

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 2009

Scottish International Relief
(A company limited by guarantee)

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Scottish International Relief
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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

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
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Chair's Report
for the year ended 30 November 2009

This was another year of significant growth for the organisation with our income increasing by 38%. This in turn has allowed us to provide many more impoverished children with Mary's Meals in some of the world's poorest countries. Each year that passes allows us to see more clearly that Mary's Meals really does work by meeting the immediate need of the hungry child but also by tackling its underlying causes through allowing these children to benefit from the education that can set them, and their communities, free from chronic poverty.

We continue to adhere to our commitment to be good stewards of all the resources entrusted to us and continue to keep our fundraising and governance costs very low compared to the amounts spent on our charitable activities. We are pleased that the amounts spent on fundraising and governance fall comfortably within our guidelines of 6% (excluding the retail shops) and 1% respectively.

I am extremely grateful to my fellow directors for their commitment and the diligence they bring to the governance of Scottish International Relief.

I would also like to thank Chief Executive, Magnus MacFarlane-Barrow, all of our staff and the thousands of volunteers, without whom this work would not happen

Dr Kenneth Black
Chair



Scottish International Relief
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Chief Executive's Report
for the year ended 30 November 2009

The year ended 30 November 2009 was again one of huge growth for Scottish International Relief. By the end of the year the number of children receiving Mary's Meals through our flagship campaign, Mary's Meals was 379,000 an increase of 24,000 during the year. During the year we also continued to build the capacity of the organisation in order to be able to expand our programmes effectively and began the process of creating a Programmes Department in order to be able to support and monitor more effectively the growing projects we fund. In addition around 1.2 million pounds worth of material aid (mainly educational supplies) was delivered to the impoverished communities in which we work.

It was also a year that saw further devaluation of Sterling against some of the currencies which our projects use. By the end of the year the average cost of providing Mary's Meals for one child for one school year was £9.00.

Meanwhile all our streams of income - private donors, churches, schools, trusts - all grew significantly. Our fastest area of growth was income from overseas Mary's Meals support groups.

Awareness of the Mary's Meals campaign is growing fast around the world and we remain confident that there will be continued growth in support of our work, that will, in turn allow us to help many more impoverished children. More than ever, this year has encouraged us to believe that our vision - that every child should be able to receive at least one daily meal in their place of education - is indeed possible.

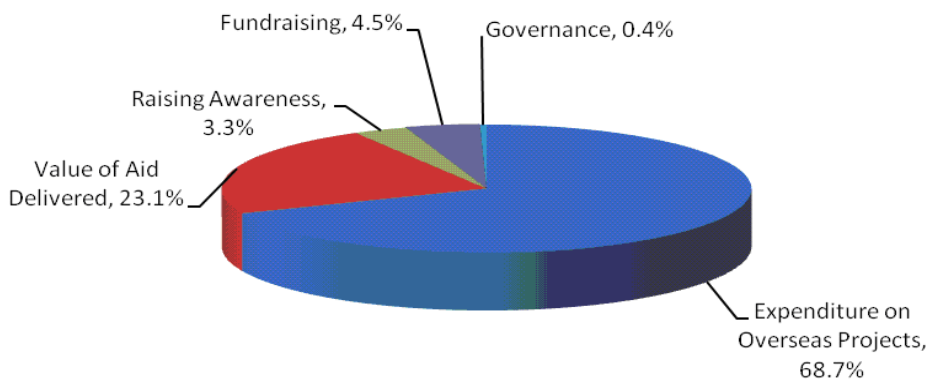
Following on from the end of our financial year we embarked on a new but unplanned appeal as a consequence of the devastation caused by the earthquake in Haiti. Mary's Meals has been working in Haiti since 2006 and, at the time of the earthquake, was providing over 12,000 children with a daily meal in school. We were therefore well positioned to provide on the ground aid and we are currently working with our friends and partners in Haiti to support those affected by the earthquake, rebuild schools, restart school feeding projects and extend support to those in need.

Finally I would like to take this opportunity to thank all those involved in the work of Mary's Meals around the world. Donors, volunteers, paid staff and all those who pray for our work are all helping to change the lives of thousands of the world's poorest children.

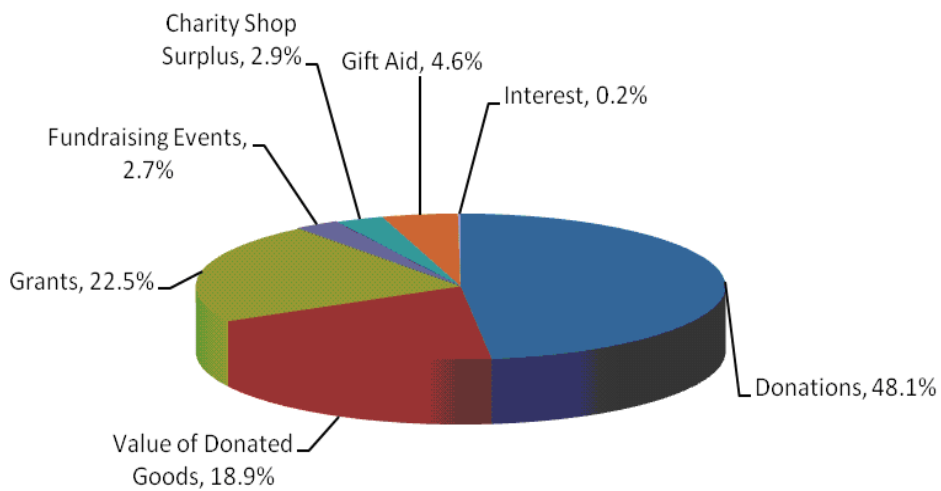
Magnus MacFarlane-Barrow
Chief Executive



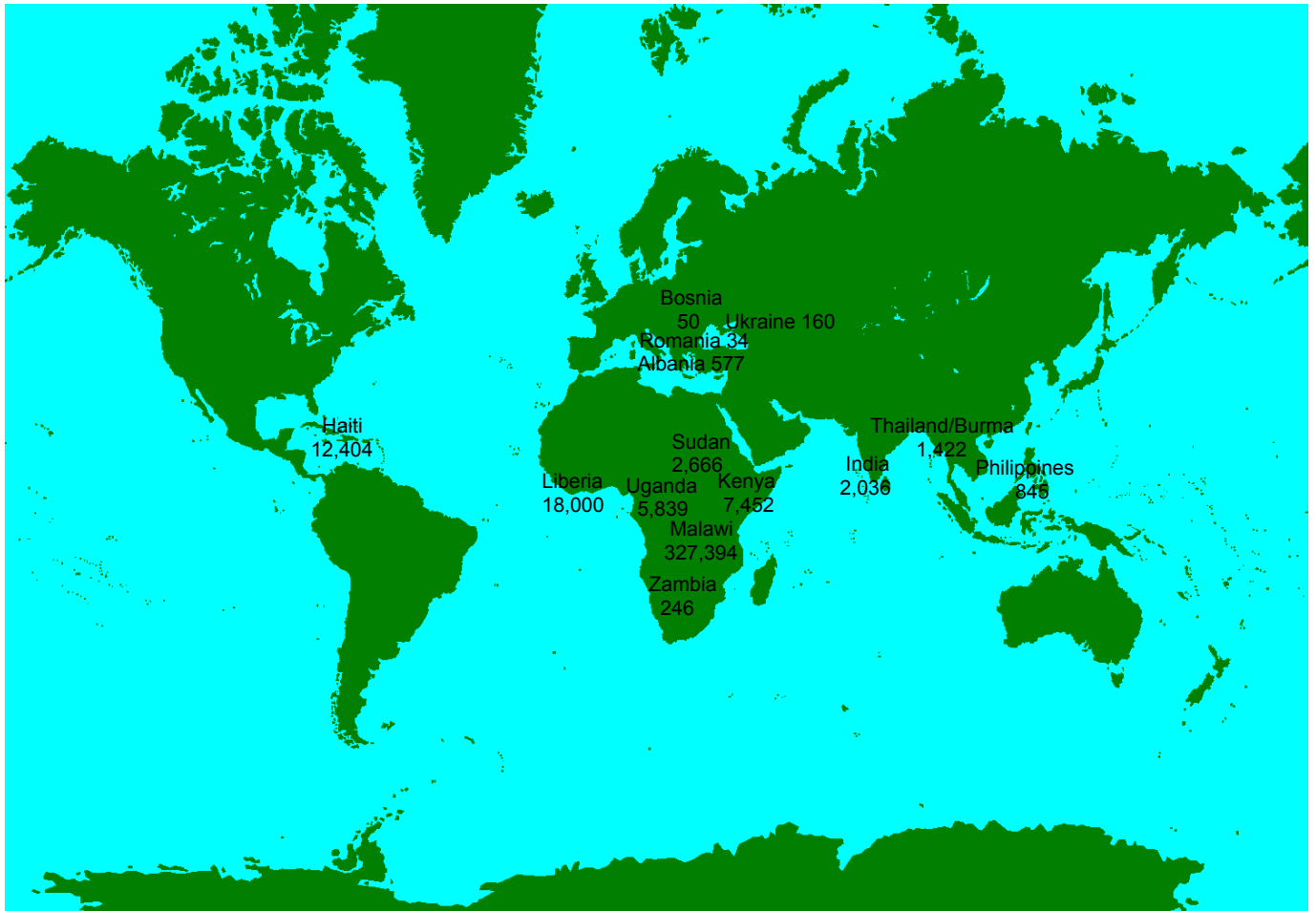
Analysis of 2009 Expenditure



Analysis of 2009 Income



Map showing the number of children fed per country, per day in 2008/09.



World wide number of children fed per day by Mary's Meals is 379,125.

Scottish International Relief (A company limited by guarantee)

Report of the directors (incorporating the trustees' report) for the year ended 30 November 2009

The directors present their report and the financial statements for the year ended 30 November 2009. 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 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:

- a) Fundraising department responsible for raising donations from individuals, groups, companies and legacies.
- b) Overseas aid committee: which co-ordinates new applications, agrees and authorises all expenditure. The budget is set annually in advance and submitted to the Board of Directors for approval. It is reviewed at regular intervals to assess new applications when surplus funds become available. This committee also co-ordinates collection of donated Material Aid and the shipping thereof.
- c) Finance department: supports the charity and is responsible for financial reporting and management.

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 £915,000. The reserves at 30 November 2009 were in excess of this figure, but had been significantly boosted by exceptional donations of over £600,000 during the final month of the year. As shown in note 23 to the accounts, in the first three months of 2010 a total of £1,086,524 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.

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. 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.

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.

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Report of the directors (incorporating the trustees' report)
for the year ended 30 November 2009

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, has continued throughout 2009, 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

Principal objective

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
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Report of the directors (incorporating the trustees' report)
for the year ended 30 November 2009

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 deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

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 of Scottish International Relief

We have audited the financial statements of Scottish International Relief for the year ended 30 November 2009 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.

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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 2009 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 2009

	Notes	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	473,179	3,973,103	4,446,282	2,872,742
Activities for generating funds	3	1,650,936	150,082	1,801,018	1,623,790
Investment income		3,311	-	3,311	33,323
Incoming resources from charitable activities		7,100	-	7,100	6,731
Tax reclaimed on gift aid		274,012	17,920	291,932	226,473
Total incoming resources		<u>2,408,538</u>	<u>4,141,105</u>	<u>6,549,643</u>	<u>4,763,059</u>
Resources expended					
Costs of generating funds:					
Cost of generating voluntary income	4	254,321	-	254,321	226,047
Fundraising trading:					
cost of goods sold and other costs	5	254,692	-	254,692	354,199
Charitable activities	6	1,479,787	3,848,406	5,328,193	4,360,598
Governance costs	8	22,370	-	22,370	13,280
Total resources expended		<u>2,011,170</u>	<u>3,848,406</u>	<u>5,859,576</u>	<u>4,954,124</u>
Net incoming/(outgoing) resources before transfers					
		397,368	292,699	690,067	(191,065)
Transfer between funds					
		(144,912)	144,912	-	-
Net movement in funds/Net income/(expenditure) for the year					
		252,456	437,611	690,067	(191,065)
Total funds brought forward					
		527,864	481,103	1,008,967	1,200,032
Total funds carried forward		<u>780,320</u>	<u>918,714</u>	<u>1,699,034</u>	<u>1,008,967</u>

The notes on pages 13 to 28 form an integral part of these financial statements.

Scottish International Relief
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Balance sheet
as at 30 November 2009

SC265941

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	14		44,822		51,947
Investments	15		-		100
			<u>44,822</u>		<u>52,047</u>
Current assets					
Stocks			-	783	
Debtors	16	87,645		79,189	
Cash at bank and in hand		1,615,800		948,775	
			<u>1,703,445</u>	<u>1,028,747</u>	
Creditors: amounts falling due within one year	17	<u>(49,233)</u>		<u>(71,827)</u>	
Net current assets			<u>1,654,212</u>		<u>956,920</u>
Net assets			<u>1,699,034</u>		<u>1,008,967</u>
Funds					
	18				
Restricted income funds			918,714		481,103
Unrestricted income funds			780,320		527,864
Total funds			<u>1,699,034</u>		<u>1,008,967</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 28 form an integral part of these financial statements.

Scottish International Relief
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Notes to financial statements
for the year ended 30 November 2009

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 Trading Limited was a wholly owned trading subsidiary whose profits were annually covenanted to Scottish International Relief. The company was dormant throughout the two years to 30 November 2009 and has now been dissolved.

SIR Liberia is registered as a non governmental organisation operating in Liberia and the activities of this organisation are carried out by SIR. Due to the uncertainties prevalent in the region and the difficulties of obtaining audited accounts, all of the activities of SIR Liberia are reflected in the SIR accounts on the basis of the income and expenditure for the year.

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.

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Notes to financial statements
for the year ended 30 November 2009

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. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

1.7. Stock

Stock is valued at the lower of cost and net realisable value.

1.8. Defined contribution pension schemes

The charity has now put 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.

1.9. 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.

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Notes to financial statements
for the year ended 30 November 2009

1.10. 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.

1.11. 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

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Notes to financial statements
for the year ended 30 November 2009

2. Voluntary income

Donations	Unrestricted funds	Restricted funds	2009 Total	2008 Total
	£	£	£	£
Donations public/business	445,083	-	445,083	311,050
Mary's Meals	-	1,936,528	1,936,528	1,056,674
Mary's Meals Malawi	-	469,921	469,921	481,850
Romania Houses	-	24,512	24,512	24,836
Romania - My Weekly Project	-	-	-	20,000
Malawi - other	-	20,428	20,428	30,454
Liberia Clinic	-	4,390	4,390	39,000
Liberia Mary's Meals	-	21,751	21,751	11,733
Liberia - other	-	10,341	10,341	6,808
Mary's Meals Uganda	-	-	-	40
Mary's Meals Ukraine	-	2,598	2,598	5,740
Mary's Meals Haiti	-	5,637	5,637	4,122
Mary's Meals Philippines	-	2,500	2,500	-
Mary's Meals India	-	9,086	9,086	-
Other emergency donations	-	583	583	111,844
Donations from subsidiary	1,290	-	1,290	525
Legacies received	-	75,165	75,165	-
	<u>446,373</u>	<u>2,583,440</u>	<u>3,029,813</u>	<u>2,104,676</u>
Grants and Trusts				
Scottish Executive	-	-	-	133,330
Medicor Foundation	-	258,225	258,225	166,141
Farmer Foundation	-	80,000	80,000	80,000
Garfield Weston Trust	-	50,000	50,000	50,000
Iamco	-	-	-	62,745
Bannatyne Charitable Trust (MM)	-	84,000	84,000	49,000
Bannatyne Charitable Trust - Romania Houses	-	36,000	36,000	21,000
John & Mary Elliot Memorial Trust	-	6,500	6,500	-
Liechtenstein Red Cross (Burma)	-	-	-	38,850
The Soutar Charitable Trust	5,000	50,000	55,000	7,000
Rozelle Trust	-	74,200	74,200	33,000
S.C.F	10,000	-	10,000	-
Sunrise Charitable Trust	-	10,000	10,000	-
Peter Birse Charitable Trust	-	410,000	410,000	5,000
Balcraig/Gloag Foundation	-	50,000	50,000	50,000
Park House Charitable Trust	-	100,000	100,000	60,000
Moredun Trust	-	10,000	10,000	-
Maureen Lillian Charitable Trust	-	20,000	20,000	-
Tesco Charitable Trust	-	66,671	66,671	-
Malawi Foundation	-	18,002	18,002	-
Other grants	11,806	66,065	77,871	12,000
	<u>26,806</u>	<u>1,389,663</u>	<u>1,416,469</u>	<u>768,066</u>

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Notes to financial statements
for the year ended 30 November 2009

3. Activities for generating funds

	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Shop income	362,128	-	362,128	367,079
Fundraising events	22,840	12,232	35,072	24,266
Collections	-	2,708	2,708	2,015
Raffles	-	135,142	135,142	114,085
Value of donated goods distributed	1,190,050	-	1,190,050	1,004,060
Recycling	75,918	-	75,918	112,285
	<u>1,650,936</u>	<u>150,082</u>	<u>1,801,018</u>	<u>1,623,790</u>

4. Cost of generating voluntary income

	Unrestricted funds £	2009 Total £	2008 Total £
Donations and grants	254,321	254,321	226,047
	<u>254,321</u>	<u>254,321</u>	<u>226,047</u>

Analysis by cost

	2009	2008
Staff costs	141,140	121,947
Staff training and volunteer costs	2,079	4,266
Premises costs	3,462	2,619
Office costs	60,760	48,024
Advertising and publicity	4,378	8,261
Website costs	10,385	11,529
Motor and travel	16,117	10,785
Sundry costs	8,793	10,317
Depreciation	7,207	8,299
	<u>254,321</u>	<u>226,047</u>

Scottish International Relief
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Notes to financial statements
for the year ended 30 November 2009

5. Fundraising trading

	Unrestricted funds £	2009 Total £	2008 Total £
Shop costs	254,692	254,692	354,199
	<u>254,692</u>	<u>254,692</u>	<u>354,199</u>

Analysis by cost

	2009	2008
Staff costs	96,611	129,190
Staff training and volunteer costs	110	3,597
Warehouse expenses	7,589	36,664
Shops; rent, rates and insurance	114,420	115,966
Office costs, including phone and IT	24,471	22,365
Repairs and maintenance	850	-
Advertising & publicity	-	1,135
Sundry costs	-	290
Transport and vehicle costs	4,308	35,562
Depreciation	6,333	9,430
	<u>254,692</u>	<u>354,199</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	362,129	367,079
Recycling income	75,918	112,285
Costs of realisation	<u>(254,692)</u>	<u>(354,199)</u>
	<u>183,355</u>	<u>125,165</u>

The comparative income figures have been restated on the same basis, excluding material aid but expenditure still includes direct warehouse expenses.

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6. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Mary's Meals	-	3,099,440	3,099,440	2,483,707
Children's Homes	-	142,172	142,172	152,871
Liberia	-	606,794	606,794	348,822
Backpacks and shipped aid	1,295,248	-	1,295,248	1,101,001
Raising awareness	184,539	-	184,539	94,564
Emergency aid	-	-	-	179,633
	<u>1,479,787</u>	<u>3,848,406</u>	<u>5,328,193</u>	<u>4,360,598</u>

7. Costs of charitable activities - by activity

	Activities undertaken directly £	Grant funding activities £	Support costs £	2009 Total £	2008 Total £
Mary's Meals	-	2,851,287	248,153	3,099,440	2,483,707
Children's Homes	-	130,796	11,376	142,172	152,871
Liberia	-	558,227	48,567	606,794	348,822
Backpacks and shipped aid	1,251,836	-	43,412	1,295,248	1,101,001
Raising awareness	184,539	-	-	184,539	94,564
Emergency aid	-	-	-	-	179,633
	<u>1,436,375</u>	<u>3,540,310</u>	<u>351,508</u>	<u>5,328,193</u>	<u>4,360,598</u>

Included in shipped aid is expenditure as follows:

	Shipping	Aid value	Total
Romania	2,990	46,879	49,869
Malawi	38,719	636,629	675,348
Liberia	10,077	311,442	321,519
Uganda	10,000	195,100	205,100
	<u>61,786</u>	<u>1,190,050</u>	<u>1,251,836</u>

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Notes to financial statements
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8. Governance costs

	Unrestricted funds £	2009 Total £	2008 Total £
Auditor's remuneration	7,000	7,000	6,000
Professional - Legal fees	-	-	1,262
Allocation of salary costs	14,244	14,244	4,971
Bank charges	1,126	1,126	837
Subscriptions	-	-	210
	<u>22,370</u>	<u>22,370</u>	<u>13,280</u>

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9. Analysis of support costs

	Mary's Meals £	Children's Homes £	Liberia £	Shipped Aid £	2009 Total £	2008 Total £
Staff costs	143,188	6,564	28,024	20,121	197,897	192,560
Premises costs	21,862	1,002	4,279	3,072	30,215	13,094
Motor and travelling costs	35,684	1,636	6,983	5,014	49,317	54,195
Accountancy charges	2,894	133	566	407	4,000	1,419
Office expenses, including phone and IT	28,613	1,312	5,600	4,021	39,546	46,190
Depreciation and impairment	4,582	210	897	644	6,333	9,557
Exchange (gains)/losses	(2,981)	(137)	(583)	(419)	(4,120)	51
Conferences and seminars	13,774	631	2,696	1,936	19,037	3,900
Advertising, publicity and subscriptions	537	25	105	8,616	9,283	44,057
	<u>248,153</u>	<u>11,376</u>	<u>48,567</u>	<u>43,412</u>	<u>351,508</u>	<u>365,023</u>

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Notes to financial statements
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10. Net incoming/(outgoing) resources for the year

	2009	2008
	£	£
Net incoming/(outgoing) resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	21,839	25,149
Auditors' remuneration	7,000	6,000
	<u>28,839</u>	<u>31,149</u>
and after crediting:		
Profit/(loss) on foreign currencies	4,120	(51)
	<u>4,120</u>	<u>(51)</u>

11. Employees

Employment costs	2009	2008
	£	£
Wages and salaries	504,593	434,923
Pension costs and Life assurance	26,207	13,800
Other costs - training and volunteer costs	11,987	16,637
	<u>542,787</u>	<u>465,360</u>

No employee received emoluments of more than £35,000 (2008 : None).

Number of employees

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

	2009	2008
	Number	Number
Support and Finance (F/T equivalent)	7	7
Fundraising and Promotion (F/T equivalent)	7	6
Warehouse and shops	5	5
Education, Material Aid and Raising awareness	5	4
	<u>24</u>	<u>22</u>

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 £26,207 (2008 - £13,800).

	2009	2008
	£	£
Pension charge	26,207	13,800
	<u>26,207</u>	<u>13,800</u>

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Notes to financial statements
for the year ended 30 November 2009

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.

14. Tangible fixed assets	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Computer Equipment £	Total £
Cost						
At 1 December 2008	6,083	10,526	60,213	6,714	61,233	144,769
Additions	-	2,812	1,818	-	10,084	14,714
At 30 November 2009	<u>6,083</u>	<u>13,338</u>	<u>62,031</u>	<u>6,714</u>	<u>71,317</u>	<u>159,483</u>
Depreciation						
At 1 December 2008	1,217	6,850	26,496	4,796	53,463	92,822
Charge for the year	1,217	1,095	8,805	1,043	9,679	21,839
At 30 November 2009	<u>2,434</u>	<u>7,945</u>	<u>35,301</u>	<u>5,839</u>	<u>63,142</u>	<u>114,661</u>
Net book values						
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>
At 30 November 2008	<u>4,866</u>	<u>3,676</u>	<u>33,717</u>	<u>1,918</u>	<u>7,770</u>	<u>51,947</u>

15. Fixed asset investments

	Subsidiary undertaking £	Total £
Valuation		
At 1 December 2008	100	100
Disposals	(100)	(100)
At 30 November 2009	<u>-</u>	<u>-</u>
Historical cost as at 30 November 2009	<u>-</u>	<u>-</u>

All fixed asset investments are held within the United Kingdom.

The subsidiary trading company has now been dissolved and the investment written off.

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Notes to financial statements
for the year ended 30 November 2009

16. Debtors

	2009	2008
	£	£
Trade debtors	9,747	17,982
Other debtors	77,898	61,207
	<u>87,645</u>	<u>79,189</u>

17. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	13,677	31,499
Other taxes and social security	11,704	12,877
Accruals and deferred income	23,852	27,451
	<u>49,233</u>	<u>71,827</u>

18. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 November 2009 as represented by:			
Tangible fixed assets	44,822	-	44,822
Current assets	784,731	918,714	1,703,445
Current liabilities	(49,233)	-	(49,233)
	<u>780,320</u>	<u>918,714</u>	<u>1,699,034</u>

19. Unrestricted funds

	At				At
	1 December	Incoming	Outgoing	Transfers	30 November
	2008	resources	resources	2009	2009
	£	£	£	£	£
Unrestricted funds	527,864	2,408,538	(2,011,170)	(144,912)	780,320
	<u>527,864</u>	<u>2,408,538</u>	<u>(2,011,170)</u>	<u>(144,912)</u>	<u>780,320</u>

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Notes to financial statements
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20. Restricted funds	At				At
	1 December	Incoming	Outgoing	Transfers	30 November
	2008	resources	resources		2009
	£	£	£	£	£
Mary's Meals	222,746	2,968,341	(493,701)	(2,293,666)	403,720
Mary's Meals Malawi	133,330	729,034	(2,151,624)	1,481,490	192,230
Mary's Meals Haiti	34,307	97,305	(435,293)	387,890	84,209
Mary's Meals Liberia	-	174,666	(472,326)	424,286	126,626
Malawi sponsors etc	-	20,428	(18,822)	-	1,606
Liberia Clinic and other	11,597	89,586	(134,468)	71,285	38,000
Children's Homes Romania	-	61,212	(134,972)	73,627	(133)
Romania My Weekly Project	12,791	-	(7,200)	-	5,591
Emergency funds	66,332	533	-	-	66,865
	<u>481,103</u>	<u>4,141,105</u>	<u>(3,848,406)</u>	<u>144,912</u>	<u>918,714</u>

The main Mary's Meals Fund includes the following specific areas:

	Incoming	Outgoing
	Resources	Resources
Albania	-	(14,864)
Kenya/Bangladesh	50	-
Philippines	2,500	(14,686)
Uganda	-	(106,428)
Ukraine	2,598	(82,187)
India	9,086	-
General Mary's Meals	2,954,107	(275,536)
	<u>2,968,341</u>	<u>(493,701)</u>

21. Financial commitments

At 30 November 2009 the company had annual commitments under non-cancellable operating leases as follows:

	2009	2008
	£	£
Expiry date:		
Within one year	37,135	28,840
Between one and five years	45,750	36,300
In over five years	7,416	29,582
	<u>90,301</u>	<u>94,722</u>

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22. 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 £26,207. At 30 November 2009, an amount of £2,265 was accrued in the accounts (2008; £1,915)

23. Committed Resources

In the first three months of the year to 30 November 2010, the following amounts of direct grant aid were sent overseas:

December 2009	329,261
January 2010	360,088
February 2010	397,175
	<hr/>
	£ 1,086,524
	<hr/>

Over the year to 30 November 2010, SIR is committed to a grant aid programme of £4.4m, of which £2.4m 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 £140,000 (2008 - £142,000) in respect of the Children's Homes in Romania.

24. 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.

During the year, no transactions were made by the company with businesses in which Board members had a direct interest.

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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25. Related party transactions

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, a share of rates and similar overheads. The Craig Lodge Trust is run by Calum and Mary Anne MacFarlane-Barrow who are directors of SIR.

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)
Pragati Social Services (India)
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)

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.

SIR has set up fundraising groups in several other countries such as Mary's Meals Germany and Mary's Meals Ireland. A group has also been set up in Bosnia. These groups are constituted in such a way that all funds are channelled through SIR in Scotland. Although other groups have been fundraising for Mary's Meals i.e in Switzerland, New Zealand, Austria and Liechtenstein, these groups are not officially affiliated to SIR and are free to fundraise for other organisations and causes.

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

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26. 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.