

Company no. 3019431  
Charity no. 1045672 (England & Wales)  
Charity no. SC038093 (Scotland)

**World Emergency Relief**  
**Report and Financial Statements**  
**31 March 2010**

# World Emergency Relief

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**For the year ended 31 March 2010**

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## World Emergency Relief

### Reference and administrative details

For the year ended 31 March 2010

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**Company number** 3019431

**Charity number** 1045672 (England & Wales)  
SC038093 (Scotland)

**Registered office and operational address** 20 York Buildings  
LONDON  
WC2N 6JU

**Trustees** The Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Harry Covert Jr	Chairman
Margaret Edwards	Vice-chair
Rev. Philip Streeter (retired 08/05/2009)	
Charles Watkins	Treasurer
Elizabeth Laskar	
Nick Pettingale	
Alex Botha	

**Principal staff** Alex D. Haxton Director of Operations (appointed Chief Executive 08/05/2009)

**Principal bankers** Lloyds TSB Bank plc  
25 Gresham Street  
London  
SW15 6AB

**Auditors** Sayer Vincent  
Chartered accountants and registered auditors  
8 Angel Gate  
City Road  
London  
EC1V 2SJ

## REPORT OF THE TRUSTEES

The reference and administrative information set out on page 1 forms part of this report.

### Who is WER and what do we do?

The charitable objects for which WER was established (as per the memorandum and articles of association) are: relief of persons anywhere in the world who are suffering hardship as a result of drought, earthquake, flood or other natural disaster or who by reason of their social or economic conditions are in need of assistance in accordance with the principles of the Christian faith.

In order to carry out these objects and benefit the public, WER aims to:

- Provide aid to individuals and groups within communities worldwide, who are affected by emergency situations and poverty.
- Respond to those needs recognising and addressing the five key daily emergencies which children face in the area of Safe Water, Food, Education, Healthcare and Child Safety. This is not to the exclusion of responses to specific emergencies caused by natural disasters or conflict.
- Dedicate its response, as a non -denominational faith-based Christian charity, to those in greatest need, irrespective of their race, ethnic origin or religious beliefs.

Our strategy is to work in partnership with local non-profit organisations that have both an awareness of the local needs and the vision and personal objective of providing a solution to those needs. We work to compliment the skills and capabilities of these local organisations by using our skills and resources including finance and appropriate goods (Gifts-in-Kind).

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives that have been set.

WER continues to work closely with Glasgow the Caring City (GtCC) – a registered charity in Scotland (no. SC029090) – in sourcing, storage and distribution of Gifts-in-Kind. WER also continues to carry out fundraising activities in Scotland and these funds are used to support our world-wide projects (see below). WER is registered as a charity in Scotland.

WER, in conjunction with GtCC, received a grant of £17K from the Scottish Government Aid Department for emergency support to our work and partners in Haiti.

Recognising the five key daily emergencies, WER provides aid in three specific ways:

- Cash grants (financial support) direct to local partners.

*“There is light and life through WER support and partnership. You made Hope Community Centre a place where these children will never forget what God has done in their lives. You have given these children a chance of living”. Lucy Gacheru, Hope*

- Gifts-in-Kind (donated commodities) in support of cash grant programmes and emergencies.
- Organizational capacity building.

During the year WER provided support to projects in 18 countries on four continents. Geographical areas where we have projects are:

- East, central and southern Africa
- Central America and the Caribbean
- Eastern Europe
- The Middle East and Asia

Cash Grants are based on:

- Receipt of a funding request from partners.
- Programme management, evaluation of the request, and a possible visit to a project.
- Recommendation to trustees and, on approval, grants released subject to a formal letter of award and programme grant schedule.
- Grant partners must provide a 6-monthly report. Their annual report must be accompanied by a detailed financial report on the use of WER funds. The financial reports must be audited locally, and on a regular basis WER will instigate an independent financial and management systems audit. This enables the partner to present themselves and the programme to other potential donors in a positive manner.

Gifts-in-Kind:

- Gifts-in-Kind support is primarily sent to cash grant partners to provide supplementary resources. This strengthens the overall programme and brings greater local impact.
- WER will only donate quality goods, and the donations are based on local needs with full consideration of the local market, ensuring that the balance of benefit outweighs any short term detriment or harm.
- Where appropriate WER will purchase quality product in response to partner request and donate these goods to the local partners for use within relief and development programmes. There is full WER monitoring of all donated goods.

Our close partnership with local organisations enables WER to understand the specific needs of our project partners and the local communities, both in terms of funding projects and the goods which will enhance our partners' work.

Emergency Response:

- WER responds to emergency disaster situations through partners or networks in the country affected with cash grants and Gifts-in-Kind.
- At times WER's entry into partnership with local NGO's can result from an emergency situation, but WER's strategy is to move towards development programmes and self-sustainability.

Evaluation and capacity building:

- WER's policy is to work with partners in a fully integrated strategy. A key aspect is to work with them to increase their capabilities and skills; using audit, annual programming and financial reviews to assess how systems and programmes can be strengthened. Where appropriate, WER seeks to link partners with other organisations who will benefit our partners and their programmes.

Following on from the strategic review of WER's work and mission in 2008, WER implemented a strategy of focusing on five key daily emergencies which children and communities face. These must be addressed if poverty is to be eradicated and self sustainability achieved in the long term. The '**5 Daily Emergencies**' are:

- **Safe Water**
- **Food**
- **Education**
- **Healthcare**
- **Child safety**



#### **Safe Water**

Access to safe, clean water is fundamental to life and yet 1 in 5 people drink contaminated water every day. By drilling wells and providing access to water WER can massively reduce the risk of children catching water borne diseases such as diarrhoea and typhoid. Water sources closer to home also mean less time spent fetching water and more time for education.

#### **Food**

10,000 children die each day due to a lack of food. Throughout the world, WER is providing nutrition to children and their families, keeping them alive and allowing them to live with dignity, free from the pain and fear of starvation. Children that are well fed perform better in school and in every other area of their lives.

#### **Healthcare**

4,500 children die each day from preventable diseases. WER provides medicines and support clinics for those who would otherwise go without. In countries where medicines are beyond the reach of ordinary people and every day this support saves lives.

#### **Safe Water**

*"I used to make frequent visits to the health centre for my children. The problem used to be bad drinking water which we got from the swamp. Since the new borehole you gave us, all is good. Thank you so very much". – Mrs. Christine Okee, Awer Village, Northern Uganda*

#### **Food**

*"They used to know the Batwa people as beggars, but since the agricultural programme they are becoming donors! This year the Batwa gave food to their neighbour's in need and it amazed them."*  
– Dr Aline Muryango, ARM Director, Burundi

#### **Healthcare**

*"I feel really happy with the prosthesis I received because I can walk, run around, ride my bike, play ball. At school they gave me a medal for being the best goalie."*  
Anderson, beneficiary of Transitions, Guatemala

## **Education**

Food and water are immediate needs, but to drive forward long-term sustainable change, children must be educated. More people attend university in rich countries than receive a primary education in the developing world. Education allows individuals to break free from the cycle of poverty, enabling them to build a better future. It also benefits whole communities, as today's students will be tomorrow's doctors, teachers and entrepreneurs. WER supports schools and vocational training centres, and provides bursaries bring education to the very poor.

## **Child Safety**

There are an estimated 210 million orphans in the world, most living in desperate situations. WER rescues children from danger and violence, offering them a safe place to grow up. Across the world WER is supporting safe and secure centres and orphanages that offer hope to slum dwellers, refugees and children fleeing conflicts.

## **Has WER made a difference?**

WER's strategy of working with local partners is to directly benefit and enable local people to provide the answer to their needs, and enable them to grow towards self-sustainability.

The WER programme focus is dealing with the daily emergencies of Safe Water, Food, Education, Healthcare and Child Safety.

It should be noted that WER has been actively involved in Haiti, even prior to the earthquake which occurred on January 12<sup>th</sup> 2010. This is important in the context of our response to this event.

As WER was working already with established partners, it was able to respond quickly to the emergency, and following a successful 'Haiti' appeal to WER's donors, it was able to provide emergency disaster relief in those areas of programme focus. WER immediately released emergency cash grants which provided food, clean water and medication for the 2,000 homeless who were being sheltered within the partner's compound and established two emergency clinics. Immediate shipment was also arranged for £4 million value of high-quality pharmaceuticals and medical supplies.

WER has now moved on to the development phase. The medium term response is to re-equip and rebuild community schools. The longer term response is to develop water programmes and expand the educational provision in the slum areas.

During the year WER also provided emergency food to communities in Murungu, DR Congo, who had been displaced from their land when caught amidst fighting between government forces and rebels.

**The 5 daily emergencies experienced by children and communities were addressed by WER. The following are a few highlights.**

### Safe Water:

- Safe water is a daily essential and WER worked with local partners ANCC in Uganda by supporting the drilling of 3 wells with a drilling rig purchased by WER in previous years. These wells were in areas receiving returnees from IDP camps.
- WER strengthened the financial procedures of ANCC which led to ANCC successfully winning a grant from another funder for 15 more shallow wells.

### Food:

- WER provided food and money for food purchase to partners in Burundi, Congo, Kenya, Haiti, Romania and Uganda.
- WER, in conjunction with NGO partner Food for the Hungry Canada, shipped a full container of dried soup, 1.2 million servings, to WER's partners in South Africa. This gift provided the basis of a nutritious meal every day for several months to kids on WER's sports project and amongst the nurseries and schools in the Paarl East townships.
- Gitega, in central Burundi, is a place where many children are undernourished and at risk. WER built and opened a Nutrition Centre in Gitega, joint-funded by a UK parish church. The centre serves as a feeding facility for 100 undernourished children and an in-patient clinic for those seriously at risk.
- WER funded and established a demonstration farm in Katire District, Southern Sudan, to train farmers in improved farming methods and techniques. WER also introduced high yield seed which has helped them lift families and communities out of hunger.

### Education:

- WER secured a grant to build and open a Teacher Training College in Ikotos, Southern Sudan. The first year is already underway and 50 teachers are being trained to provide good quality primary education.
- WER has supported kindergartens in the highlands of Ethiopia for 5 years. In 2009 it established, with its local partner, KHC Ethiopia, an income-generating scheme breeding cattle in the highlands. By October 2010 this scheme will provide enough money to make the education facilities self-sustainable.
- WER has been investing in 27 children in the mountain town of Tecpan, Guatemala, so that they gain access to mainstream education. Many of the children had previously been denied an education because of their poverty, but in rural Guatemala, education is the key to helping children bring long term economic benefit to their communities.
- WER funds an education programme in the Dominican Republic that reaches out to 300 slum dwelling and street kids, to give them access to education and vocational training. Alongside this many children receive therapy and behavioural education from social workers to enable them to adapt to conventional society.
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#### Education

*"I didn't know that I can even reach grade 9 because we didn't have anyone to support us through school. But now I am in grade 9 and I would like to be a nurse when I finish school."* – Elizabeth Sumaili, WER supported pupil in Ndola, Zambia

### Healthcare:

- In Burundi WER has continued to support HIV/AIDS programmes in Bujumbura, Gitega and Ngozi. It has also supported the Rohero surgical unit and the 60 bed hospital at Jabe.
- WER’s support enables Transitions, our project partner in Guatemala, to provide a broad range of services aimed at those with disabilities. It supports both children with physical disabilities and rehabilitates them via education and healthcare. Specifically WER funded the workshop constructing wheelchairs and mobility aids, the prosthetic clinic, and sponsored children with special education to attend school.
- During the year WER donated pharmaceuticals and medical supplies to partners in 7 different countries supplying assistance through health clinics, surgical units, hospitals and medical centres.

**Child Safety:**

- WER provides food and healthcare to Hope Community Centre, a home to 205 children in Kenya. In the past 6 years, WER has constructed dormitories, kitchens, even the access road at the Centre. The children now have somewhere safe to live, food to eat, a chance to go to school, and most importantly someone to care for them.
- Since 2004 WER continues to support the New Hope Orphanage, which provides a home for 56 Congolese orphans who lost their parents in a massacre. The children receive shelter, healthcare, food, education and the chance to grow up in a caring environment. Many of the ‘house-mothers’ lost their own children in the same massacre.

Child Safety  
*“The children at our school, who have worked on the streets, are quite damaged. Last year we started working with Rosa and her grandmother, with whom she lives. Rosa has grown emotionally and made remarkable progress in education. She is on the right track for a far better future in the community.” – Antonio Royo, School Director, Integración Juvenil*

In the year ending 31<sup>st</sup> March 2010, through cash grants and appropriate Gifts-in-Kind donations, WER supported projects run by 26 partners in 18 different countries.

WER has provided a direct benefit to the lives of children, families and communities as detailed:

**Cash Grants:**

These provided a positive outcome to 19,670 children directly, and a further 24,180 indirectly, as their families and communities. By working directly with local people, WER is able to do this in a very cost effective way with minimal programme overheads.

Beneficiaries	Food	Safe Water	Education	Healthcare	Child safety
43,850	4,320	9,740	7,390	14,120	8,280

**Gifts-in-Kind:**

WER sent 21 consignments of humanitarian supplies. The GIK consignments, and the number of beneficiaries of those consignments, were split between themes in the following way:

	Total	Safe Water	Food	Health	Education	Child Safety
<b>Number of Consignments</b>	<b>21</b>	0	2	12	1	5
<b>Number of Beneficiaries</b>	<b>249,500</b>	2,160	19,310	179,040	1,515	33,275

Some beneficiaries benefited in multiple ways from WER work, however these statistics only show the primary way in which an individual benefited. No individual is counted more than once.

## Risk

By the nature of WER’s aims and vision, the charity is often working in areas where there is conflict and insecurity. WER and other charities operating internationally face a unique challenge of protecting charitable assets in adverse conditions ranging from disaster zones to regions of active conflict.

The Trustees and management regularly assess current circumstances to ensure that staff, property and funds are protected whilst at the same time recognising the importance of WER’s commitment to the people living in such areas of conflict.

To help ensure that our resources are properly and best used, the Trustees have established policies to determine what resources are needed, how they are accounted for and whether these resources have the desired impact on our intended beneficiaries.

As circumstances allow and/or mandate, this overall protection of charitable assets includes the management procedures set out below. The Trustees recognise that this is an additional financial burden for the charity but also believe that such accountability infrastructures are essential in ensuring good stewardship.

WER’s Trustees have identified the following as being the key risks facing the Charity.

Risk	Management procedures
Cash grants made to partners are not used in furtherance of WER’s objects	<ul style="list-style-type: none"> <li>• A formal process of pre-assessment and evaluation takes place prior to any cash grant being awarded. Each recipient and project is evaluated against a stringent set of criteria. Grants are only released against a formal Letter of Award which sets out the financial and legal terms of grants</li> <li>• The partner signs a “letter of award” and “letter of protocol” prior to being awarded a grant.</li> <li>• Regular monitoring is carried out during the course of the project covered by the grant. Field visits are carried out by WER managers, Trustees, advisors, and in-country auditors seconded to us and our partners by other charitable groups.</li> <li>• All programme partners must submit bi-annual feedback reports with assessment of use of funds and analysis of impact. A full financial report is required annually.</li> </ul>

<p>Gifts-in-Kind donated are not useful to our partners or of a satisfactory quality.</p>	<ul style="list-style-type: none"> <li>• WER is increasingly providing the majority of its Gifts-in-Kind to partners who are also cash grant recipients. This enables us to understand better the requirements of the recipients of the donated goods.</li> <li>• WER does not accept medical or food donations which are out of date.</li> <li>• WER follows internationally recognised standards in respect of its Gifts-in-Kind programme (<a href="http://www.aerdo.net">www.aerdo.net</a>).</li> </ul>
<p>Gifts-in-Kind are subsequently not applied in furtherance of WER's objects.</p>	<ul style="list-style-type: none"> <li>• WER has a detailed application and approval procedure which includes pre-shipment inspection, distribution, feedback reports and field visits by WER management and Trustees and appropriate external consultants or evaluators.</li> </ul>
<p>Gifts-in-Kind do not reach intended consignee in whole or part.</p>	<ul style="list-style-type: none"> <li>• All containers of Gifts-in-Kind are numbered and sealed. The seal is not broken until the consignee is present. The consignee and shipping agent are sent a detailed packing list in respect of each container.</li> </ul>
<p>WER does not receive sufficient income to fund its activities.</p>	<ul style="list-style-type: none"> <li>• A key WER objective is the diversification of income and the transition of the charity from a dominant direct mail income strategy to establish a much broader public donor base with increasing income. This is important as the traditional direct mail sector comes under increasing pressures through increased competition and general UK financial situation.</li> <li>• The strengthening of the Marketing, Event and Communications department has begun to bring in both new income and also new segment donors to our data base.</li> <li>• From January 2010 we have implemented a strategy to strengthen our focus and sourcing of income and support from corporate organizations, foundations and trusts.</li> <li>• The promoting of the organisation through social networks and new channels of correspondence, has increased WER's profile and market awareness and brought significant new income for the WER Haiti appeal. This programme continues to be developed.</li> <li>• The objective is to raise 25% of WER's income from outside the direct mail programme by the end of the 2011/12 financial year.</li> <li>• WER closely monitors its expenditure levels, and reviews service contracts services on an on-going basis, to ensure that all income received is used as efficiently and effectively as possible.</li> </ul>

## **What WER has learnt**

Many things have been learnt by WER throughout the financial year. Four specific learning points are:

### **Project Partnerships:**

WER engage with organisations at an early stage of the partner's development. At that stage, significant time and resources are needed to inform and support the partner in their work. WER's work in Haiti, before and after the earthquake, was particularly resource intensive and the level of capacity building that is required when engaging with new partners cannot be underestimated. In response, WER is considering developing a simple toolkit to use in the first few months of new partnerships.

### **Marketing:**

The biggest challenge facing WER remains the pressing need to diversify its donor base. After a year of development and experimentation, it is increasingly clear that for WER to progress it must concentrate on simple core 'products' that are engaging and exciting for potential and existing donors, but that are also easily scalable. The *Be a Good Egg* campaign has been a good example of this learning. The product is attractive to donors, but is too complex and requires an overhaul if the expended resources are to be proportionate to the expected return.

### **Volunteers/Interns:**

The last year has seen a major increase in WER's use of volunteers, and in particular of student interns. They have brought significant advantages to the organisation, and have dramatically increased WER's productivity. They are also a future resource as they move on to other organisations. They have allowed WER to: expand the events programme; increase PR output; catalogue the photo library; overhaul the website and submit more applications to trusts; all whilst providing valuable experience to young people seeking to find work in the third sector. WER is now committed to continuing this programme and will seek new ways to take advantage of their help.

### **Fundraising:**

WER has recognised that because of its limited budget it must first prioritise key market areas and potential new donors before it engages a fundraising team and starts further fundraising programmes. WER has learnt that its product is attractive to donors, but that in itself does not guarantee immediate cost effective return on investment. This has led WER to implement a comprehensive strategic brand review.

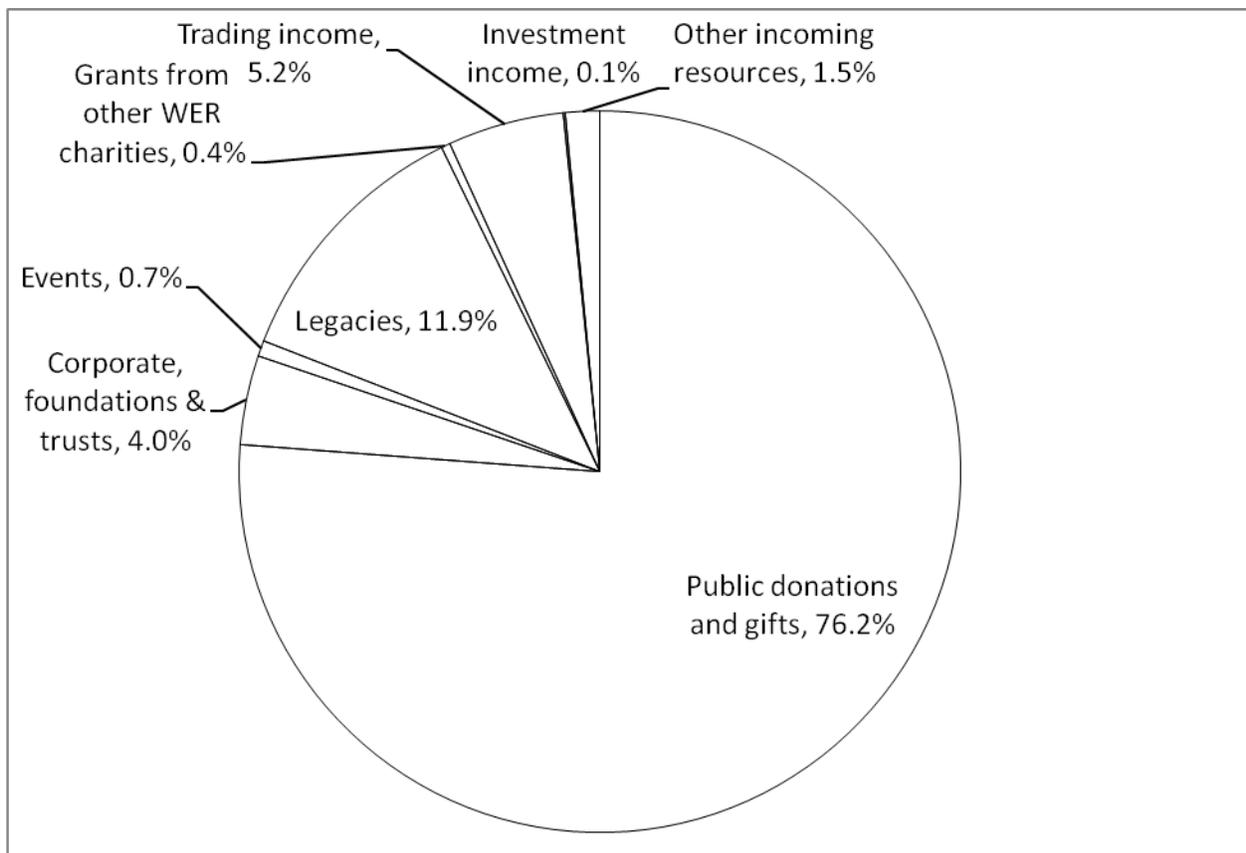
## **Financial Review**

The overall result for the financial year ended 31 March 2010 showed net incoming resources of £175,000, which increased the total reserves to £528,000. A closer analysis of these figures, however, shows that it was very challenging year when it came to income, with the overall net result being boosted by the appeal for the Haiti earthquake in January 2010.

The total value of the quality goods (Gifts-in-Kind) donated to, and subsequently distributed by, WER increased to £12.7m – this represents an increase of £2.7m (27%) from the previous year. This increase was mainly due to the response, mostly in the form of emergency medical support, to the Haiti earthquake that took place in January 2010. It should be noted that WER only responds to requests from partners and then seeks to source appropriate product.

Incoming cash resources, which excludes Gifts-in-Kind, was £8,000 (less than 1%) higher than the previous year, with the only areas of increase being legacies £116,000 (75%) and other income £24,000. The main area of concern continues to relate to direct mailing, with a reduction in income for the second consecutive year. It appears that the unstable economic climate, which started to affect the direct mail income in 2008/09, will continue to challenge WER’s traditional forms of income in the following financial year. As discussed above under ‘Risk’, the Trustees have responded to this by implementing measures to push new strategies and initiatives for promoting the organisation and raising funds.

The following graph illustrates the reliance that was placed on the raising of cash income from public donations and gifts through direct mail, for the year ended 31 March 2010.



Expenditure, excluding the £12.7m of Gifts-in-Kind, decreased by 11% from the previous year, with the only area of increase relating to grants payable to our charitable partners. There were a number of contributing factors leading to the overall decrease in expenditure – including reduced number of staff

and fewer shipments of Gifts-in-Kind, amongst others – with the most encouraging factor being the significant effort by all the staff to reduce costs wherever possible.

WER follows a combined approach of providing both Gifts-in-Kind and cash grants to its partners. As opposed to the previous year, an increase in the total value of Gifts-in-Kind sent to partners was complemented by an increase in the cash grants to partners from the previous year. This increase in the grants was achieved despite the limited increase in cash income, and was mainly due to the transfer of 3 properties in Burundi with a net book value of £119,000. The beneficiary of these properties, ARM Burundi, has been using these properties for its own charitable purposes for a number of years.

### **World Emergency Relief (Trading) Limited**

WER has a wholly owned subsidiary trading company, World Emergency Relief (Trading) Limited, a company limited by shares. Two directors served this company during the financial year under review; with one of the directors, Margaret Edwards, also being a Trustee of WER, while the remaining director, Alex Haxton, is an employee of the charity.

The main activity of this company is the renting of names on WER's fundraising database.

The company had a turnover of £118,000 during the year. The majority of its expenses were costs incurred in renting the names and cleansing the database. The accumulated net profit of £94,000 was donated to the charity as gift aid.

### **Financial reserves policy**

Most of WER's income is from voluntary donations (76.2%) with the majority of these from our direct mail programme. The charity received 4% of its total income from foundation, trust or corporate donations – with no donations received from the government. Strategic changes in the fundraising policy will not have any significant impact until the financial year 2011-2012. A general downturn in direct mail income was experienced during the entire financial year.

The agreed target for cash free reserves is three months worth of cash expenditure (excluding charitable expenditure). This target level of free cash reserves based in the current year expenditure would be £450,000. The actual free cash reserves were £583,000 at the end of financial year, which is sufficient to cover all liabilities.

The trustees also recognized that the ongoing unstable economic climate will require tight budgeting and that there may be some need in the first 6 months of the year 2010-2011 to use the current cash reserves to cover normal operational activity and specific investment, thus enabling the charity to continue to develop new income streams and be stronger in readiness for the anticipated upturn in the economy in forthcoming years.

### **Governance**

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Statement of Recommended Practice Accounting and reporting by Charities (SORP 2005). WER is incorporated as a company limited by guarantee. It was granted charitable status in

England and Wales on 7<sup>th</sup> April 1995. It was granted charitable status in Scotland on 19<sup>th</sup> April 2007. The governing document is the Memorandum and Articles of Association.

WER's Trustees, who set strategic policy and monitor how management implement these policies, govern all our activities. The Trustees are directors under company law. Their names, as well as those of our principal executive leadership, are listed on page 1 as are those who served during the year and up to the date of this report. Our members appoint directors. Our trustees are unpaid and details of trustee expenses and any related party transactions are disclosed in notes 3 & 16 to the accounts.

The establishment of Trustee Sub Groups and their work with the charity management, as highlighted in last years' trustees report, has enhanced the policy implementation of the charity. The sub groups focus on Finance, Marketing and Fundraising and Development.

The Founder and CEO of World Emergency Relief, retired as CEO of WER UK on the 31<sup>st</sup> January 2009, for health reasons. Alex Haxton, formerly Director of Operations for WER UK was appointed as the new CEO on the 8<sup>th</sup> May 2009. The transition has been successfully implemented.

### **Related Organization**

WER works closely with Wereld Nood Hulp (WNH), Holland which is a Dutch registered charity. From a legal or financial position, they are unrelated organisations. WER acts as an advisor on areas such as marketing and fundraising, overseas programme development and gifts-in-kind. The two organisations (WER and WNH) seek to work together where there is benefit for each organisation and for the overseas partners who receive funding and support as part of WER's charitable aims and purposes. The Trustees believe that this partnership enables greater effectiveness in our development and charitable work. It facilitates cost sharing of marketing and communications' expenditure and brings stronger aid support to our overseas partners. WNH benefits from WER's contacts, experience, networks and skills.

During this financial year this partnership with WNH has enabled WER's overseas partners in nine countries to add to their programme portfolio, benefiting many more communities. These countries were Burundi, Dominican Republic, Ethiopia, Guatemala, Haiti, Romania, South Africa, Uganda and Zambia

### **Auditors**

Sayer Vincent acted as auditors during the year.

The Trustees have agreed to retain Sayer Vincent as auditors for the year ended 31 March 2011.

### **Trustees' responsibilities**

The Trustees are required to prepare financial statements, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income and expenditure of the Charity, for each financial year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- Prepare the financial statements on concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the charity, and therefore for taking reasonable steps for prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the Trustees also confirms that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 31 March 2010 was 6 (2009: 7). The Trustees are members of the Charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the Charity.

Approved by the Trustees on 1<sup>st</sup> October 2010 and signed on their behalf by

*Margaret Edwards*

Margaret Edwards

## **Independent auditors' report**

**To the members of**

### **World Emergency Relief**

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We have audited the financial statements of World Emergency Relief for the year ended 31 March 2010 which comprise the consolidated statement of financial activities, consolidated and parent company balance sheets, consolidated cash flow statement, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the trustees and auditors**

The responsibilities of the trustees (who are also the directors of World Emergency Relief for the purposes of company law) 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 responsibilities of the trustees.

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, have been 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 Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with those financial statements.

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

We read the trustees' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **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 trustees 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.

## **Independent auditors' report**

**To the members of**

### **World Emergency 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 group's and the parent charitable company's affairs as at 31 March 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;
- the financial statements have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the trustees' annual report is consistent with the financial statements.

Catherine L. Sayer, Senior Statutory Auditor  
for and on behalf of Sayer Vincent, Statutory Auditors

**SAYER VINCENT**

8 Angel Gate  
City Road

LONDON  
EC1V 2SJ

DATE 11th October 2010

SAYER VINCENT is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

World Emergency Relief

Consolidated Statement of Financial Activities (Incorporating an income and expenditure account)

For the year ended 31 March 2010

	Note	Restricted £	Unrestricted £	2010 Total £	2009 Total £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income					
- public donations and gifts		-	1,732,280	<b>1,732,280</b>	1,817,254
- corporate, foundations & trusts		71,755	19,192	<b>90,947</b>	100,981
- events		-	16,069	<b>16,069</b>	31,117
- legacies		-	269,747	<b>269,747</b>	153,519
- gifts in kind		11,918,309	742,755	<b>12,661,064</b>	9,995,075
- grants from other WER charities		-	9,086	<b>9,086</b>	-
Trading income		-	118,376	<b>118,376</b>	142,953
Investment income		-	2,031	<b>2,031</b>	9,458
<i>Other incoming resources</i>		-	34,893	<b>34,893</b>	10,424
<b>Total incoming resources</b>		<b>11,990,064</b>	<b>2,944,429</b>	<b>14,934,493</b>	<b>12,260,781</b>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	1,169,840	<b>1,169,840</b>	1,279,073
Costs of trading		-	29,055	<b>29,055</b>	29,067
<i>Charitable activities</i>	5,6				
Safe Water					
- cash grants		2,463	19,530	<b>21,993</b>	19,226
- gifts in kind		269,714	1,535	<b>271,249</b>	-
Food					
- cash grants		3,050	152,318	<b>155,368</b>	43,440
- gifts in kind		468,296	18,243	<b>486,539</b>	671,403
Education					
- cash grants		897	241,949	<b>242,846</b>	225,631
- gifts in kind		292,304	133,497	<b>425,801</b>	1,241,300
Health					
- cash grants		897	54,202	<b>55,099</b>	124,493
- gifts in kind		7,977,603	506,876	<b>8,484,479</b>	7,550,519
Child Safety (Vulnerable children)					
- cash grants		43,414	144,836	<b>188,250</b>	157,929
- gifts in kind		2,910,392	239,118	<b>3,149,510</b>	844,682
<i>Governance costs</i>		-	79,327	<b>79,327</b>	175,480
<b>Total resources expended</b>	2	<b>11,969,030</b>	<b>2,790,326</b>	<b>14,759,356</b>	<b>12,362,243</b>
<b>Net incoming/(outgoing) resources before transfers</b>	3	21,034	154,103	<b>175,137</b>	(101,462)
<b>Gross transfers between funds</b>		(4,600)	4,600	-	-
<b>Net incoming/(outgoing) resources</b>		<b>16,434</b>	<b>158,703</b>	<b>175,137</b>	<b>(101,462)</b>
Total funds brought forward at 1 April 2009		-	353,322	<b>353,322</b>	454,784
<b>Total funds carried forward at 31 March 2010</b>		<b>16,434</b>	<b>512,025</b>	<b>528,459</b>	<b>353,322</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above and in note 15 to the financial statements.

World Emergency Relief

Balance sheet

Company no. 3019431

31 March 2010

	Note	The group		The charity	
		2010 £	2009 £	2010 £	2009 £
<b>Fixed assets</b>					
Tangible fixed assets	8	<b>12,968</b>	137,175	<b>12,968</b>	137,175
Investments - cash on deposit		<b>99,225</b>	150,197	<b>99,225</b>	150,197
Investment in subsidiary	9	-	-	<b>2</b>	2
		<u><b>112,193</b></u>	<u>287,372</u>	<u><b>112,195</b></u>	<u>287,374</u>
<b>Current assets</b>					
Debtors	11	<b>83,972</b>	93,076	<b>99,536</b>	99,353
Cash at bank and in hand		<b>483,507</b>	191,925	<b>465,719</b>	182,893
		<u><b>567,479</b></u>	<u>285,001</u>	<u><b>565,255</b></u>	<u>282,246</u>
<b>Liabilities</b>					
Creditors: amounts due within 1 year	12	<u><b>151,213</b></u>	<u>219,051</u>	<u><b>148,991</b></u>	<u>216,298</u>
<b>Net current assets</b>		<u><b>416,266</b></u>	<u>65,950</u>	<u><b>416,264</b></u>	<u>65,948</u>
<b>Net assets</b>	13	<u><b>528,459</b></u>	<u>353,322</u>	<u><b>528,459</b></u>	<u>353,322</u>
<b>Funds</b>					
Restricted funds	14	<b>16,434</b>	-	<b>16,434</b>	-
Unrestricted funds - designated		<b>212,938</b>	29,738	<b>212,938</b>	29,738
Unrestricted funds - general		<b>299,085</b>	323,582	<b>299,087</b>	323,584
Unrestricted funds - non-charitable trading funds		<u><b>2</b></u>	<u>2</u>	<u>-</u>	<u>-</u>
<b>Total charity funds</b>		<u><b>528,459</b></u>	<u>353,322</u>	<u><b>528,459</b></u>	<u>353,322</u>

Approved by the trustees on 1 October 2010 and signed on their behalf by

*Margaret Edwards*

Margaret Edwards  
Trustee - vice chair

## World Emergency Relief

### Consolidated cash flow statement

31 March 2010

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	Note	2010 £	2009 £
Net cash in/(out)flow from operating activities	1	238,580	(84,149)
Returns on investments and servicing of finance	2	2,031	9,458
Capital expenditure	2	<u>-</u>	<u>(10,526)</u>
Increase/(decrease) in cash		<u>240,611</u>	<u>(85,217)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		<u>240,611</u>	<u>(85,217)</u>
Change in net cash funds		240,611	(85,217)
Net cash funds at 1 April 2008		<u>342,121</u>	<u>427,338</u>
Net cash funds at 31 March 2009		<u>582,732</u>	<u>342,121</u>

## World Emergency Relief

### Notes to cash flow statement

31 March 2010

	2010 £	2009 £		
<b>1. Reconciliation of deficit of income to net cash outflow from operating activities</b>				
Net movement in funds for the year	175,137	(101,462)		
Net interest received	(2,031)	(9,458)		
Depreciation	5,589	5,876		
Non-cash disposal of fixed assets	118,619	-		
Decrease / (increase) in debtors	9,104	(11,192)		
(Decrease)/increase in creditors	<u>(67,838)</u>	<u>32,087</u>		
Net cash inflow/(outflow) from operating activities	<u><u>238,580</u></u>	<u><u>(84,149)</u></u>		
<b>2. Gross cash flows</b>				
<b>Returns on investments and servicing of finance</b>				
Interest received	<u>2,031</u>	<u>9,458</u>		
	<u><u>2,031</u></u>	<u><u>9,458</u></u>		
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets	<u>-</u>	<u>10,526</u>		
<b>3. Analysis of changes in net funds</b>				
	At 1 April 2009 £	Cash flows £	Other changes £	At 31 March 2010 £
Cash at bank and in hand	191,924	291,583	-	483,507
Cash on deposit	<u>150,197</u>	<u>(50,972)</u>	-	<u>99,225</u>
	<u><u>342,121</u></u>	<u><u>240,611</u></u>	<u><u>-</u></u>	<u><u>582,732</u></u>

## World Emergency Relief

### Notes to the financial statements

#### For the year ended 31 March 2010

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##### 1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary World Emergency Relief (Trading) Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

- b) Voluntary incoming resources received in cash by way of subscriptions and donations are included in full in the Statement of Financial Activities as soon as they are received. Bank interest receivable is included on a receipts basis.
- c) Incoming resources in the form of gifts in kind are included in the Statement of Financial Activities only when assets donated to the charity are distributed. Gifts in kind are donations of commodities directly usable in charitable programmes, such as food, blankets, books, agricultural and medical supplies. The charity has an internationally recognised and accepted monitoring programme in place to ensure that commodities are appropriately valued, culturally appropriate for the designated programme, and can be both properly shipped and distributed gratis to the designated beneficiaries (see [www.aerdo.net](http://www.aerdo.net)). Gifts in kind are included in incoming resources and resources expended at a reasonable estimate of their value to the charity, which is the price that would have had to be paid if purchasing the goods on the open market. In most cases this is the wholesale price adjusted where necessary if the value is considered to be less. Volunteer time is not included in the financial statements.
- d) Legacies are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.
- e) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Expenditure is allocated between costs of generating funds, charitable activities and governance. Where possible the Trustees have allocated expenditure directly to the appropriate category. Where costs are not directly attributable to an expense category, these have been allocated to support costs (Note 3) and apportioned between costs of generating funds, charitable activities and governance based on time spent.

Grants payable to partner organisations for relief and development projects are included in the Statement of Financial Activities when they are approved by the Trustees and agreed with the other organisation. Any of these grants that remain unpaid at the year -end are accrued. Where the grant has been approved but is subject to the agreement with the beneficiary these are not accrued but included in the financial statements as a financial commitment.

## World Emergency Relief

### Notes to the financial statements

#### For the year ended 31 March 2010

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##### 1. Accounting policies (continued)

- f) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.
- g) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- h) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- i) For all tangible fixed assets, depreciation is calculated so as to write down their cost over the period of their estimated useful economic lives on the following basis:

Office equipment	25% reducing balance
Freehold property	50 years straight line

All assets costing over £200 are capitalised.

- j) Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are written off to the Statement of Financial Activities.
- k) Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the rental obligations is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

World Emergency Relief

Notes to the financial statements

For the year ended 31 March 2010

2. Total resources expended

	Costs of generating voluntary income	Costs of trading	Direct charitable expenditure	Governance costs	Support costs	2010 Total	2009
	£	£	£	£	£	£	£
Staff costs ( Note 4)	139,764	2,657	110,004	28,165	106,284	386,874	434,612
Gifts in kind	-	-	12,661,064	-	-	12,661,064	9,995,075
Grants payable	-	-	455,166	-	-	455,166	284,669
Shipping costs	-	-	132,091	-	-	132,091	283,039
Fundraising costs	906,568	-	-	-	-	906,568	1,005,213
Overheads	-	-	-	-	88,890	88,890	108,842
Audit fees	-	-	-	8,515	-	8,515	12,420
Legal & professional fees	-	-	-	-	4,275	4,275	96,430
Trustees' expenses	-	-	-	6,679	2,233	8,912	18,039
Depreciation	-	-	1,267	-	4,322	5,589	5,876
Other expenses	7,788	-	30,472	12,643	26,318	77,221	95,279
Costs of trading	-	24,191	-	-	-	24,191	22,749
<b>Total resources expended</b>	<b>1,054,120</b>	<b>26,848</b>	<b>13,390,064</b>	<b>56,002</b>	<b>232,322</b>	<b>14,759,356</b>	<b>12,362,243</b>
Support Costs	115,720	2,207	91,070	23,325	(232,322)	-	-
<b>Total resources expended</b>	<b>1,169,840</b>	<b>29,055</b>	<b>13,481,134</b>	<b>79,327</b>	<b>-</b>	<b>14,759,356</b>	<b>12,362,243</b>

## World Emergency Relief

### Notes to the financial statements

#### For the year ended 31 March 2010

#### 3. Net incoming resources for the year

This is stated after charging / crediting:

	2010 £	2009 £
Depreciation	5,589	5,876
Trustees' indemnity insurance	776	1,864
Trustees' remuneration	-	-
Trustees' reimbursed expenses	8,136	16,175
Auditors' remuneration:	-	-
▪ Audit	10,585	10,350
▪ Under accrual for previous year	(2,070)	2,070
▪ Other services	-	-
Operating lease rentals:	-	-
▪ Property	45,238	61,006
▪ Other	426	5,207
Gain / (loss) on foreign exchange	-	-
	<u>                    </u>	<u>                    </u>

Trustees' reimbursed expenses represents the reimbursement of travel and subsistence costs to 7 (2009: 7) Trustees for attendance at meetings of the Trustees.

#### 4. Staff costs and numbers

Staff costs were as follows:

	2010 £	2009 £
Salaries and wages	267,918	340,442
Social security costs	28,793	35,494
Pension contributions	28,097	27,757
Other staff costs	62,066	30,919
	<u>386,874</u>	<u>434,612</u>
Total emoluments paid to staff were:	<u>296,015</u>	<u>368,199</u>

One employee earned more than £70,000 during the year. (2009: 2 earned more than £60,000)

Contributions to a money purchase pension scheme amounting to £8,196 (2009: £12,336) were made by WER on behalf of this employee.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2010 No.	2009 No.
Direct charitable expenditure	2.1	2.6
Generating voluntary income	2.6	2.4
Governance	0.5	0.9
Support	2.0	1.5
Trading operations	0.1	0.1
	<u>7.3</u>	<u>7.5</u>

## World Emergency Relief

### Notes to the financial statements

#### For the year ended 31 March 2010

##### 5. Gifts in kind

The following donations made during the year were classified as gifts in kind and valued in accordance with current market conditions prevailing when the gifts were made.

	Gifts in kind value	Shipping costs	Support costs	2010	2009
	£	£	£	£	£
Safe Water	269,714	629	906	<b>271,249</b>	-
Food	468,296	13,209	5,034	<b>486,539</b>	671,403
Education	408,664	8,177	8,960	<b>425,801</b>	1,241,300
Health	8,399,427	81,771	3,281	<b>8,484,479</b>	7,550,519
Child Safety (Vulnerable children)	3,114,963	28,305	6,242	<b>3,149,510</b>	844,682
	<u>12,661,064</u>	<u>132,091</u>	<u>24,423</u>	<u><b>12,817,578</b></u>	<u>10,307,904</u>

"Other" gifts in kind are quality donated goods which are not directly attributable to WER's five main charitable activities but which were deemed to be of high value to the communities with which WER works and so were shipped in order to facilitate overall community development.

##### 6. Grants payable

	Cash grant value	Support costs	2010	2009
	£	£	£	£
Safe Water	13,838	8,155	<b>21,993</b>	19,226
Food	110,067	45,301	<b>155,368</b>	43,440
Education	162,208	80,638	<b>242,846</b>	225,631
Health	36,978	18,121	<b>55,099</b>	124,493
Child Safety (Vulnerable children)	132,075	56,175	<b>188,250</b>	157,929
	<u>455,166</u>	<u>208,390</u>	<u><b>663,556</b></u>	<u>570,719</u>

##### 7. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary World Emergency Relief (Trading) Ltd gift aids available profits to the charity. Its charge to corporation tax in the year was:

	2010	2009
	£	£
<u>Gitega Building Project, Burundi: WER received a donation from St</u>		
UK corporation tax at 20% ( 2009 : 20%)	<u>-</u>	<u>-</u>

## World Emergency Relief

### Notes to the financial statements

#### For the year ended 31 March 2010

#### 8. Tangible fixed assets (continued)

The Charity and Group	Freehold property £	Office Equipment £	Totals £
<b>Cost</b>			
At the start of the year	152,087	70,886	<b>222,973</b>
Additions in year	-	-	-
Disposals in year	(152,087)	-	<b>(152,087)</b>
At the end of the year	-	70,886	<b>70,886</b>
<b>Depreciation</b>			
At the start of the year	32,202	53,596	<b>85,798</b>
Charge for the year	1,267	4,322	<b>5,589</b>
Disposals in year	(33,469)	-	<b>(33,469)</b>
At the end of the year	-	57,918	<b>57,918</b>
<b>Net book value</b>			
<b>At the end of the year</b>	<b>-</b>	<b>12,968</b>	<b>12,968</b>
At the start of the year	119,885	17,290	137,175

#### 9. Subsidiary Undertaking

The charitable company owns the whole of the issued ordinary share capital of World Emergency Relief (Trading) Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities, primarily list rentals. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2010 £	2009 £
Turnover	<b>118,376</b>	142,953
Cost of sales	<b>(12,518)</b>	(22,749)
Gross profit	<b>105,858</b>	120,204
Administrative expenses	<b>(11,673)</b>	(8,518)
Operating profit / (loss)	<b>94,185</b>	111,686
Interest receivable	<b>2</b>	34
Interest payable	-	-
Profit / (loss) on ordinary activities	<b>94,187</b>	111,720
Donation to parent undertaking	<b>(94,187)</b>	(111,720)
Profit / (loss) for financial year	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	<b>28,402</b>	20,246
Liabilities	<b>(28,400)</b>	(20,244)
Funds	<b>2</b>	2

## World Emergency Relief

### Notes to the financial statements

#### For the Year Ended 31 March 2010

#### 10. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2010 £	2009 £
Gross income	14,910,303	12,206,031
Results for the year - profit/(loss)	<u>175,140</u>	<u>(133,963)</u>

#### 11. Debtors

	The group		The charity	
	2010 £	2009 £	2010 £	2009 £
Other debtors and accrued income	<b>24,993</b>	35,079	<b>24,993</b>	35,079
Amounts due from subsidiary company	-	-	<b>26,178</b>	17,491
Accrued income	<b>10,614</b>	11,214	-	-
Prepayments	<b>48,365</b>	46,783	<b>48,365</b>	46,783
	<u><b>83,972</b></u>	<u>93,076</u>	<u><b>99,536</b></u>	<u>99,353</u>

#### 12. Creditors: amounts due within 1 year

	The group		The charity	
	2010 £	2009 £	2010 £	2009 £
Trade creditors	<b>130,218</b>	195,073	<b>130,218</b>	195,073
Taxation and social security	<b>10,420</b>	9,566	<b>8,198</b>	6,813
Other creditors	-	-	-	-
Accruals	<b>10,575</b>	14,412	<b>10,575</b>	14,412
	<u><b>151,213</b></u>	<u>219,051</u>	<u><b>148,991</b></u>	<u>216,298</u>

#### 13. Analysis of group net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	12,968	<b>12,968</b>
Investments	-	-	99,225	<b>99,225</b>
Net current assets	16,434	212,938	186,894	<b>416,266</b>
<b>Net assets at the end of the year</b>	<u><b>16,434</b></u>	<u><b>212,938</b></u>	<u><b>299,087</b></u>	<u><b>528,459</b></u>

## World Emergency Relief

### Notes to the financial statements

#### For the Year Ended 31 March 2010

#### 14. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Haiti earthquake - Scottish Executive	-	15,800	(12,821)	(500)	<b>2,479</b>
Gitega Building Project, Burundi	-	39,955	(35,900)	(3,300)	<b>755</b>
Haiti - Glasgow the Caring City	-	16,000	(2,000)	(800)	<b>13,200</b>
<b>Total restricted funds</b>	<b>-</b>	<b>71,755</b>	<b>(50,721)</b>	<b>(4,600)</b>	<b>16,434</b>
<b>Unrestricted funds - designated funds:</b>					
Burma Cyclone	19,508	10	(12,190)	(7,328)	-
All Nations Christian Care - Uganda	9,309	-	(9,309)	-	-
WER staff payroll giving	921	1,709	(947)	-	<b>1,683</b>
South Africa project	-	3,707	(3,707)	-	-
Hope Community Centre, Kenya	-	1,368	(1,368)	-	-
Cosecha Guatemala - on behalf of Cosecha UK	-	4,000	(4,000)	-	-
Tenby School	-	450	(450)	-	-
Transitions - on behalf of WNH	-	9,086	(9,086)	-	-
Haiti - online campaign	-	17,029	(10,114)	(1,500)	<b>5,415</b>
Haiti - letter campaign	-	269,007	(44,017)	(25,000)	<b>199,990</b>
Plum Baby, South Africa	-	1,587	(1,587)	-	-
ANCC South Sudan - demonstration farm	-	600	(600)	-	-
ANCC South Sudan - teachers training college	-	1,600	-	-	<b>1,600</b>
Burundi project	-	300	(300)	-	-
ARM Congo sewing project - Coutts	-	5,000	(750)	-	<b>4,250</b>
DRC project	-	430	(430)	-	-
<b>Total designated funds</b>	<b>29,738</b>	<b>315,883</b>	<b>(98,855)</b>	<b>(33,828)</b>	<b>212,938</b>
<b>Unrestricted funds - general</b>	<b>323,584</b>	<b>2,628,546</b>	<b>(2,691,471)</b>	<b>38,428</b>	<b>299,087</b>
<b>Total funds</b>	<b>353,322</b>	<b>3,016,184</b>	<b>(2,841,047)</b>	<b>-</b>	<b>528,459</b>

#### Purposes of restricted funds

Haiti earthquake - Scottish Executive: WER submitted a joint application with Glasgow the Caring City to the Scottish Executive for a Haiti emergency grant. The successful application released £15,800 to WER of which £500 covered WER's administration. The remainder provided support for shipments of much needed humanitarian aid into Haiti following the earthquake.

Gitega Building Project, Burundi: WER received a donation from St Mary's Church Reigate to be used towards building of a nutritional health centre in Gitega, Burundi. The centre currently feeds 100 malnourished children, educates their parents in better nutrition and offers food aid for those whose levels of malnourishment are severe.

Haiti - Glasgow the Caring City: GtCC named this as a legacy but it is a designated donation for construction work at the Good Samaritan School in the slums of Port au Prince, Haiti. Funds were allocated towards rebuilding the security wall and gate at the Good Samaritan School.

## World Emergency Relief

### Notes to the financial statements

#### For the Year Ended 31 March 2010

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##### Purposes of designated funds

Burma Cyclone: following an emergency mailing which was sent to WER supporters in May 2008 and as part of WER's long-term Burma involvement the remainder of the funds was used to set up an income generating activity in form of a pig farm. The farm is now fully operational and works by rearing of the pigs and then selling them for income which is then channelled back into children's education. WER funds are granted to our local partner Kids Alive who is the main implementing body of these activities.

All Nations Christian Care, Uganda: A total of \$15,000 was received from International Lifeline Fund for ANCC Uganda. As agreed with ANCC the funds were allocated as follows: \$7,000 for a vehicle to use in their water programme, \$4,000 towards a water well increasing WER's programme, and \$4,000 for a financial management audit looking at ANCC's processes and procedures.

WER Staff Payroll Giving: WER staff make monthly contributions to a designated fund via Payroll Giving. This year staff payroll giving funded an installation of a water filter at Casa Ray Orphanage in Romania and Christmas presents for 600 children in Internally Displaced Persons' Camp (IDP) in Burundi. Staff jointly decide how these funds are spent.

South Africa project: MCM Sports Programme, South Africa - With support from WER, Monte Christo Ministries run a successful sports programme in the townships of Paarl East, near to Cape Town. The donations made as designated funding will contribute to that work, helping pay staff costs and buy food for the football programme.

Hope Community Centre, Kenya: WER received a donation of £1,368 from Sundsgarden College in Sweden restricted for the support of orphans at the Hope Community Centre.

Cosecha Guatemala - on behalf of Cosecha UK: WER has accepted a regular designated donation from Cosecha UK to be used in WER's Gutamalan educational programme. This support WER, combined with WER's regular grant, helps poor rural pupils to access education.

Tenby school: Due to confusion amongst teachers, Tenby school used the 'Be a Good Egg' campaign, in order to raise funds for child carpet makers in India. WER arranged for a one-off grant from the funds received from Tenby to be sent to Project Mala - a charity which looks after kids involved in the carpet industry in India.

Transitions - on behalf of WNH: Wereld Nood Hulp (WNH) Holland funded WER's partner Transitions Foundation of Guatemala to build 25 wheelchairs as part of Transitions' work with disabled people. Due to problems which occurred during bank transfer of funds from Holland to Guatemala, WHN sent the grant to WER to transfer the funds from our UK account as we are able to send the funds to Guatemala without any problems.

Haiti - online campaign: Following the devastating earthquake in January 2010, WER launched an emergency appeal for humanitarian aid to Haiti. A number of donations were received online and these were restricted for this particular emergency. Funds were used to supply food, medicines and other emergency supplies in the immediate aftermath.

Haiti - letter campaign: WER's emergency mailing following Haiti earthquake raised much needed funds which allowed immediate assistance to Haiti. WER has also designated funds for long-term Haiti development assistance. So far we have provided food, water and pharmaceuticals to the earthquake victims. We have started reconstruction of Good Samaritan School in Port-au-Prince. WER is also helping four other community schools in Haiti to continue their work by providing school equipment and running costs.

Plum Baby, South Africa: Organic baby food producer Plum Baby donated pallets of baby food to WER to be sent to vulnerable children in South Africa. Plum Baby raised funds to share the cost of shipping the goods.

## World Emergency Relief

### Notes to the financial statements

#### For the Year Ended 31 March 2010

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ANCC South Sudan - demonstration farm: WER received a restricted donation from Ross Galbraith to be used towards the demonstration farm in Katire, Southern Sudan. The farm is training local farmers in modern farming practices which will improve their families' food security.

ANCC South Sudan - teachers training college: WER's specific mailing about the Ikotos Teacher Training College in Southern Sudan raised £1,600 towards the vital training of primary school teachers in this very remote area.

Burundi project: WER's grant programme supports CRIB orphanage in Burundi. An individual donated £300 as a specific donation for the CRIB children.

ARM Congo sewing project - Coutts: WER was awarded a grant of £5,000 by the Coutts Bank to fund a vocational training in sewing for Congolese widows. WER has been funding this training for four years and we are now able to increase the number of women entering the training. The most successful graduate will also be given a sewing machine to start up their own businesses which will enable them to support their families.

DRC project: WER sent an email to some of its donors explaining the turbulent and rapidly changing situation in Eastern Congo. Several responded by sending gifts which were used to help widows and children in Murungu.

#### 15. Operating lease commitments

The charity and group had annual commitments at the year end under operating leases expiring as follows:

	2010		2009	
	Land and buildings £	Equipment £	Land and buildings £	Equipment £
Less than 1 year	-	-	45,425	-
1 - 2 Years	<b>42,300</b>	-	-	-
2 - 5 Years	-	-	-	-
Over 5 years	-	-	-	-
	<b>42,300</b>	-	<b>45,425</b>	-

#### 16. Related party transactions

Two (out of the six) WER UK trustees are also trustees for other global WER offices; namely Wereld Nood Hulp (WNH) in Holland and Secours Mondial D'Urgence (SMU) in France.

There were no transactions with SMU during 2009/10. The following transactions occurred with WNH during 2009/10:

- receipt from WNH of a £9,806 grant for a WER UK partner;
- receipt from WNH of £22,478 invoiced for support in marketing, grant distribution and GIK program.

WER UK is unrelated to these other WER global offices, and has no control over them. Any transactions are done at arms length.