried out by Scottish International Relief. These activities are reflected in the SIR accounts on the same basis as other overseas recipients of grant funds on the basis that any non direct charitable expenditure is not material to the accounts.

SIR Malawi: although this entity is closely associated with SIR and implements a significant part of its projects in Malawi, the directors of SIR are of the opinion that they do not have sufficient dominant influence to constitute control. The financial statements for SIR Malawi are therefore not consolidated in these accounts and the transactions with SIR Malawi are included in the grant aid expenditure.

**1.3. Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from the charity shops is included in the year in which it is receivable.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

**Scottish International Relief**  
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**Notes to financial statements**  
**for the year ended 30 November 2010**

**1.4. Resources expended**

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay. Any costs directly attributable to specific categories have been included in those cost categories in the SOFA. Other costs, which are attributable to more than one activity, are apportioned across categories on the basis of an estimate of the proportion attributable. The Charity is registered for vat and all expenditure will be shown net of vat. Any irrecoverable vat is shown as a separate cost.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs are those incurred directly in connection with compliance with constitutional and statutory requirements, together with a proportion of salary costs relating solely to the strategic management of the charity.

**1.5. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	15% straight line
Fixtures, fittings and equipment	-	15% straight line
Motor vehicles	-	25% straight line
Computer Equipment	-	33% straight line

**1.6. Defined contribution pension schemes**

The charity has in place a group pension scheme to make available pension provision to all employees. Contributions in respect of the company's defined contribution pension scheme are charged to the income and expenditure account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

**1.7. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at an appropriate rate of exchange. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the statement of financial activities.

**1.8. Tax reclaimed on gift aid**

Tax reclaimed on the basis of donations made under gift aid during the year is recognised in the year in which the donation was made. Tax recovered is normally credited to unrestricted funds, unless material amounts are recovered from specific restricted donations.

**Scottish International Relief**  
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**Notes to financial statements**  
**for the year ended 30 November 2010**

**1.9. Value of distributed goods**

All donated goods which the charity sends abroad are evaluated to establish how it can maximise the value of the gift, except where appeals are made specifically for items to send overseas i.e school backpacks.

A wide variety of goods are donated to the charity and sent overseas. In placing a value on these items, the following factors are taken into account:

- a) the purchase price or market value for new/unused items
- b) the price of an equivalent substitute in the recipient area
- c) the income which could be generated if the goods were sold in the UK
- d) the depreciation of second hand goods, or value added through reconditioning or checking by volunteers

**Scottish International Relief**  
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**Notes to financial statements**  
**for the year ended 30 November 2010**

**2. Voluntary income**

<b>Donations</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2010 Total £</b>	<b>2009 Total £</b>
Unrestricted donations	2,215,249	-	2,215,249	2,382,901
Haiti Emergency	-	917,127	917,127	-
Mary's Meals Malawi	-	701,432	701,432	469,921
Romania Houses	-	24,940	24,940	24,512
Malawi - other	-	50,843	50,843	20,428
Liberia Clinic	-	3,360	3,360	4,390
Liberia Mary's Meals	-	96,872	96,872	21,751
Liberia - other	-	50,718	50,718	10,341
Mary's Meals Ukraine	-	22,507	22,507	2,598
Mary's Meals Haiti	-	16,205	16,205	5,637
Mary's Meals Philippines	-	1,000	1,000	2,500
Mary's Meals India	-	33,055	33,055	9,086
Mary's Meals Sudan	-	175	175	-
Mary's Meals Kenya	-	30,000	30,000	583
Legacies received	60,000	-	60,000	75,165
	<u>2,275,249</u>	<u>1,948,234</u>	<u>4,223,483</u>	<u>3,029,813</u>

Included in the above figures are amounts raised by fundraising organisations outwith the UK. Some of the major areas are noted below:

Mary's Meals Bosnia	10,532
Mary's Meals Croatia	33,255
Mary's Meals Germany	186,713
Mary's Meals Ireland	161,913
Mary's Meals U.S.A	144,164
Austrian Groups	242,795
Australian Groups	25,076
	<u>804,448</u>

**Scottish International Relief**  
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**Notes to financial statements**  
**for the year ended 30 November 2010**

**2. Voluntary Income (cont)**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2010 Total</b>	<b>2009 Total</b>
<b>Grants and Trusts</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balcraig/Gloag Foundation	-	-	-	50,000
Band Aid Trust	-	51,475	51,475	-
Bannatyne Charitable Trust (MM)	-	84,000	84,000	84,000
Bannatyne Charitable Trust - Romania Houses	-	36,000	36,000	36,000
Coldstone Charitable Trust	25,000	-	25,000	-
Eusebius Trust	-	27,637	27,637	-
Farmer Foundation	-	-	-	80,000
Garfield Weston Trust	-	25,000	25,000	50,000
John & Mary Elliot Memorial Trust	-	11,351	11,351	6,500
Lancaster Foundation (Kenya)	-	72,004	72,004	-
Liechtenstein Red Cross	-	202,278	202,278	-
Maitri Trust	-	129,150	129,150	-
Malawi Foundation	-	-	-	18,002
Maureen Lillian Charitable Trust	-	-	-	20,000
Medicor Foundation	-	268,134	268,134	258,225
Moidart Trust	10,000	-	10,000	-
Moredun Charitable Trust	-	-	-	10,000
Park House Charitable Trust	100,000	-	100,000	100,000
Peter Birse Charitable Trust	-	-	-	410,000
Rozelle Trust	-	-	-	74,200
S.C.F	-	-	-	10,000
Scottish Government	-	257,992	257,992	-
Soutar Charitable Trust	-	5,000	5,000	55,000
Sunrise Charitable Trust	-	-	-	10,000
Tesco Charitable Trust	-	-	-	66,671
Other grants	20,675	117,020	137,695	77,871
	<u>155,675</u>	<u>1,287,041</u>	<u>1,442,716</u>	<u>1,416,469</u>

**3. Activities for generating funds**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shop income	353,917	-	353,917	362,128
Recycling	83,174	-	83,174	75,918
Fundraising	33,532	17,177	50,709	35,072
Collections	1,693	-	1,693	2,708
Raffles	98,405	-	98,405	135,142
Value of donated goods distributed	976,142	-	976,142	1,190,050
Value of office furniture donated	12,075	-	12,075	-
	<u>1,558,938</u>	<u>17,177</u>	<u>1,576,115</u>	<u>1,801,018</u>

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**4. Cost of generating voluntary income**

	<b>Unrestricted funds £</b>	<b>2010 Total £</b>	<b>2009 Total £</b>
Donations and grants	281,060	281,060	254,321
	<u>281,060</u>	<u>281,060</u>	<u>254,321</u>

**Analysis by cost**

	<b>2010</b>	<b>2009</b>
Staff costs	156,328	141,140
Staff training and volunteer costs	4,439	2,079
Premises costs	6,976	3,462
Office costs	57,041	60,760
Advertising and publicity	6,268	4,378
Website costs	11,622	10,385
Motor and travel	15,841	16,117
Sundry costs	16,057	8,793
Depreciation	6,488	7,207
	<u>281,060</u>	<u>254,321</u>

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**5. Fundraising trading**

	<b>Unrestricted funds £</b>	<b>2010 Total £</b>	<b>2009 Total £</b>
Shop costs	238,964	238,964	254,692
	<u>238,964</u>	<u>238,964</u>	<u>254,692</u>

**Analysis by cost**

	<b>2010</b>	<b>2009</b>
Staff costs	88,771	96,611
Staff training and volunteer costs	261	110
Warehouse expenses	14,701	7,589
Shops; rent, rates and insurance	104,695	114,420
Office costs, including phone and IT	22,439	24,471
Repairs and maintenance	157	850
Transport and vehicle costs	2,238	4,308
Depreciation	5,702	6,333
	<u>238,964</u>	<u>254,692</u>

**Warehousing Operations**

The warehouse now functions for the most part as a direct support cost for material aid operations sending aid abroad. As a result, only a minor amount has been allocated towards the retail shop support costs.

**Retail shop contribution**

Income from sale of donated goods	353,917	362,129
Recycling income	83,174	75,918
Costs of realisation	(238,964)	(254,692)
	<u>198,127</u>	<u>183,355</u>

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**6. Costs of charitable activities - by fund type**

	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
Mary's Meals	-	3,657,444	3,657,444	3,099,440
Children's Homes	-	123,457	123,457	142,172
Liberia	-	551,317	551,317	606,794
Backpacks and shipped aid	1,052,462	-	1,052,462	1,295,248
Raising awareness	218,263	-	218,263	184,539
Emergency aid	-	968,216	968,216	-
	<u>1,270,725</u>	<u>5,300,434</u>	<u>6,571,159</u>	<u>5,328,193</u>

**7. Costs of charitable activities - by activity**

	Activities undertaken directly £	Grant funding activities £	Support costs £	2010 Total £	2009 Total £
Mary's Meals	-	3,424,254	233,190	3,657,444	3,099,440
Children's Homes	-	115,400	8,057	123,457	142,172
Liberia	-	513,430	37,887	551,317	606,794
Backpacks and shipped aid	1,017,551	-	34,911	1,052,462	1,295,248
Raising awareness	218,263	-	-	218,263	184,539
Emergency aid	-	899,530	68,686	968,216	-
	<u>1,235,814</u>	<u>4,952,614</u>	<u>382,731</u>	<u>6,571,159</u>	<u>5,328,193</u>

Included in shipped aid is expenditure as follows:

	Shipping	Aid value	Total
Romania	1,510	11,419	12,929
Malawi	12,882	304,707	317,589
Liberia	13,857	472,820	486,677
Uganda	2,942	79,974	82,916
Haiti	2,997	107,222	110,219
Backpacks carriage charge	7,221	-	7,221
	<u>41,409</u>	<u>976,142</u>	<u>1,017,551</u>

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**8. Governance costs**

	<b>Unrestricted funds £</b>	<b>2010 Total £</b>	<b>2009 Total £</b>
Auditor's remuneration	7,500	7,500	7,000
Professional - Legal fees	1,769	1,769	-
Allocation of staff related costs	21,058	21,058	14,244
Bank charges	1,962	1,962	1,126
Subscriptions	189	189	-
	<u>32,478</u>	<u>32,478</u>	<u>22,370</u>

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**9. Analysis of support costs**

	<b>Mary's Meals £</b>	<b>Children's Homes £</b>	<b>Liberia £</b>	<b>Shipped Aid £</b>	<b>Emergency Relief £</b>	<b>2010 Total £</b>	<b>2009 Total £</b>
Staff costs	146,913	5,063	23,871	21,990	43,280	241,117	197,897
Premises costs	33,860	1,167	5,502	5,068	9,975	55,572	30,215
Motor and travelling costs	28,474	981	4,626	4,262	8,388	46,731	49,317
Accountancy charges	1,543	53	251	231	455	2,533	4,000
Office expenses, including phone and IT	17,316	617	2,811	2,599	5,090	28,433	39,546
Depreciation and impairment	3,474	120	564	520	1,024	5,702	6,333
Exchange (gains)/losses	1,235	43	201	185	364	2,028	(4,120)
Conferences and seminars	-	-	-	56	-	56	19,037
Advertising, publicity and subscriptions	375	13	61	-	110	559	9,283
	<u>233,190</u>	<u>8,057</u>	<u>37,887</u>	<u>34,911</u>	<u>68,686</u>	<u>382,731</u>	<u>351,508</u>

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**10. Net incoming resources for the year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	19,662	21,839
Auditors' remuneration	7,500	7,000
	<u>          </u>	<u>          </u>
and after crediting:		
Profit/(loss) on foreign currencies	(2,028)	4,120
	<u>          </u>	<u>          </u>

**11. Employees**

<b>Employment costs</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	592,249	504,593
Pension costs and Life assurance	31,895	26,207
Other costs - training and volunteer costs	6,003	11,987
	<u>          </u>	<u>          </u>
	<u>630,147</u>	<u>542,787</u>

No employee received annual emoluments at a rate of more than £36,000 p.a. (2009 : £35,000).

**Number of employees**

The average monthly numbers of employees (excluding the directors) during the year, was as follows:

	<b>2010</b>	<b>2009</b>
	<b>Number</b>	<b>Number</b>
Support and Finance (F/T equivalent)	8	7
Fundraising and Promotion (F/T equivalent)	8	7
Warehouse and shops	5	5
Education, Material Aid and Raising awareness	7	5
	<u>          </u>	<u>          </u>
	<u>28</u>	<u>24</u>

No director/trustee received any direct remuneration, benefits in kind or reimbursement of expenses.

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**Notes to financial statements**  
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**12. Pension costs**

The company operates a defined contribution pension scheme in respect of all staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £31,895 (2009 - £26,207).

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Pension charge	<u>31,895</u>	<u>26,207</u>

**13. Taxation**

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

<b>14. Tangible fixed assets</b>	<b>Long leasehold property £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 December 2009	6,083	13,338	62,031	6,714	71,317	159,483
Additions	-	12,075	-	-	3,411	15,486
At 30 November 2010	<u>6,083</u>	<u>25,413</u>	<u>62,031</u>	<u>6,714</u>	<u>74,728</u>	<u>174,969</u>
<b>Depreciation</b>						
At 1 December 2009	2,434	7,945	35,301	5,839	63,142	114,661
Charge for the year	1,217	2,907	8,790	875	5,873	19,662
At 30 November 2010	<u>3,651</u>	<u>10,852</u>	<u>44,091</u>	<u>6,714</u>	<u>69,015</u>	<u>134,323</u>
<b>Net book values</b>						
At 30 November 2010	<u>2,432</u>	<u>14,561</u>	<u>17,940</u>	<u>-</u>	<u>5,713</u>	<u>40,646</u>
At 30 November 2009	<u>3,649</u>	<u>5,393</u>	<u>26,730</u>	<u>875</u>	<u>8,175</u>	<u>44,822</u>

**15. Debtors**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	6,767	9,747
Other debtors	123,936	77,898
	<u>130,703</u>	<u>87,645</u>

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**16. Creditors: amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	9,806	13,677
Other taxes and social security	16,035	11,704
Accruals and deferred income	30,851	23,852
	<u>56,692</u>	<u>49,233</u>

**17. Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fund balances at 30 November 2010 as represented by:			
Tangible fixed assets	40,646	-	40,646
Current assets	1,378,179	837,666	2,215,845
Current liabilities	(56,692)	-	(56,692)
	<u>1,362,133</u>	<u>837,666</u>	<u>2,199,799</u>

**18. Unrestricted funds**

	<b>At</b>			<b>Transfers</b>	<b>At</b>
	<b>1 December</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>to/from</b>	<b>30 November</b>
	<b>2009</b>	<b>resources</b>	<b>resources</b>	<b>Restricted funds</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	<u>780,320</u>	<u>4,356,574</u>	<u>(1,823,227)</u>	<u>(1,951,534)</u>	<u>1,362,133</u>

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19. Restricted funds	At 1 December 2009 £	Incoming resources £	Outgoing resources £	Transfers to/from General fund £	At 30 November 2010 £
Mary's Meals	403,720	33,960	-	(437,680)	-
Mary's Meals Malawi	192,230	1,282,094	(2,595,128)	1,410,355	289,551
Mary's Meals Haiti	84,209	110,840	(104,135)	2,621	93,535
Mary's Meals - Liberia	126,626	189,454	(439,274)	204,259	81,065
Mary's Meals Other regions	-	234,266	(905,609)	674,249	2,906
Emergency relief - Burma and Haiti	66,865	1,251,377	(968,216)	-	350,026
Malawi sponsors etc	1,606	50,843	(52,572)	123	-
Liberia Clinic and other	38,000	54,078	(112,043)	40,548	20,583
Children's Homes Romania	(133)	60,940	(117,866)	57,059	-
Romania My Weekly Project	5,591	-	(5,591)	-	-
	<u>918,714</u>	<u>3,267,852</u>	<u>(5,300,434)</u>	<u>1,951,534</u>	<u>837,666</u>

**Purposes of restricted funds**

As the core activities of Scottish International Relief are now focussed on Mary's Meals, the restricted fund which was not specifically allocated to a region or country, has been recategorised as general funds.

**The Mary's Meals Fund- other regions - includes the following specific areas:**

	Incoming Resources	Outgoing Resources
Albania, Bosnia, Ecuador, Zambia	-	34,999
Kenya	102,004	310,894
Sudan	51,650	75,741
Thailand	-	23,879
Uganda	-	103,225
Phillipines	1,000	16,436
Ukraine	22,507	85,270
India	57,105	116,359
Haiti School Building	-	138,806
	<u>234,266</u>	<u>905,609</u>

Note; income of £10,632 for Albania etc is included in the Main Mary's Meals Fund.

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**20. Financial commitments**

At 30 November 2010 the company had annual commitments under non-cancellable operating leases as follows:

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within one year	20,250	37,135
Between one and five years	31,048	45,750
In over five years	20,916	7,416
	<u>72,214</u>	<u>90,301</u>

**21. General commitments**

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual pension commitment under this scheme is for contributions of £33,900. At 30 November 2010, an amount of £3,085 was accrued in the accounts (2009; £2,265)

**22. Committed Resources**

In the first three months of the year to 30 November 2011, the following amounts of direct grant aid were sent overseas:

<b>December 2010</b>	682,278
<b>January 2011</b>	476,620
<b>February 2011</b>	128,513
	<u>£ 1,287,411</u>

Over the year to 30 November 2011, SIR is committed to a grant aid programme of £5.5m, of which £3.1m is committed to Malawi.

The charity is committed to supporting the running of Iona House, Bannatyne House, and Rozis House in Romania. Included in the above commitments is annual expenditure in the region of £112,000 (2009 - £140,000) in respect of the Children's Homes in Romania.

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**23. Transactions with directors**

In accordance with the Memorandum and Articles of Association, directors may only receive remuneration for services undertaken in the administration of the charity provided that it is authorised by the Board, is within the limits laid down, and as long as a majority of the Board members are acting without remuneration. There were no reimbursements of expenses to any of the directors during the year, nor any remuneration.

**Conflicts of Interest**

The company operates a policy to deal with potential conflicts of interest. This includes maintaining a register of board members/directors interests, which details any contractual or financial relationship or position of authority with outside companies, firms or organisations. Whenever a board member/director has an interest in any item discussed by the Board, he/she takes no part in the discussions or decision making process.

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**24. Related party transactions**

**Connected party transactions**

The chief executive of the charity, Magnus MacFarlane Barrow, is closely related to a number of the directors on the Board. His remuneration is determined by an independent committee whose membership is made up of unrelated parties.

For the year to 30 November 2010, his gross remuneration amounted to £29,358 (2009; £27,984 ), and he received reimbursement of expenses amounting to £1,011. He is a member of the charity pension scheme.

**Craig Lodge Trust**

SIR operated during the year on a rent free basis from property owned by the Craig Lodge Trust and contributes to the running of the property by paying for power usage and a share of similar overheads. These costs are included in the amount shown below.

The Craig Lodge Trust is run by Calum and Mary Anne MacFarlane-Barrow who are directors of SIR. During the year, Craig Lodge Trust provided goods and services i.e accommodation and meals, and overheads, amounting to £2,956. These were provided on an arm's length basis.

**Partnership Organisations**

SIR works with various organisations to enable it to best achieve its objectives; the main entities are as follows:

Rhema Foundation (Romania)  
Emmaus Foundation, Masaka Widows' Association (Uganda)  
SIR Malawi (Malawi)  
Billy Riordan Clinic (Malawi)  
SIR Liberia (Liberia)  
New Ways (Kenya)  
Diocese of Lodwar (Kenya)  
Hands Together (Haiti)  
Maison Fortune orphanage (Haiti)  
Caritas (Haiti)  
Los Abeilles Parish (Haiti)  
Depaul Foundation, The Way Home (Ukraine)  
Medjugorje Centre for Peace (Philippines)  
The Way Christian Ministries (Kenya)  
Odessa (Ukraine)  
MPEVDS (Manigandam Panchayet Education and Village Development Society (India)

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**24. Related party transactions (cont)**

**SIR/Mary's Meals Overseas**

SIR Malawi is an independently constituted body whose main function is to implement SIR projects in Malawi, but it is free to fundraise from other sources. SIR is represented on the board of this organisation. SIR is not constituted as a separate entity in Liberia, but is registered there as an overseas organisation working in the country.

Supporters of S.I.R. in Australia, Croatia, Germany, Ireland, Italy, and the U.S.A. have set up groups for the sole purpose of fundraising for and supporting Mary's Meals. Supporters of S.I.R. in countries such as Abu Dhabi, Austria, the Netherlands and Spain have groups that, as part of their purpose, raise funds for and support Mary's Meals. S.I.R. has registered branches in Bosnia and Herzegovina and in Liberia.

Mary's Meals USA continued active fundraising during the year. Project funding was transferred directly to Mary's Meals projects in Malawi and Haiti.

**25. Company limited by guarantee**

Scottish International Relief is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.