Companies House

Registered number: SC280397
Charity number: SC030516

SCOTTISH LOVE IN ACTION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

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SCOTTISH LOVE IN ACTION

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2011

Trustees

Gillie Davidson, Chairperson
Brian Barron, Convenor
David Allan, Former Convenor (resigned 8 June 2011)
Robert Dick
Robin Fallas
Susan Inch
Malcolm Jack
John Ritchie (resigned 8 June 2011)
Barbara Watts
Iain Wood (resigned 30 September 2010)
James Inch (appointed 24 August 2011)
James Young (appointed 24 August 2011)

Company registered number

SC280397

Charity registered number

SC030516

Registered office

St Ninians Centre
140 The Pleasance
Edinburgh
EH8 9RR

Company secretary

Victoria Watson

Development manager

Colin McRae

Auditors

French Duncan LLP
Chartered Accountants
56 Palmerston Place
Edinburgh
EH12 5AY

Bankers

Bank of Scotland
Morningside Road
Edinburgh
EH16 6NL

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2011

Advisers (continued)

Solicitors

Balfour & Manson
54-66 Frederick Street
Edinburgh
EH2 1LS

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2011

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Scottish Love in Action (the company) for the year ended 30 June 2011. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance document

The company, which is a recognised charity in Scotland, is constituted under a Memorandum of Association dated 23 January 2005.

Board of Trustees

The Trustees make the strategic decisions regarding the charity and delegate day to day operations to the Development Manager.

The Board of Trustees meets at least six times a year. A separate strategy meeting was held in January 2011 during which the Board reviewed future potential developments for the charity.

During the year, the Board completed a review of governance arrangements. The two principal outcomes were that the charity's constitution has been reviseed and will be submitted to OSCR for approval; and that a rotation for retirement and appointment of Trustees has been established.

The Board has started a new group to coordinate and promote volunteer activity, chaired by a Trustee.

Appointment of Trustees

New Trustees are selected according to the skills that the Board feels are required. The charity has an approved policy for the induction of new Trustees.

Three Trustees resigned during the year for different reasons. The Board is very grateful for their significant contributions to the charity. Three new Trustees were appointed on 24 August 2011.

Brian Barron was appointed Convenor on 8 June 2011.

Risk Management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Audit committee

The members of the Audit Committee are:
Robert Dick (Chairperson)
Brian Barron
Barbara Watts
Peter Yellowlees (Non Trustee) (appointed 8 June 2011)
John Ritchie was a member until his resignation as a Trustee on 8 June 2011.
The Audit Committee undertakes detailed review of the Annual Accounts and maintains oversight of the year end accounting and audit processes.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2011

OBJECTIVES AND ACTIVITIES

Objectives and aims

The overall objective of the charity is to care for and support destitute children in India. It does this by providing funding and other support to NASA (Nathereth Association of Social Awareness) our non-governmental organisation (NGO) partner. NASA runs two Home-cum-Schools, one in Tuni and one in Hyderabad, both in the State of Andhra Pradesh in South-East India.

The charity raises funds to feed, clothe, educate and provide medical care to over 560 children who are either orphans or whose remaining relatives cannot support them.

We have a joint vision with NASA to provide each child with the life skills and education necessary to develop their potential, to lead independent lives and to realise their dreams thus escaping the poverty trap for themselves and future generations.

Activities

The charity promotes its profile and raises funds by conducting fundraising events; by giving talks to groups and schools; and by issuing newsletters to supporters and potential supporters.

We also approach trusts and businesses for support and encourage the commitment of regular giving from individual supporters.

Volunteers

The charity relies on the significant support of volunteers, for which the Board is very grateful. It does not attribute a value in monetary terms to this support in the Statement of Financial Activities.

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES

During the year, Scottish Love in Action has continued to develop its support for destitute children in India.

1. Tuni

In the Tuni Home SLA has provided funding to enable our Indian partner to feed, clothe, house, educate and provide medical care for around 500 children.

Capital Projects
- SLA has funded maintenance work in the compounds including the upgrade of water tanks and the provision of a new septic tank
- In the Girl's Hostel there was a need to provide accommodation for senior girls who were sharing rooms with younger children. The Quest Hall was converted into four big rooms with attached toilets, which provides the senior girls with more space to sleep and to study.
- The cooking system has been changed to steam which has reduced fuel costs, improved the quality of the food, and also improved safety.

School
- The School in Tuni is providing education to 450 children from kindergarten to Class 10, with a staff this year of 21 teachers headed by a principal.
- The School has continued to make good academic progress with over 70% of the children passing their class tests and examinations at the end of the school year.
- 36 students sat the main set of Indian school examinations at the end of Class 10. 29 passed with 18 achieving a pass rate of over 60%.
- These are excellent results when you consider that the children, prior to coming to our Home-cum-School, had limited or no access to education.
- Development of the English Medium stream in the School has now progressed up to Class 4 and this year will be developed in class 5.
- SLA is currently working with our Indian partner to facilitate the transformation of the school up to Class 10 to English Medium. This is a potentially significant development which would improve the prospects of children through the exam system and beyond.
- All children, as part of their curriculum, receive PE which gives them the chance to play different sports including cricket, football, volleyball, badminton and table tennis. Children are encouraged to participate in local district competitions. This year for the first time a team was entered into the District Cricket Association school knockout tournament. Out of 32 teams the Home's team won. Such activities are an excellent way to integrate our children with children from the rest of the district.

Medical
- The health of children has continued to improve with the care from our doctor and two auxiliary nurses.
- With the children now all immunised and all new children being immunised on entry to the Home the health of the children has significantly improved over last two years.
- At present only one child in the Home is HIV positive and is on anti retroviral treatment, a protein diet and supplementation of vitamins.

2. Hyderabad
- SLA has provided funding to enable our Indian partner to feed, clothe, house, and provide medical care for 58 children.
- 60 more children attend the school but are not residents in the Home. The fees which these children pay provide funding towards the running costs of the school.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2011

3. Further education

- In our Tuni Home the oldest children are reaching the age of 18. SLA intends to ensure that they make a good transition into independent adult living and avoid destitution, which requires them to achieve vocational qualifications. SLA is not in the financial position to guarantee this for all children but has guaranteed that if the charity commits to fund a student starting a course for further education the charity will continue to support them to the conclusion of the course. SLA's aim is to send as many young people as possible to university and college and the financial statements include actual and likely commitments in creditors and funds respectively. NASA has agreed to seek separate funding beyond financial limits which SLA has set.

  For the academic year 2010-2011 SLA was able to fund 46 students to attend intermediate college, polytechnic or other further education. For the academic year 2011-2012 SLA has agreed to provide funding to 73 students.

4. Tuition Centre

- During the year SLA was able to fund a pilot educational 'outreach' project, in a village 10 miles from Tuni.
- The funding was raised by our first Volunteer Team through the new program (see below). These volunteers visited Tuni in February 2011 and helped with the final construction of the building.
- This pilot Tuition Centre provides support for children attending school, out-of-school adolescents, and adults who are desperate to learn basic literacy and numeracy.The intention is not to replace government school provision, but to supplement the childrens' learning experiences by: assisting with additional tuition; providing consultancy during periods when the schools are closed; and encouraging children who have missed out on basic schooling to invest time in education.

5. Indian Volunteer Team Program

- Since the charity was established in 2000 over 100 volunteers have visited Tuni to work with the children. For many volunteers it was a life changing experience. There have also been great benefits for the children and staff in India.
- During the year SLA carried out a complete review and decided to develop a group volunteer program to replace the previous individual arrangements. The pilot group of 15 volunteers visited Tuni in February 2011 (see 'Tuition Centre' above) and the new program was judged to have been very successful. It is now planned that SLA will send two volunteer groups each year.

6. Self Sufficiency

- At its strategy meeting in January 2011 the Board agreed that a key focus was now to support the Tuni and Hyderabad Home-cum-Schools in moving towards financial self sufficiency.
- SLA has secured external funding to investigate the potential for financial sustainability through social enterprise operations in India. A full time employee has been appointed to carry out intitial research. The Board sees this as an exciting and positive development which has the full support of our Indian partners.

FINANCIAL REVIEW

Overview

SLA achieved net income of £53,311 and ended the year with total funds of £530,928. The Directors believe this to be an excellent result in another challenging year for generating funds.

Statement of Financial Activities ('SOFA')

The major points to note in comparing net income in 2011 with 2010 are:

- General donations increased by £20,823 to £200,236, a positive outcome when economic conditions remained difficult. The increase included the first funding for our new financial sustainability project.
- Trust donations fell by £10,000 to £31,500. Competition in this area remains strong; timing and quantum will always be hard to predict. During the year the executive team undertook training and development in this area and we hope to see benefits in the longer term.
- There was a significant increase in income from schools, up £11,989 to £18,383. The majority came from three schools in the Edinburgh area. We are keen to expand school activities throughout Scotland and beyond.
- Donations from 'other organisations' dropped to £16,577 from £74,349. This was forecast in last year's Review, due to 2010 being the last year of sizeable donations from the Guild Project Partnership: in 2010 we received £52,220. We are very grateful for this support over the three years to June 2010.
- We received £22,810 from the new Indian Volunteer Team Program which was run for the first time. We expect this to be an important and regular source of income going forward.
- We have trading activities for the first time, generating income of £5,222 and a surplus of £3,021 after expenses. During the year we introduced a number of SLA products which sold well. We expect this activity to grow at a modest pace.

Costs in India were £214,606 compared with £244,013 in 2010. The main positive variances were:

- Capital projects in 2011 were funded from savings carried forward from prior years. Capital spend in 2010 was £18,395.
- 2011 benefited from an underspend of £10,120 from 2010 operating costs.
- At £2,835 unplanned expenditure in 2011 was £11,544 less than the previous year. 2010 included the cost of replacing a generator, and major drainage repairs.

The most significant extra cost was £8,420 for the new tuition centre, funded from the new Indian Volunteer Team Program.

The costs of generating income from fundraising and donations increased from £35,027 to £50,773. There were two main reasons:

- In 2011 we spent £8,846 on PR fees for a one-off fundraising campaign. There was nothing similar in 2010, nor planned for the year to June 2012.
- 2011 includes £4,789 costs for the new Indian Volunteer Team Program.

Costs in India and the UK are monitored carefully with regular financial reports.

Balance Sheet

Total funds increased from £477,617 to £530,928. The largest single element is £293,070 being the continued maintenance of a reserve to cover a minimum of 12 months operating costs. The Directors believe this is essential to provide security to the children in the Homes, particularly whilst harsh economic conditions continue in the UK.

PLANS FOR THE FUTURE

Future developments

Over the next three years SLA's aims in India are to:

- Provide the operational funding to support up to 500 children in the Tuni Home and over 55 children in the Hyderabad Home.
- Provide funding in whole or in part for further and higher education after completion of the state leaving examination at age 16.
- Support a move towards financial self sufficiency for the Tuni and Hyderabad Homes and Schools.
- Investigate other ways in which to expand our work with destitute children in India.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Scottish Love in Action for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Trustees 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 27/10/2011 and signed on their behalf, by:

.....

Brian Barron, Convenor

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF SCOTTISH LOVE IN ACTION

We have audited the financial statements of Scottish Love in Action for the year ended 30 June 2011 set out on pages 11 to 24. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with section 44(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 charitable company's members and the charitable company's Trustees those matters we are required to state to them in an Auditors' 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 charitable company, the charitable company's members as a body and the charitable company's Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF SCOTTISH LOVE IN ACTION

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' report.

French Duncan LLP

Bruce W Gellatly (Senior statutory auditor)

for and on behalf of

French Duncan LLP

Chartered Accountants

56 Palmerston Place
Edinburgh
EH12 5AY
Date: 9 December 2011

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	*Total funds 2010 £*
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	**85,090**	**253,236**	**338,326**	*340,859*
Activities for generating funds	3	**-**	**5,222**	**5,222**	*-*
Investment income	4	**-**	**4,112**	**4,112**	*2,827*
Other incoming resources	5	**-**	**27,435**	**27,435**	*30,974*
TOTAL INCOMING RESOURCES		**85,090**	**290,005**	**375,095**	*374,660*
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	**-**	**50,773**	**50,773**	*35,027*
Fundraising trading expenses and other costs	3	**-**	**2,201**	**2,201**	*-*
Charitable activities	8	**93,585**	**167,959**	**261,544**	*283,194*
Governance costs	9	**-**	**7,266**	**7,266**	*7,573*
TOTAL RESOURCES EXPENDED	10	**93,585**	**228,199**	**321,784**	*325,794*
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		**(8,495)**	**61,806**	**53,311**	*48,866*
Transfers between Funds	19	**26,774**	**(26,774)**	**-**	*-*
NET MOVEMENT IN FUNDS FOR THE YEAR		**18,279**	**35,032**	**53,311**	*48,866*
Total funds at 1 July 2010		*36,567*	*441,050*	*477,617*	*428,751*
TOTAL FUNDS AT 30 JUNE 2011		**54,846**	**476,082**	**530,928**	*477,617*

The notes on pages 13 to 24 form part of these financial statements.

SCOTTISH LOVE IN ACTION
REGISTERED NUMBER: SC280397

BALANCE SHEET
AS AT 30 JUNE 2011

	Note	£	2011 £	£	*2010 £*
FIXED ASSETS					
Tangible assets	15		**658**		*1,618*
CURRENT ASSETS					
Stocks		**1,317**		-	
Debtors	16	**47,015**		*19,287*	
Cash at bank and in hand		**573,073**		*529,795*	
		621,405		*549,082*	
CREDITORS: amounts falling due within one year	17	**(73,912)**		*(64,160)*	
NET CURRENT ASSETS			**547,493**		*484,922*
TOTAL ASSETS LESS CURRENT LIABILITIES			**548,151**		*486,540*
CREDITORS: amounts falling due after more than one year	18		**(17,223)**		*(8,923)*
NET ASSETS			**530,928**		*477,617*
CHARITY FUNDS					
Restricted funds	19		**54,846**		*36,567*
Unrestricted funds	19		**476,082**		*441,050*
TOTAL FUNDS			**530,928**		*477,617*

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

The financial statements were approved by the Trustees on 27th October 2011 and signed on their behalf, by:

Brian Barron, Convenor

The notes on pages 13 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the company being notified of an impending distribution or the legacy being received.

No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment	-	33.3% straight line

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.11 Further Education

Once a student commences a further education course, the charity makes a commitment to fund the place through to the end of the course. If the student has started the course before the year end the full cost of the course is included in creditors. If the student has started the course between the year end and the date of the signing the accounts, the full cost of the course is included within further education funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2. VOLUNTARY INCOME

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	*Total funds 2010 £*
General donations	64,533	135,703	200,236	*179,413*
Trusts	1,000	30,500	31,500	*41,500*
Schools	9,181	9,202	18,383	*6,394*
Businesses	1,000	1,614	2,614	*3,857*
Other organisations	2,192	14,385	16,577	*74,349*
Gift Aid tax credit	7,184	34,022	41,206	*35,346*
Indian volunteer team programme	-	22,810	22,810	-
Legacies	-	5,000	5,000	-
Voluntary income	85,090	253,236	338,326	*340,859*

3. TRADING ACTIVITIES

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	*Total funds 2010 £*
Charity trading income				
Charity trading income	-	5,222	5,222	-
Fundraising trading expenses				
Charity trading expenses	-	2,201	2,201	-
Net income from trading activities	-	3,021	3,021	-

4. INVESTMENT INCOME

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	*Total funds 2010 £*
Bank interest receivable	-	4,112	4,112	*2,827*

5. OTHER INCOMING RESOURCES

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	*Total funds 2010 £*
Fundraising events	-	27,435	27,435	*30,974*

6. COSTS OF GENERATING VOLUNTARY INCOME

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	*Total funds 2010 £*
Fundraising and donations	-	31,127	31,127	*16,949*
Staff costs	-	19,646	19,646	*18,078*
	-	50,773	50,773	*35,027*

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	*Total funds 2010 £*
Charitable activities India	63,291	151,315	214,606	*244,013*
Charitable activities UK	30,294	16,644	46,938	*39,181*
	93,585	167,959	261,544	*283,194*

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2011 £	Grant funding activities 2011 £	Total 2011 £	*Total 2010 £*
Charitable activities India	-	214,606	214,606	*244,013*
Charitable activities UK	46,938	-	46,938	*39,181*
Total	46,938	214,606	261,544	*283,194*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

9. GOVERNANCE COSTS

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	*Total funds 2010 £*
Auditors fee	-	3,959	3,959	*4,037*
Other costs	-	664	664	*887*
Professional fees	-	356	356	*588*
Wages & salaries	-	1,995	1,995	*1,805*
Employers NIC	-	197	197	*167*
Pension costs	-	95	95	*89*
	-	7,266	7,266	*7,573*

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2011 £	Other costs 2011 £	Total 2011 £	*Total 2010 £*
Costs of generating voluntary income	19,646	31,127	50,773	*35,027*
Charity trading expenses	-	2,201	2,201	-
Costs of generating funds	19,646	33,328	52,974	*35,027*
Charitable activities India	-	214,606	214,606	*244,013*
Charitable activities UK	33,627	13,312	46,939	*39,181*
Charitable activities	33,627	227,918	261,545	*283,194*
Governance	2,287	4,979	7,266	*7,573*
	55,560	266,225	321,785	*325,794*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

11. NET INCOME / (EXPENDITURE)

This is stated after charging:

	2011	*2010*
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	**1,578**	*1,396*
Pension costs	**2,330**	*2,025*

During the year, no Trustees received any remuneration (2010 - £NIL) or any benefits in kind (2010 - £NIL)
Three Trustees received reimbursement of expenses amounting to £1,391 in the current year (2010 - two Trustees - £523).

12. AUDITORS' REMUNERATION

	2011	*2010*
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	**3,959**	*4,037*

13. FUND TRANSFERS

Transfers between funds on the restricted reserves are to ensure that all individual restricted reserves have credit balances. The transfers to designated funds are at the discretion of the Trustees to ensure the operational stability of the charity.

14. STAFF COSTS

Staff costs were as follows:

	2011 £	*2010 £*
Wages and salaries	**48,839**	*41,020*
Social security costs	**4,390**	*3,788*
Other pension costs	**2,330**	*2,025*
	55,559	*46,833*

The average monthly number of employees during the year was as follows:

	2011 No.	*2010 No.*
Charitable activities	**1**	*1*
Fundraising and publicity	**1**	*1*
	2	*2*

No employee received remuneration amounting to more than £60,000 in either year.

15. TANGIBLE FIXED ASSETS

	Equipment £
Cost	
At 1 July 2010	**6,873**
Additions	**618**
At 30 June 2011	**7,491**
Depreciation	
At 1 July 2010	**5,255**
Charge for the year	**1,578**
At 30 June 2011	**6,833**
Net book value	
At 30 June 2011	**658**
At 30 June 2010	*1,618*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

16. DEBTORS

	2011 £	*2010 £*
Other debtors	14,919	-
Prepayments and accrued income	1,226	-
Gift Aid tax recoverable	30,870	*19,287*
	47,015	*19,287*

17. CREDITORS:
Amounts falling due within one year

	2011 £	*2010 £*
Social security and other taxes	2,055	*1,096*
Other creditors	19,115	*8,969*
Accruals and deferred income	52,742	*54,095*
	73,912	*64,160*

18. CREDITORS:
Amounts falling due after more than one year

	2011 £	*2010 £*
Other creditors	17,223	*8,923*

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds					
Operating reserve	282,987	-	-	10,083	293,070
Future UK expenditure	16,456	-	(5,486)	-	10,970
Capital projects	20,000	-	-	(10,000)	10,000
Further education	33,011	-	(28,187)	39,586	44,410
3yr Indian operating reserve	-	-	(2,835)	34,273	31,438
	352,454	-	(36,508)	73,942	389,888

19. STATEMENT OF FUNDS (continued)

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
General funds					
General funds	88,596	290,005	(191,691)	(100,716)	86,194
Total unrestricted funds	441,050	290,005	(228,199)	(26,774)	476,082
Restricted funds					
Capital project - Classrooms	14,000	-	-	-	14,000
Fiona's immunisation fund	6,675	307	(581)	-	6,401
10th Class	-	1,000	(1,000)	-	-
Further education	4,081	7,356	(11,437)	-	-
Travel for Indian partner visit	1,538	-	-	-	1,538
NASA medical centre	5,933	-	-	-	5,933
NASA leprosy	(1,300)	6,376	(3,209)	-	1,867
UK core expenditure	-	30,294	(30,294)	-	-
School education	-	14,445	(29,407)	14,962	-
CLASSMATES	5,640	-	(360)	-	5,280
Medical care	-	312	(12,124)	11,812	-
Financial sustainability - India	-	25,000	(5,173)	-	19,827
	36,567	85,090	(93,585)	26,774	54,846
Total of funds	477,617	375,095	(321,784)	-	530,928

DESIGNATED FUNDS

Operating reserve
The Trustees have resolved to hold a reserve of at least 12 months operating costs to provide security to the children in the Homes.

Future UK expenditure
During the year to 30 June 2009 SLA received previously unclaimed Gift Aid. The Trustees have agreed that money recovered from this exercise will be designated for SLA UK expenditure and will be released over 4 years.

Capital projects
The SLA Trustees have committed to provide funds for a number of capital expenditure projects at the Tuni Home in the year to 30 June 2012.

Further education
The SLA Trustees have set aside funds, beyond the restricted funds described below, for students expected to begin further education in July 2011. These amounts have not been provided in creditors in the financial statements as there were still conditions to be met at the year end.

3yr Indian operating reserve
As part of the three year operating budget with NASA it was agreed to establish this reserve for unforeseen expenditure. At the end of the three year period any remaining reserve will be available to spend on a basis agreed between SLA and NASA. There was a zero balance at 30 June 2010 because that date was the end of a three year budget period.

RESTRICTED FUNDS

Capital project - Classrooms
Donation received from a legacy to build a classroom in the Tuni School. This project is planned to be start in the year to 30 June 2012.

Fiona's immunisation fund
This fund was set up after the death of Dr Fiona Strachan in May 2008. The aim of the fund is to support the immunisation of children in the Homes in India and at the discretion of the directors the programme may be extended to give cover to children living in the wider community.

10th Class Project
A grant was received to provide funding to support the children in 10th class in the academic year 2010-11 and to completion of their 10th class exams.

Further education
This fund provides support for students from the Homes to study at intermediate college and university, to obtain vocational qualifications, and to acquire useful vocational and domestic skills.

Travel for Indian partner visit
A donation was received to cover travel costs for representatives of our Indian partner to visit the SLA operation in Scotland, and meet the Directors, staff and key volunteers. The date and itinerary for this visit is to be finalised.

NASA medical centre
This money was provided to build a Medical Centre for NASA at the SLA compound. NASA is currently in discussions over a land issue on the planned site. Once resolved this money will be sent out to allow the construction work to start.

NASA leprosy
This money is provided to feed families suffering from leprosy, cared for by NASA and living beside SLA's compound. Funds are sent to NASA in advance of expenditure and as a result a debit balance can arise from time to time, as at 30 June 2010.

UK core expenditure
SLA has received a number of specific donations toward staff salaries and administration costs in the UK.

School education
Donations received to fund teachers' salaries and educational materials in the Tuni School.

CLASSMATES
In the year to 30 June 2010 a donation of £6,000 was received through the CLASSMATES scheme, to support one child over a 16 year period.

Medical care
Funding received for the health care of the children which covers doctors and nurses salaries and general operations.

Financial sustainability - India
SLA has secured external funding to investigate potential for financial sustainability in India through social enterprise. The funding covers staff salaries and all UK and Indian expenditure associated with this specific project. The initial research phase has been approved until May 2012.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers In/out £	Carried Forward £
Designated funds	352,454	-	(36,508)	73,942	389,888
General funds	88,596	290,005	(191,691)	(100,716)	86,194
	441,050	290,005	(228,199)	(26,774)	476,082
Restricted funds	36,567	85,090	(93,585)	26,774	54,846
	477,617	375,095	(321,784)	-	530,928

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	*Total funds 2010* £
Tangible fixed assets	-	658	658	*1,618*
Current assets	91,184	530,219	621,403	*549,083*
Creditors due within one year	(19,115)	(54,795)	(73,910)	*(64,161)*
Creditors due in more than one year	(17,223)	-	(17,223)	*(8,923)*
	54,846	476,082	530,928	*477,617*

21. OPERATING LEASE COMMITMENTS

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as follows:

	2011 £	*2010* £
Expiry date:		
Between 2 and 5 years	4,927	*4,830*

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

CHARITABLE ACTIVITIES

	2011 £	*2010 £*
Charitable Activities India - Grant funding activities		
Education - Tuni	**30,407**	*32,238*
Further and Higher Education - Tuni	**35,078**	*31,076*
Food, clothes and housing - Tuni	**108,292**	*115,809*
Medical care - Tuni	**12,704**	*12,055*
Food, clothes and housing - Hyderabad	**13,661**	*12,969*
Initial support for Chintalapudi	**-**	*3,835*
Capital projects	**-**	*18,395*
Leprosy	**3,209**	*3,257*
3yr Operating Reserve	**2,835**	*14,379*
Tuition Centre Pilot Project	**8,420**	-
	214,606	*244,013*
UK activities - Activities undertaken directly		
Staff costs - wages & salaries	**29,415**	*23,381*
Staff costs - employers NIC	**2,807**	*2,159*
Staff costs - pension costs	**1,405**	*1,154*
Establishment - rent	**2,602**	*1,468*
Establishment - light & heat	**345**	*206*
Establishment - insurance	**463**	*388*
Motor and travel costs	**781**	*3,842*
Office expenses - telephone	**446**	*673*
Office expenses - other	**1,878**	*1,918*
Depreciation	**1,578**	*1,396*
Computer costs	**2,150**	*1,892*
Stationery	**760**	*704*
Indian volunteer team programme costs	**2,308**	-
	46,938	*39,181*
Total	**261,544**	*283,194*